

# The Gabelli Dividend & Income Trust

Shareholder Commentary – December 31, 2017

## (Y)our Portfolio Management Team



**Mario J. Gabelli, CFA**  
Chief Investment  
Officer



**Christopher J. Marangi**  
Co-Chief  
Investment Officer  
BA, Williams College  
MBA, Columbia  
Business School



**Kevin V. Dreyer**  
Co-Chief  
Investment Officer  
BSE, University of  
Pennsylvania  
MBA, Columbia  
Business School



**Sarah E. Donnelly**  
Portfolio Manager  
BS, Fordham University



**Robert D. Leininger, CFA**  
Portfolio Manager  
BA, Amherst College  
MBA, Wharton School,  
University of Pennsylvania



**Jeffrey J. Jonas, CFA**  
Portfolio Manager  
BS, Boston College

## To Our Shareholders,

At year-end, the net asset value (“NAV”) total return of The Gabelli Dividend & Income Trust (the “Fund”) was 19.1%, compared with a total return of 21.8% for the Standard & Poor’s (“S&P”) 500 Index. The total return for the Fund’s publicly traded shares was 24.1%. For the quarter ended December 31, 2017, the NAV total return of the Fund was 6.0%, compared with a total return of 6.6% for the Standard & Poor’s (“S&P”) 500 Index. The total return for the Fund’s publicly traded shares was 6.1%. The Fund’s NAV per share was \$25.12, while the price of the publicly traded shares closed at \$23.41 on the New York Stock Exchange (“NYSE”).

## Comparative Results

### Average Annual Returns through December 31, 2017 (a)

	Quarter	1 Year	5 Year	10 Year	Since Inception (11/28/03)
<b>Gabelli Dividend &amp; Income Trust</b>					
NAV Total Return (b) .....	6.02%	19.14%	13.21%	7.12%	8.58%
Investment Total Return (c) .....	6.08	24.11	15.54	8.72	8.56
S&P 500 Index .....	6.64	21.83	15.79	8.50	9.03
Dow Jones Industrial Average .....	10.94	28.07	16.31	9.24	9.52
Nasdaq Composite Index .....	6.57	29.80	19.50	11.35	10.49

(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](http://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 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.

## **The Year in Review**

In 2017, a year marred by acts of man and acts of nature, the prices for assets, including equities, real estate, art, and cryptocurrencies marched to record highs. This growth in U.S. equities has been accompanied by surprisingly little drama, or without even a 5% correction, for over fourteen months. On the surface, it would appear the world suffers from a severe case of cognitive dissonance. However, a closer look at the global economic data – low unemployment, improving trade, housing, and consumer trends, and rising corporate profits – would suggest that optimism is not misplaced. Although not always efficient, the market is an effective discounting machine capable of separating meaningful signals from distracting noise. Our job is similar- to identify securities that are improperly reflecting future prospects and trading with a Margin of Safety relative to Private Market Value.

Absolute returns in (y)our portfolio were strong in 2017, and we look forward to an acceleration in earning growth and deal activity in 2018. Volatility, while present in many industrial stocks, but absent in the general market, will at some point return, driven by real or imagined noise. Market corrections and economic recessions are inevitable, and indeed necessary for the proper functioning of our capitalist system. We remain alert and prepared for most eventualities, and believe our PMV with a Catalyst™ approach will continue to deliver superior risk-adjusted results over the long term.

## **The Economy**

After a sluggish start to the year, the U.S. economy grew at a faster than anticipated 3.1% and 3.3 % during the second and third quarters, respectively. At 4.1%, unemployment stands at a ten-year low, while consumer wealth of nearly \$97 trillion is at an all-time high. Housing starts of 1.3 million units continue their steady increase, but remain comfortably below the prior peak of 2.2 million units. The U.S. is in its ninth year of economic expansion; at 101 months, this is the third longest expansion, trailing only 1961-1969 and 1991-2001, which were 106 and 120 months, respectively. Perhaps as important, the global economy is in synchronized expansion. For all of 2017, the eurozone is set to grow 2.2%, its fastest since 2007, while Japan has accelerated to 1.5%, and China (by design), is likely to post growth of 6.7%. All of this bodes well for U.S. exporters and their employees.

## **The State of Washington**

During late 2017, a rising stock market was based on a “Trump Bump,” consisting of: (a) tax reform, (b) deregulation, and (c) fiscal stimulus. To date, the Trump administration appears to be delivering on the first two objectives, with an infrastructure bill planned for early 2018. The new tax bill, which lowers the Federal corporate tax rate to 21%, will make U.S. corporate taxes very competitive with other Organization for Economic Co-operation and Development (OECD) countries, which is a major positive for the U.S economy and the U.S. stock market. (Y)our portfolio is well positioned to capture the benefits of the lower corporate taxes, as it includes a disproportionate weighting of smaller and mid-size U.S firms, which are currently paying higher effective rates and whose revenues are centered on domestic operations. Many individuals will see lower taxes, with reduced rates and an increased standard deduction, but higher income households in higher state and local tax (SALT) geographies could see an increase. Deregulation in the energy, financial, and media/telecom sectors has already unleashed corporate animal spirits. We expect more deregulation to come from this administration.

## **The State of the Fed**

Notwithstanding excitement about potential tax windfalls, the most powerful market levitating force from Washington over the last decade did not originate from the White House or the Capital, but from the Eccles Building, home to the Federal Reserve. Through open market activity and three rounds of quantitative easing (QE), the Fed slashed short term interest rates from 4.5% before the 2008-09 financial crisis to nearly zero, lifting asset prices everywhere. The Fed began tapping the brakes by tapering QE in October, 2014, and has now raised rates five times, the latest move in December, 2017, which took the Fed Funds rate to a range of 1.25% – 1.50%. Current expectations are for three additional increases in each of 2018 and 2019, which would ratchet the Fed Funds rate to 3.0%. Newly appointed Fed Chair, Jerome H. (“Jay”) Powell, a centrist and former banker, will likely continue on this path.

Over the long term, the Fed’s “normalization” of rates is healthy for the economy, but the timing of this process has been the subject of debate, given a lack of inflation. The last two rate hike cycles ended in market dislocations in 2001 and 2007, but the circumstances in each were very different from today. A future recession may be unavoidable, but it need not be triggered by the Fed anytime soon. What is clear, however, is that monetary policy has gone from being a tailwind to being a headwind for the economy and the market.

## **Dividends**

Dividends are an important element in the historical returns of stocks. They provide current income and a growing income stream over time. During the fourth quarter of 2017, U.S. companies continued to increase their dividends. At the end of the quarter, the dividend yield on the S&P 500 was approximately 1.9%, which was below the yield on the 10-year U.S. Treasury Note, which was closer to 2.5%.

## **Investment Scorecard**

During the fourth quarter of 2017, the S&P 500 Index was up over 6% on a total return basis, and all eleven sectors that make up the S&P 500 index were up also. The best performing sectors were Consumer Discretionary (up about 10%) and Information Technology (up about 9%). The worst performing sector was the Utility sector (barely up at all,) as rising interest rates hurt the attractiveness of utility stocks, which usually have above-average current returns. The next worst performing sector was Health Care (up just over 1%).

Some of the stocks that helped performance the most in the Fund during the fourth quarter were Twenty-First Century Fox, Herc Holdings, and Deere.

Twenty-First Century Fox is a global media company. In December, the Walt Disney Company announced plans to purchase a substantial part of Twenty-First Century’s assets. This pending deal was the primary reason why the stock performed so well during the fourth quarter. Herc Holdings, an equipment rental supplier, reported better than expected results as the profitability margins continue to expand for the company. Finally, Deere, the manufacturer of agriculture and construction equipment, continues to benefit from an improving economy and expectations for increased infrastructure spending in the U.S.

A few of the worst performing stocks in the Fund during the fourth quarter were Edgewell Personal Care, Allergan and General Electric. These three stocks were each down more than 10%.

Edgewell is a manufacturer of various personal care products in the wet shave, sun, and skin care categories, as well as feminine and infant care. Many of these product categories have been experiencing pricing pressures, which has put downward pressure on the stock. Despite these short term issues, we continue to think a number of large global companies would be interested in buying the company at a meaningful premium at some point in the future. Allergan, the maker of Botox and other pharmaceutical products, has struggled with some product issues, but we feel they are short term issues which will be worked out by the company. General Electric recently hired a new CEO, who has cut the dividend and lowered profit forecasts for the company. We expect the new CEO will begin the process of beating these new lower profit expectations over the years ahead.

### **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. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of December 31, 2017.

*Allergan plc (AGN – \$163.58 – NASDAQ)*, headquartered in Dublin, Ireland, is a leading specialty pharmaceutical company, with key brands in dermatology/aesthetics, including Botox, ophthalmology, central nervous system diseases, and gastrointestinal disorders. Allergan recently completed the \$2.5 billion acquisition of Zeltiq and the company's CoolSculpting technology for fat reduction. Allergan also has a late stage pipeline of products in development for diseases including macular degeneration, depression, and nonalcoholic steatohepatitis (NASH)

*American Express Co. (AXP – \$99.31 – 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 has 112 million cards in force and nearly \$66 billion in loans, while its customers charged over a \$1.0 trillion of spending on their cards in 2016. 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 picked up 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, while also growing in emerging markets. Similarly, the company is looking at the growing success of social media as an opportunity to expand its product base and payment options.

*Bank of New York Mellon Corp. (BK – \$53.86 – NYSE)* is a global leader in providing financial services to institutions and individuals. The company operates in more than one hundred markets worldwide, and strives to be the global provider of choice for investment management and investment services. As of June 2017, the firm had \$31.1 trillion in assets under custody and \$1.8 trillion in assets under management. Going forward, we expect BK to benefit from rising global incomes and the cross border movement of financial transactions. We believe BK is also well positioned to grow earnings in a rising interest rate environment, given its large customer cash deposits and significant loan book

*CVS Health Corp. (CVS – \$72.50 – NYSE)* is the leading pharmacy and pharmacy benefits manager (PBM) in the country with over \$150 billion in annual revenue. The company has been working through several challenges this year, most notably increased competition from Walgreens and the potential threat of Amazon entering the pharmacy sector. While Amazon will remain a longer term threat, CVS has been strengthening its competitive position through new business wins and tighter integration with health insurers. CVS should return to earnings growth in 2018, and the company continues to generate prodigious amounts of free cash flow, which it largely returns to shareholders via a growing dividend and significant share repurchases.

*DowDuPont Inc. (DWDP – \$71.22 – NYSE)* is the newly formed company following the merger of Dow Chemical (DOW) and DuPont de Nemours (DD). After being postponed three times, the merger closed on August 31, 2017, and the new company, DowDuPont, started trading on September 1, 2017 at \$66.55 per share, under the ticker DWDP. Management confirmed that the new company intends to generate \$3 billion in cost synergies, \$1 billion in growth synergies, and pursue a tax-free separation into three independent companies. On September 12, 2017, DowDuPont's management announced the results of their portfolio review regarding the composition of the future entities, a review which was triggered partially in response to activists concerns regarding the full value creation of the future spins. The portfolio shifts versus the initially proposed split should enhance the competitive advantage, value creation, and growth of the Specialty Products division in particular. The newly formed entities will be spun-off within 18 months. The Agriculture Division (no change), with 2016 revenues of \$14 billion and EBITDA of \$2.1 billion (a 15% margin), will focus on Seeds & Digital Solutions, as well as Crop Protection Solutions. The Materials Science Division, with revenues of \$40 billion and EBITDA of \$8 billion (a 20% margin), is back-integrated into technology-driven raw materials and focuses on Packaging & Specialty Plastics, Industrial Intermediates, and Performance Materials & Coatings; it is the most cyclical business of the three. The Specialty Products Division, with revenues of \$21 billion and EBITDA of \$5.2 billion (a 25% margin), is comprised of four separate platforms with highly differentiated, innovation-driven businesses: Electronics & Imaging, Transportation & Advanced Polymers, Safety & Construction, and Nutrition & Biosciences (it now includes additional specialty businesses with \$8 billion in revenues, previously in Materials Science). In our opinion, in the future these segments of similar size (following bolt-on acquisitions) could become independent themselves.

*Edgewell Personal Care Co. (EPC – \$59.39 – NYSE)*, based in St. Louis, Missouri, is the renamed Energizer Holdings Inc. following the tax-free spin-off to shareholders of the household products division on July 1, 2015. Edgewell generates approximately \$2.3 billion of revenue through its principal businesses: wet shaving, including Schick-branded razors and blades, Edge and Skintimate shaving preparation and private label shaving products; sun care, including the Banana Boat and Hawaiian Tropic brands; feminine care, Playtex and o.b. tampons and Carefree and Stayfree liners and pads; and infant care, utilizing the Playtex and Diaper Genie brands. As a pure-play personal care company, Edgewell competes in high margin, attractive categories with leading brands. We expect management to focus on improving margins through product mix, restructuring savings, and operating leverage, which should afford it flexibility to reinvest in growth opportunities. The company has approximately \$1.1 billion of net debt, providing management with sufficient flexibility to invest in internal growth, make acquisitions and/or repurchase shares. EPC is a likely acquisition target, as a multinational competitor with an extensive global infrastructure would benefit from scale, international expansion, and cost synergies.



*Honeywell International Inc. (HON – \$153.36 – NYSE)* operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON's growth is acquisitions, which increase the company's growth profile globally, creating both organic and inorganic opportunities. The company recently acquired Intelligrated, a leader in supply chain and warehouse automation technologies. Intelligrated's mission critical warehouse execution systems and software complement Honeywell's scanning, mobile computer, and voice automation technologies. Intelligrated's U.S. leadership position now has the opportunity to expand into a global addressable market of approximately \$20 billion through Honeywell's footprint. We believe acquisitions such as Intelligrated should drive meaningful and sustained growth for HON, spurred by an industry growing at a double digit rate with Intelligrated as a market leader.

*Kraft Heinz Co. (KHC – \$77.76 – NASDAQ)*, headquartered in Pittsburgh, Pennsylvania and Chicago, Illinois, was formed through the merger of H.J. Heinz Company and Kraft Foods Group, which was completed on July 2, 2015. Heinz was acquired in 2013 by private equity firm 3G Capital and Berkshire Hathaway, which continue to collectively own approximately 51% of KHC shares. Kraft Heinz generates almost \$27 billion of revenue and is the fifth largest food and beverage company in the world, with leading positions in condiments, cheese, meats, and other grocery products, under brands such as Heinz, Kraft, Oscar Mayer, Planters, Velveeta, ABC, Complian, and Ore-Ida. The combination enhanced Heinz's scale in North America while providing Kraft with the infrastructure to expand its grocery products globally. The company has significantly improved the profitability of the business by optimizing its cost structure, implementing zero-based budgeting, and realizing \$1.6 billion of the total \$1.7 – \$1.8 billion of net cost savings it plans to achieve by year-end 2017. As speculation concerning KHC's next target intensified, on February 17, 2017, Kraft Heinz confirmed its proposal to acquire Unilever for cash and stock, an offer which was rejected by Unilever and two days later abandoned by Kraft Heinz. Consequently, the overarching question across the consumer staples sector remains – who is next? – as Kraft Heinz intends to play a leading role in industry consolidation.

*PNC Financial Services Group Inc. (PNC – \$144.29 – NYSE)* is one of the nation's largest diversified financial services organizations, providing retail and business banking, residential mortgage banking, specialized services for corporations and government entities including corporate banking, real estate finance, and asset backed lending, wealth management, and asset management. As of June 30, 2017, the asset management division had approximately \$141 billion under management. The firm has a strong corporate leadership with a conservative approach to balance sheet management.

*Verizon Communications Inc. (VZ – \$52.93 – NYSE)* is one of the world's leading telecommunications services companies. Its wholly-owned subsidiary, Verizon Wireless (VZW), is the largest mobile operator in the United States, with over 114 million retail customers. In late July 2017, Verizon reported slightly stronger than expected revenues and adjusted EBITDA, primarily driven by wireless results. The company added 358K postpaid phone customers in the second quarter, ahead of expectations, following introduction of unlimited plans earlier in the year. On June 13, 2017, building on its previous acquisition of AOL, Verizon completed its acquisition of Yahoo's operating business for approximately \$4.5 billion. Verizon expects this acquisition to accelerate its revenue stream in digital advertising and put the company in a highly competitive position as a "top global mobile media company." This transaction significantly expands the scale of the company's online content business and should allow VZ to leverage its ad-tech platform across a larger content portfolio and user base. In addition, Verizon expects that combining Yahoo with AOL will result in meaningful cost synergies.

## Conclusion

Our process tends to be very respectful of risk – we look down before we look up. A list of things that could go wrong in the larger economy is easy to compose, but, short of a hot war, major terrorist attack or social unrest, the two biggest risks to the U.S. economy would seem to be an inflationary spike and a Federal Reserve that raises rates too fast because it finds itself behind the curve, and/or a 1930s-style trade war. A little inflation might be good for the economy and (y)our portfolio, as we tend to own companies with pricing power. The impact of a collapse of NAFTA or an escalation of tensions with China and Europe (who are not happy with the new tax plan) is difficult to gauge, and the fallout for most companies would be hard to avoid. One would hope that good sense prevails on the topic.

A different kind of risk in underestimating what could go right. What if deregulation and changes to the tax code really do spur renewed investment, while inflation is kept at bay by technology and globalization - basically, the goldilocks scenario of the last year? Ultimately, the health of the U.S. economy is not reliant upon who occupies the White House; the stock market is not the President's report card. Growth and markets are driven by the collective efforts of entrepreneurs and hardworking individuals, and we remain as bullish as ever on those factors. We also remain confident in our time-tested investment process and methodology.

Thank you for entrusting part of your assets with us. Please accept our sincere wishes for a happy and healthy New Year.

Sincerely,

Your Portfolio Management Team

January 31, 2018

### **Top Ten Holdings** **December 31, 2017**

JPMorgan Chase & Co.	Verizon Communications Inc.
Honeywell International Inc.	Mondelez International Inc.
The Bank of New York Mellon Corp.	PNC Financial Services Group Inc.
American Express Co.	Swedish Match AB
Wells Fargo & Co.	Genuine Parts Co.

**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 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. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

## **Common Share Repurchase Plan**

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. In total through December 31, 2017, the Fund has repurchased and retired 2,630,779 common shares in the open market under this share repurchase plan, at an average investment of \$16.65 per share and an average discount of approximately 14% from its NAV. The Fund did not repurchase shares in the fourth quarter of 2017.

## **Monthly Distribution Policy for Common Shareholders**

Pursuant to its distribution policy, the Fund paid \$0.11 per share cash distributions on October 24, 2017, November 22, 2017, and December 15, 2017 to common shareholders of record on October 17, 2017, November 15, 2017, and December 08, 2017, respectively, for a total distribution of \$0.33 per share during the fourth quarter of 2017.

The Board has reaffirmed the continuation of the Fund’s monthly distribution policy for the first quarter of 2018. Under the Fund’s distribution policy, the Fund intends to pay a fixed monthly cash distribution and, if necessary, an adjusting distribution in December which includes any additional income and realized net 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 from 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. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) 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 earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder’s original investment, it is generally not taxable and is treated as a reduction in the shareholder’s cost basis. Despite the challenges of the extra recordkeeping, a distribution that incorporates a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders.

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 distribution allocations of the Fund as of December 31, 2017, the total distributions paid to common shareholders in 2017 represent approximately 21% from net investment income, 73% from net capital gains, and 6% from paid-in capital. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website ([www.gabelli.com](http://www.gabelli.com)). Shareholders should not draw any conclusions about the Fund’s investment performance from the amount of the current distribution. The final determination of the sources of all distributions in 2017 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 2017 distributions in early 2018 via Form 1099-DIV.



### **5.875% Series A, 6.00% Series D, and 5.25% Series G Cumulative Preferred Shares**

The Fund's 5.875% Series A, 6.00% Series D, and 5.25% Series G Cumulative Preferred Shares paid \$0.3671875, \$0.375, and \$0.328125 per share cash distributions, respectively, on December 26, 2017, to preferred shareholders of record on December 18, 2017. These Preferred Shares, which trade on the NYSE under the symbols "GDV Pr A," "GDV Pr D," and "GDV Pr G," respectively, are rated "Aa3" by Moody's Investors Service and have annual dividend rates of \$1.46875, \$1.50, and \$1.3125 per share, respectively. The Series A, Series D, and Series G Preferred Shares were issued on October 12, 2004, November 3, 2005, and July 1, 2016, respectively, at \$25.00 per share, and pay distributions quarterly. After five years of call protection, the Series A and Series D Preferred Shares became callable at any time at the liquidation value of \$25.00 per share plus accrued dividends. The Series G 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 July 1, 2021. The next distributions are scheduled for March 2018. The Fund is authorized to repurchase these 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. In total through December 31, 2017, the Fund has repurchased and retired 151,981 Series A and 57,704 Series D Preferred Shares in the open market under this share repurchase authorization. The Fund did not repurchase any of these Preferred Shares during the fourth quarter of 2017.

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

During the fourth quarter of 2017, the dividend rates for the Series B and Series C Auction Market and Series E Auction Rate Cumulative Preferred Shares ranged from 2.702% to 2.986%, 2.700% to 2.984%, and 3.700% to 3.989%, respectively. Dividend rates for the Series B, Series C, and Series E Preferred Shares may be reset every seven days based on the results of an auction. 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 sell orders. Therefore the weekly auctions have failed, and the holders have not been able to sell any or all of the Series B, Series C, and Series E Preferred Shares for which they submitted sell orders. The dividend rate since then has been the maximum rate. At December 31, 2017, the maximum rate for Series B and Series C Preferred Shares was 150 basis points greater than the seven day Telerate/British Bankers Association LIBOR and for Series E Preferred Shares was 250 basis points greater than the referenced LIBOR rate. The Series B, Series C, and Series E Preferred Shares are rated "Aa3" by Moody's Investors Service and "AA" by Fitch Ratings. The Series B, Series C, and Series E Preferred Shares do not trade on an exchange. The Fund was authorized to issue 4,000 Series B and 4,800 Series C Preferred Shares on October 12, 2004, and 5,400 Series E Preferred Shares on November 3, 2005 at \$25,000 per share. As of December 31, 2017, 3,600, 4,320, and 4,860 Series B, Series C, and Series E Preferred Shares, respectively, were outstanding.

The Board shares the view of Gabelli Funds, LLC (the "Investment Adviser") 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.

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 distribution allocations of the Fund as of December 31, 2017, the total distributions paid to preferred shareholders represent approximately

23% from net investment income and 77% from net capital gains. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website ([www.gabelli.com](http://www.gabelli.com)). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2017 distributions in early 2018 via Form 1099-DIV.

### **Tax Treatment of Distributions to Common and Preferred Shareholders**

All or part of the distributions may be treated as long term capital gain or qualified dividend income (or a combination of both) for individuals, each subject to the maximum federal income tax rate, which is currently 20% in taxable accounts for individuals. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their “net investment income,” which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund.

### **[www.gabelli.com](http://www.gabelli.com)**

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://www.gabelli.com) contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Closed-End Funds and 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](mailto:closedend@gabelli.com).

You may sign up for our e-mail alerts at [www.gabelli.com](http://www.gabelli.com) and receive 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](http://www.gabelli.com).

**THE GABELLI DIVIDEND AND INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited)**  
**December 31, 2017**

**Historical Distribution Summary**

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Non-Taxable Return of Capital (b)	Total Distributions (c)	Adjustment to Cost Basis (d)
<b>Common Shares</b>						
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
2011	0.26832	0.13452	—	0.49716	0.90000	0.49716
2010	0.16120	—	—	0.59880	0.76000	0.59880
2009	0.20460	—	—	0.78540	0.99000	0.78540
2008	0.27910	—	0.00250	0.99840	1.28000	0.99840
2007	0.50910	0.23480	0.91610	—	1.66000	—
2006	0.60798	0.24082	0.69120	—	1.54000	—
2005	0.45996	0.08568	0.65436	—	1.20000	—
2004	0.40005	0.10023	0.13893	0.56079	1.20000	0.56079
<b>5.875% Series A Cumulative Preferred Shares</b>						
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	—
2011	0.97821	0.49054	—	—	1.46875	—
2010	1.46875	—	—	—	1.46875	—
2009	1.46875	—	—	—	1.46875	—
2008	1.46583	—	0.00292	—	1.46875	—
2007	0.45059	0.20776	0.81040	—	1.46875	—
2006	0.57983	0.22967	0.65925	—	1.46875	—
2005	0.56290	0.10493	0.80092	—	1.46875	—
2004	0.19150	0.04798	0.06651	—	0.30599	—
<b>6.000% Series D Cumulative Preferred Shares</b>						
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	—
2011	0.99920	0.50080	—	—	1.50000	—
2010	1.50000	—	—	—	1.50000	—
2009	1.50000	—	—	—	1.50000	—
2008	1.49700	—	0.00300	—	1.50000	—
2007	0.46020	0.21220	0.82760	—	1.50000	—
2006	0.59215	0.23457	0.67328	—	1.50000	—
2005	0.08620	0.01610	0.12270	—	0.22500	—
<b>5.250% Series G Cumulative Preferred Shares</b>						
2017	\$0.29689	—	\$1.01561	—	\$1.31250	—
2016	0.14789	\$0.00404	0.48609	—	0.63802	—

(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.

## **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 505000  
Louisville, KY 40233

Shareholders requesting this cash election must include the shareholder’s name and address as they appear on the Fund’s records. 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 505000, Louisville, KY 40233 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.

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](http://www.gabelli.com).

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](http://www.gabelli.com).

The NASDAQ symbol for the Net Asset Value per share is "XGDVX."

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.



**THE GABELLI DIVIDEND & INCOME TRUST**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer –Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of the Board of Directors of Associated Capital Group, Inc. 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.

**Christopher J. Marangi** joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. 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.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

**Sarah Donnelly** joined Gabelli in 1999 as a junior research analyst working with the consumer staples and media analysts. Currently she is a Portfolio Manager of Gabelli Funds, LLC, a Senior Vice President and the Food, Household and Personal Care products research analyst for Gabelli & Company. In 2013, she was named the Health & Wellness research platform leader. Ms. Donnelly received a B.S. in Business Administration with a concentration in Finance and minor in History from Fordham University.

**Robert D. Leininger, CFA**, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. 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.

**Jeffrey J. Jonas, CFA**, joined Gabelli in 2003 as a research analyst focusing on companies across the health care industry. In 2006 he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

## THE GABELLI DIVIDEND & INCOME TRUST

One Corporate Center  
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e [info@gabelli.com](mailto:info@gabelli.com)

[GABELLI.COM](http://GABELLI.COM)

### TRUSTEES

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

Anthony J. Colavita  
President,  
Anthony J. 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  
Of Counsel,  
McDonald Carano Wilson LLP

Salvatore M. Salibello, CPA  
Senior Partner,  
Bright Side Consulting

Edward T. Tokar  
Former Chief Executive Officer  
of Allied Capital Management,  
LLC & Vice President of  
Honeywell International, Inc.

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

Susan V. Watson, CFA  
Former President,  
Investor Relations Association

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

### OFFICERS

Bruce N. Alpert  
President

Agnes Mullady  
Vice President

Andrea R. Mango  
Secretary & Vice President

John C. Ball  
Treasurer

Richard J. Walz  
Chief Compliance Officer

Carter W. Austin  
Vice President & Ombudsman

Laurissa M. Martire  
Vice President & Ombudsman

David I. Schachter  
Vice President

### 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.



GABELLI  
FUNDS

# THE GABELLI DIVIDEND & INCOME TRUST

## GDV

*Shareholder Commentary*  
*December 31, 2017*

# The Gabelli Dividend & Income Trust

## Annual Report — December 31, 2017

### (Y)our Portfolio Management Team



**Mario J. Gabelli, CFA**  
*Chief Investment  
Officer*



**Christopher J. Marangi**  
*Co-Chief  
Investment Officer*  
BA, Williams College  
MBA, Columbia  
Business School



**Kevin V. Dreyer**  
*Co-Chief  
Investment Officer*  
BSE, University of  
Pennsylvania  
MBA, Columbia  
Business School



**Sarah Donnelly**  
*Portfolio Manager*  
BS, Fordham  
University



**Robert D. Leininger, CFA**  
*Portfolio Manager*  
BA, Amherst College  
MBA, Wharton School,  
University of Pennsylvania



**Jeffrey J. Jonas, CFA**  
*Portfolio Manager*  
BS, Boston College



**Brian C. Sponheimer**  
*Portfolio Manager*  
BA, Harvard University  
MBA, Columbia  
Business School



**Regina M. Pitaro**  
*Managing Director*  
MBA, Columbia  
Business School

### To Our Shareholders,

For the year ended December 31, 2017, the net asset value (“NAV”) total return of The Gabelli Dividend & Income Trust (the “Fund”) was 19.1%, compared with a total return of 21.8% for the Standard & Poor’s (“S&P”) 500 Index. The total return for the Fund’s publicly traded shares was 24.1%. The Fund’s NAV per share was \$25.11 while the price of the publicly traded shares closed at \$23.41 on the New York Stock Exchange (“NYSE”). See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2017.

## Comparative Results

	<u>Average Annual Returns through December 31, 2017 (a) (Unaudited)</u>			Since
	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Inception</u> <u>(11/28/03)</u>
<b>Gabelli Dividend &amp; Income Trust</b>				
<b>NAV Total Return (b)</b> . . . . .	19.14%	13.21%	7.12%	8.58%
<b>Investment Total Return (c)</b> . . . . .	24.11	15.54	8.72	8.56
S&P 500 Index . . . . .	21.83	15.79	8.50	9.03
Dow Jones Industrial Average . . . . .	28.07	16.31	9.24	9.52
Nasdaq Composite Index . . . . .	29.80	19.50	11.35	10.49

(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](http://www.gabelli.com) for performance information as of the most recent month end. 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 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.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2017:

### The Gabelli Dividend & Income Trust

Financial Services . . . . .	18.6%	Energy and Utilities: Natural Gas . . . . .	1.4%
Food and Beverage . . . . .	14.4%	Broadcasting . . . . .	1.0%
Health Care . . . . .	8.1%	Metals and Mining . . . . .	1.0%
Energy and Utilities: Oil . . . . .	5.9%	Automotive . . . . .	0.8%
Telecommunications . . . . .	4.0%	Transportation . . . . .	0.6%
Diversified Industrial . . . . .	4.0%	Computer Hardware . . . . .	0.6%
Retail . . . . .	3.6%	Real Estate . . . . .	0.5%
Consumer Products . . . . .	3.2%	Hotels and Gaming . . . . .	0.5%
Automotive: Parts and Accessories . . . . .	2.6%	Aviation: Parts and Services . . . . .	0.4%
Aerospace . . . . .	2.5%	Communications Equipment . . . . .	0.4%
Business Services . . . . .	2.2%	Energy and Utilities: Water . . . . .	0.4%
Specialty Chemicals . . . . .	2.2%	Energy and Utilities: Electric . . . . .	0.3%
U.S. Government Obligations . . . . .	2.1%	Consumer Services . . . . .	0.3%
Electronics . . . . .	2.1%	Energy and Utilities . . . . .	0.2%
Equipment and Supplies . . . . .	1.9%	Wireless Communications . . . . .	0.2%
Entertainment . . . . .	1.9%	Closed-End Funds . . . . .	0.2%
Machinery . . . . .	1.9%	Paper and Forest Products . . . . .	0.1%
Energy and Utilities: Services . . . . .	1.9%	Publishing . . . . .	0.1%
Environmental Services . . . . .	1.8%	Agriculture . . . . .	0.0%*
Computer Software and Services . . . . .	1.7%		
Building and Construction . . . . .	1.6%		
Energy and Utilities: Integrated . . . . .	1.4%		
Cable and Satellite . . . . .	1.4%		
			<u>100.0%</u>

\* 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-Q. 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-Q 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 the 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, 2017

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS — 97.2%</b>						
	<b>Aerospace — 2.5%</b>			110,000	Tribune Media Co., Cl. A. ....	\$ 4,092,655	\$ 4,671,700
255,000	Aerojet Rocketdyne Holdings Inc.† .....	\$ 3,111,396	\$ 7,956,000			<u>18,215,151</u>	<u>26,136,831</u>
	Kaman Corp. ....	675,256	2,000,560	65,000	<b>Building and Construction — 1.6%</b>		
34,000	Rockwell Automation Inc. ....	4,150,619	19,340,475	72,000	Armstrong Flooring Inc.† .....	1,153,861	1,099,800
1,465,000	Rolls-Royce Holdings plc .....	11,041,967	16,753,369		Fortune Brands Home & Security Inc. ....	965,534	4,927,680
68,310,000	Rolls-Royce Holdings plc, Cl. C†(a) .....	90,514	92,229	16,000	Gibraltar Industries Inc.† .....	514,013	528,000
65,000	The Boeing Co. ....	5,579,911	19,169,150	246,050	Herc Holdings Inc.† .....	9,251,260	15,405,191
		<u>24,649,663</u>	<u>65,311,783</u>	441,318	Johnson Controls International plc .....	14,416,893	16,818,629
	<b>Agriculture — 0.0%</b>			85,000	Layne Christensen Co.† .....	1,128,183	1,066,750
2,000	Bunge Ltd. ....	128,286	134,160	152	Sika AG, Cl. B. ....	1,156,735	1,207,327
						<u>28,586,479</u>	<u>41,053,377</u>
	<b>Automotive — 0.8%</b>				<b>Business Services — 2.2%</b>		
165,000	Ford Motor Co. ....	2,193,990	2,060,850	25,000	Aramark .....	645,416	1,068,500
35,000	General Motors Co. ....	1,291,866	1,434,650	80,000	Diebold Nixdorf Inc. ....	2,084,434	1,308,000
263,000	Navistar International Corp.† ..	6,783,164	11,277,440	164,301	Fly Leasing Ltd., ADR† .....	2,226,052	2,121,126
84,000	PACCAR Inc. ....	3,802,072	5,970,720	5,000	Jardine Matheson Holdings Ltd. ....	304,206	303,750
		<u>14,071,092</u>	<u>20,743,660</u>	35,000	JCDecaux SA .....	1,160,489	1,411,229
	<b>Automotive: Parts and Accessories — 2.6%</b>			268,000	Macquarie Infrastructure Corp. ....	15,453,977	17,205,600
12,713	Adient plc .....	597,511	1,000,513	175,000	Mastercard Inc., Cl. A. ....	8,627,326	26,488,000
64,352	Aptiv plc .....	3,829,469	5,458,980	64,000	Stericycle Inc.† .....	4,850,893	4,351,360
187,000	Dana Inc. ....	3,335,086	5,985,870	26,000	The Brink's Co. ....	660,344	2,046,200
21,450	Delphi Technologies plc† .....	729,401	1,125,481	25,000	Visa Inc., Cl. A. ....	2,283,268	2,850,500
355,000	Genuine Parts Co. ....	22,130,493	33,728,550			<u>38,296,405</u>	<u>59,154,265</u>
6,000	Lear Corp. ....	729,034	1,059,960		<b>Cable and Satellite — 1.3%</b>		
75,200	O'Reilly Automotive Inc.† .....	13,540,813	18,088,608	61,000	AMC Networks Inc., Cl. A† .....	2,357,676	3,298,880
12,000	Tenneco Inc. ....	699,270	702,480	2,445	Charter Communications Inc., Cl. A† .....	347,387	821,422
10,000	Visteon Corp.† .....	773,094	1,251,400		Cogeco Inc. ....	296,908	1,080,072
		<u>46,364,171</u>	<u>68,401,842</u>	200,000	Comcast Corp., Cl. A. ....	5,055,928	8,010,000
	<b>Aviation: Parts and Services — 0.4%</b>			199,000	DISH Network Corp., Cl. A† ..	6,296,699	9,502,250
92,000	Arconic Inc. ....	1,951,196	2,507,000	50,000	EchoStar Corp., Cl. A† .....	1,296,581	2,995,000
82,000	KLX Inc.† .....	3,250,737	5,596,500	9,507	Liberty Global plc LiLAC, Cl. A† .....	165,069	191,566
21,101	Rockwell Collins Inc. ....	2,067,687	2,861,718		Liberty Global plc LiLAC, Cl. C† .....	568,678	439,887
		<u>7,269,620</u>	<u>10,965,218</u>	153,000	Rogers Communications Inc., Cl. B .....	3,393,082	7,792,290
	<b>Broadcasting — 1.0%</b>			32,000	WideOpenWest Inc.† .....	510,939	338,240
24,900	CBS Corp., Cl. A, Voting. ....	1,372,540	1,477,566			<u>20,288,947</u>	<u>34,469,607</u>
170,000	Entercom Communications Corp., Cl. A. ....	1,892,558	1,836,000		<b>Communications Equipment — 0.4%</b>		
15,000	Liberty Broadband Corp., Cl. C† .....	798,727	1,277,400	330,000	Corning Inc. ....	4,042,401	10,556,700
61,763	Liberty Global plc, Cl. A† .....	982,056	2,213,586		<b>Computer Hardware — 0.6%</b>		
323,570	Liberty Global plc, Cl. C† .....	7,151,791	10,949,609	86,012	Apple Inc. ....	8,769,141	14,555,811
12,000	Liberty Media Corp.- Liberty SiriusXM, Cl. A† .....	293,384	475,920				
30,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C† .....	782,390	1,189,800				
101,000	MSG Networks Inc., Cl. A† .....	849,050	2,045,250				

See accompanying notes to financial statements.



# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value		
<b>COMMON STOCKS (Continued)</b>							
<b>Computer Software and Services — 1.7%</b>							
6,579	Alphabet Inc., Cl. A†	\$ 2,685,934	\$ 6,930,319	100,000	General Cable Corp.	\$ 2,981,975	\$ 2,960,000
5,800	Alphabet Inc., Cl. C†	4,639,905	6,069,120	801,000	General Electric Co.	16,165,564	13,977,450
33,130	Black Knight Inc.†	565,682	1,462,689	150,069	Griffon Corp.	3,050,720	3,053,904
35,000	Blucora Inc.†	438,146	773,500	331,000	Honeywell International Inc.	24,305,312	50,762,160
214	CommerceHub Inc., Cl. A†	1,498	4,706	56,000	ITT Inc.	1,056,566	2,988,720
427	CommerceHub Inc., Cl. C†	2,989	8,792	10,000	Jardine Strategic Holdings Ltd.	341,284	395,800
15,000	CyrusOne Inc.	283,620	892,950	20,000	Pentair plc	778,525	1,412,400
40,000	Donnelley Financial Solutions Inc.†	857,718	779,600	4,000	Sulzer AG	394,160	485,197
3,437	DXC Technology Co.	232,781	326,171	281,500	Textron Inc.	3,560,404	15,930,085
35,000	eBay Inc.†	782,634	1,320,900	315,000	Toray Industries Inc.	2,373,663	2,970,379
830,000	Hewlett Packard Enterprise Co.	11,059,692	11,918,800			<u>61,995,364</u>	<u>105,283,337</u>
12,500	Internap Corp.†	244,685	196,375	7,500	<b>Electronics — 2.1%</b>		
51,405	Micro Focus International plc, ADR†	1,411,474	1,726,694	13,000	Agilent Technologies Inc.	308,283	502,275
145,998	Microsoft Corp.	<u>5,512,710</u>	<u>12,488,669</u>	210,000	Emerson Electric Co.	774,560	905,970
		<u>28,719,468</u>	<u>44,899,285</u>	435,000	Intel Corp.	5,607,982	9,693,600
				70,000	Sony Corp., ADR	8,565,261	19,553,250
				100,000	TE Connectivity Ltd.	2,377,312	6,652,800
				35,000	Texas Instruments Inc.	2,905,588	10,444,000
					Thermo Fisher Scientific Inc.	5,951,736	6,645,800
						<u>26,490,722</u>	<u>54,397,695</u>
170,000	Avon Products Inc.†	574,321	365,500		<b>Energy and Utilities: Electric — 0.3%</b>		
30,000	Church & Dwight Co. Inc.	1,199,580	1,505,100	12,000	ALLETE Inc.	392,843	892,320
60,000	Coty Inc., Cl. A	975,900	1,193,400	10,000	American Electric Power Co. Inc.	359,450	735,700
365,000	Edgewell Personal Care Co.†	29,663,257	21,677,350	10,000	Edison International	366,166	632,400
73,000	Energizer Holdings Inc.	2,386,261	3,502,540	17,000	El Paso Electric Co.	589,006	940,950
100,000	Hanesbrands Inc.	476,588	2,091,000	70,000	Electric Power Development Co. Ltd.	1,833,684	1,885,511
15,000	Kimberly-Clark Corp.	1,154,350	1,809,900	15,000	Great Plains Energy Inc.	291,507	483,600
12,000	Newell Brands Inc.	369,237	370,800	5,000	PG&E Corp.	211,940	224,150
24,000	Philip Morris International Inc.	1,376,885	2,535,600	12,000	Pinnacle West Capital Corp.	468,584	1,022,160
7,000	Stanley Black & Decker Inc.	544,312	1,187,830	45,000	The AES Corp.	445,818	487,350
871,000	Swedish Match AB	12,507,935	34,317,173	25,000	WEC Energy Group Inc.	1,051,041	1,660,750
139,000	The Procter & Gamble Co.	<u>7,791,890</u>	<u>12,771,320</u>			<u>6,010,039</u>	<u>8,964,891</u>
		<u>59,020,516</u>	<u>83,327,513</u>		<b>Energy and Utilities: Integrated — 1.4%</b>		
51,000	Ashtead Group plc	902,614	1,371,642	24,000	Avangrid Inc.	948,914	1,213,920
853	Liberty Expedia Holdings Inc., Cl. A†	19,923	37,813	26,000	Avista Corp.	490,519	1,338,740
97,000	Liberty Interactive Corp. QVC Group, Cl. A†	1,709,617	2,368,740	4,000	Black Hills Corp.	104,480	240,440
25,279	Liberty Ventures, Cl. A†	910,355	1,371,133	26,000	Chubu Electric Power Co. Inc.	448,302	323,168
44,000	ServiceMaster Global Holdings Inc.†	<u>1,664,273</u>	<u>2,255,880</u>	5,000	CONSOL Energy Inc.†	67,549	197,550
		<u>5,206,782</u>	<u>7,405,208</u>	100,000	Edison SpA†(a)	220,882	60,172
				20,000	Endesa SA	506,664	428,465
92,000	Bouygues SA	3,213,947	4,780,812	230,000	Enel SpA	1,051,884	1,415,699
4,000	Crane Co.	303,120	356,880	25,000	Eversource Energy	449,038	1,579,500
55,000	Eaton Corp. plc	2,466,164	4,345,550	34,000	Hawaiian Electric Industries Inc.	794,771	1,229,100
100,000	Estre Ambiental Inc.†	1,003,960	864,000	401,000	Hera SpA	792,954	1,400,113
				10,000	Hokkaido Electric Power Co. Inc.†	107,280	65,853

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>					
<b>Energy and Utilities: Integrated (Continued)</b>					
24,000	Hokuriku Electric Power Co. \$ 386,941	\$ 193,193	60,000	Murphy Oil Corp. \$ 2,646,889	\$ 1,863,000
45,000	Iberdrola SA, ADR 952,490	1,392,075	200,000	Occidental Petroleum Corp. 9,904,047	14,732,000
127,000	Korea Electric Power Corp., ADR† 1,758,452	2,249,170	200	PetroChina Co. Ltd., ADR 12,118	13,988
44,000	Kyushu Electric Power Co. Inc. 692,790	461,185	20,000	Petroleo Brasileiro SA, ADR† 266,014	205,800
29,000	MGE Energy Inc. 621,355	1,829,900	128,000	Phillips 66 10,180,010	12,947,200
51,000	NextEra Energy Inc. 2,671,298	7,965,690	200,000	Repsol SA, ADR 4,155,562	3,544,000
49,000	NiSource Inc. 397,054	1,257,830	230,000	Royal Dutch Shell plc, Cl. A, ADR 11,514,731	15,343,300
57,500	OGE Energy Corp. 685,360	1,892,325	520,000	Statoil ASA, ADR 8,521,347	11,138,400
13,000	Ormat Technologies Inc. 195,000	831,480	145,000	Total SA, ADR 6,538,739	8,015,600
30,000	Public Service Enterprise Group Inc. 906,080	1,545,000			<u>124,384,579</u>
58,000	Shikoku Electric Power Co. Inc. 1,066,813	632,119			<u>155,373,589</u>
50,000	The Chugoku Electric Power Co. Inc. 851,464	537,386	<b>Energy and Utilities: Services — 1.9%</b>		
20,000	The Kansai Electric Power Co. Inc. 278,704	244,952	52,000	ABB Ltd., ADR 566,254	1,394,640
45,000	Tohoku Electric Power Co. Inc. 663,612	575,505	295,000	Baker Hughes, a GE Company 13,360,871	9,333,800
27,000	Vectren Corp. 759,384	1,755,540	45,000	Diamond Offshore Drilling Inc.† 1,600,591	836,550
73,000	Westar Energy Inc. 1,932,141	3,854,400	395,000	Halliburton Co. 14,840,957	19,303,650
	<u>20,802,175</u>	<u>36,710,470</u>	49,000	Oceaneering International Inc. 1,198,537	1,035,860
			187,000	Schlumberger Ltd. 9,368,131	12,601,930
			15,000	Seventy Seven Energy Inc., Escrow†(a) 0	0
			1,340,000	Weatherford International plc† 8,395,827	5,587,800
				<u>49,331,168</u>	<u>50,094,230</u>
			<b>Energy and Utilities: Water — 0.4%</b>		
			12,000	American States Water Co. 150,968	694,920
			32,000	American Water Works Co. Inc. 779,149	2,927,680
			74,000	Aqua America Inc. 998,965	2,903,020
			50,000	Mueller Water Products Inc., Cl. A 567,098	626,500
			30,000	Severn Trent plc 764,139	875,705
			29,000	SJW Group 514,093	1,851,070
			8,000	The York Water Co. 104,289	271,200
			6,000	United Utilities Group plc, ADR 168,600	134,580
				<u>4,047,301</u>	<u>10,284,675</u>
			<b>Entertainment — 1.9%</b>		
			8,981	Liberty Media Corp.- Liberty Braves, Cl. Ct. 137,575	199,558
			20,000	Take-Two Interactive Software Inc.† 199,862	2,195,600
			32,233	The Madison Square Garden Co. Cl. A† 1,620,528	6,796,328
			188,000	Time Warner Inc. 8,990,905	17,196,360
			177,653	Twenty-First Century Fox Inc., Cl. A 5,604,433	6,134,358
			238,000	Twenty-First Century Fox Inc., Cl. B 6,593,775	8,120,560
			17,000	Viacom Inc., Cl. A 675,548	593,300
121,000	Anadarko Petroleum Corp. 6,664,434	6,490,440			
37,000	Apache Corp. 2,562,592	1,562,140			
127,000	BP plc, ADR 4,194,376	5,337,810			
10,121	California Resources Corp.† 124,658	196,752			
35,000	Chesapeake Energy Corp.† 426,982	138,600			
158,977	Chevron Corp. 12,867,290	19,902,331			
234,700	ConocoPhillips 12,088,691	12,882,683			
95,000	Devon Energy Corp. 5,095,861	3,933,000			
130,000	Eni SpA, ADR 4,789,601	4,314,700			
120,000	Exxon Mobil Corp. 8,563,246	10,036,800			
43,500	Hess Corp. 1,946,936	2,064,945			
210,000	Marathon Oil Corp. 4,986,868	3,555,300			
260,000	Marathon Petroleum Corp. 6,333,587	17,154,800			

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares		Cost	Market Value	Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>						
	<b>Entertainment (Continued)</b>			486,452	Legg Mason Inc. ....	\$ 14,772,417	\$ 20,421,255
193,000	Viacom Inc., Cl. B. ....	\$ 8,465,847	\$ 5,946,330	42,000	M&T Bank Corp. ....	2,747,488	7,181,580
154,000	Vivendi SA. ....	3,980,403	4,142,686	230,452	Morgan Stanley. ....	4,679,251	12,091,816
		<u>36,268,876</u>	<u>51,325,080</u>	72,000	National Australia Bank Ltd., ADR. ....	854,233	825,120
	<b>Environmental Services — 1.8%</b>			185,000	Navient Corp. ....	1,458,611	2,464,200
205,000	Republic Services Inc. ....	7,346,840	13,860,050	170,000	New York Community Bancorp Inc. ....	2,844,696	2,213,400
23,000	Veolia Environnement SA. ....	275,698	587,115	113,000	Northern Trust Corp. ....	5,286,773	11,287,570
146,869	Waste Connections Inc. ....	4,580,963	10,418,887	290,944	Oaktree Specialty Lending Corp. ....	1,938,468	1,422,716
260,000	Waste Management Inc. ....	10,116,612	22,438,000	175,578	PayPal Holdings Inc.†. ....	7,653,648	12,926,052
		<u>22,320,113</u>	<u>47,304,052</u>	75,000	Resona Holdings Inc. ....	362,810	448,036
	<b>Equipment and Supplies — 1.9%</b>			205,000	SLM Corp.†. ....	1,044,610	2,316,500
92,000	CIRCOR International Inc. ....	2,307,769	4,478,560	224,000	State Street Corp. ....	10,858,356	21,864,640
140,000	Flowerserve Corp. ....	6,017,561	5,898,200	258,000	T. Rowe Price Group Inc. ....	15,534,729	27,071,940
165,000	Graco Inc. ....	3,009,892	7,461,300	899,000	The Bank of New York Mellon Corp. ....	28,668,655	48,420,140
157,600	Mueller Industries Inc. ....	3,411,956	5,583,768	2,000	The Goldman Sachs Group Inc. ....	312,050	509,520
598,000	RPC Inc. ....	2,837,635	15,266,940	153,000	The Hartford Financial Services Group Inc. ....	5,081,420	8,610,840
130,000	Sealed Air Corp. ....	3,131,382	6,409,000	253,000	The PNC Financial Services Group Inc. ....	16,426,184	36,505,370
46,000	Tenaris SA, ADR. ....	1,825,138	1,465,560	120,000	The Travelers Companies Inc. . 114	7,759,134	16,276,800
94,000	The Timken Co. ....	3,525,103	4,620,100	54,271	Trisura Group Ltd.†. ....	1,328	2,364
		<u>26,066,436</u>	<u>51,183,428</u>	55,000	U.S. Bancorp. ....	1,870,893	2,907,840
	<b>Financial Services — 18.6%</b>			550,000	W. R. Berkley Corp. ....	2,149,943	3,940,750
8,000	Alleghany Corp.†. ....	2,949,449	4,768,720	550,000	Waddell & Reed Financial Inc., Cl. A. ....	10,188,445	12,287,000
472,216	American Express Co. ....	33,758,674	46,895,771	644,000	Wells Fargo & Co. ....	22,116,257	39,071,480
430,452	American International Group Inc. ....	25,932,799	25,646,330	6,000	Willis Towers Watson plc. ....	477,521	904,140
310,000	Bank of America Corp. ....	3,464,249	9,151,200			<u>296,024,472</u>	<u>491,506,783</u>
13,500	Berkshire Hathaway Inc., Cl. B†. ....	1,643,350	2,675,970		<b>Food and Beverage — 14.4%</b>		
40,000	Blackhawk Network Holdings Inc.†. ....	933,163	1,426,000	8,000	Ajinomoto Co. Inc. ....	137,110	150,592
20,000	BlackRock Inc. ....	3,031,089	10,274,200	10,000	Brown-Forman Corp., Cl. B. ....	341,437	686,700
30,000	Cannae Holdings Inc.†. ....	182,958	510,900	115,000	Campbell Soup Co. ....	3,812,255	5,532,650
104,339	Citigroup Inc. ....	4,841,870	7,763,865	1,000,000	China Mengniu Dairy Co. Ltd. .	1,245,706	2,975,867
54,600	Cohen & Steers Inc. ....	2,181,987	2,582,034	66,000	Chr. Hansen Holding A/S. ....	2,705,045	6,190,791
27,000	Cullen/Frost Bankers Inc. ....	2,008,114	2,555,550	420,000	Conagra Brands Inc. ....	12,540,893	15,821,400
4,000	EXOR NV. ....	211,727	245,249	30,000	Constellation Brands Inc., Cl. A. ....	625,395	6,857,100
8,000	FCB Financial Holdings Inc., Cl. A†. ....	369,453	406,400	237,222	Danone SA. ....	11,894,472	19,909,866
95,000	FNF Group. ....	1,052,006	3,727,800	3,900,000	Daveide Campari-Milano SpA. .	11,190,086	30,158,740
285,000	H&R Block Inc. ....	6,662,658	7,472,700	80,000	Diageo plc, ADR. ....	9,680,592	11,682,400
50,000	HRG Group Inc.†. ....	809,882	847,500	165,000	Dr Pepper Snapple Group Inc..	5,394,570	16,014,900
37,000	HSBC Holdings plc, ADR. ....	2,070,772	1,910,680	70,954	Flowers Foods Inc. ....	1,053,433	1,370,122
57,498	Interactive Brokers Group Inc., Cl. A. ....	2,181,247	3,404,457	445,000	General Mills Inc. ....	19,192,690	26,384,050
190,000	Invesco Ltd. ....	4,488,658	6,942,600	18,000	Heineken Holding NV. ....	747,987	1,781,556
511,417	JPMorgan Chase & Co. ....	27,648,765	54,690,934	279,000	ITO EN Ltd. ....	6,134,333	10,994,098
136,000	KeyCorp. ....	2,050,530	2,743,120	120,000	Kellogg Co. ....	7,879,236	8,157,600
30,000	Kinnevik AB, Cl. B. ....	663,872	1,014,129				
89,250	KKR & Co. LP. ....	1,799,280	1,879,605				

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value		
<b>COMMON STOCKS (Continued)</b>							
<b>Food and Beverage (Continued)</b>							
370,000	Kikkoman Corp. .... \$ 4,412,978	\$ 14,974,040	35,000	Henry Schein Inc.† .....	\$ 2,232,450	\$ 2,445,800	
340,000	Lamb Weston Holdings Inc. ....	10,564,020	9,000	Incyte Corp.† .....	1,026,247	852,390	
115,000	Maple Leaf Foods Inc. ....	2,167,576	35,000	Integer Holdings Corp.† .....	1,025,724	1,585,500	
3,000	McCormick & Co. Inc., Cl. V. ....	290,905	122,000	Johnson & Johnson .....	11,235,092	17,045,840	
867,294	Mondelēz International Inc., Cl. A .....	24,923,797	260,000	Kindred Healthcare Inc. ....	2,726,431	2,522,000	
30,000	Morinaga Milk Industry Co. Ltd. ....	588,860	32,000	Laboratory Corp. of America Holdings† .....	3,939,180	5,104,320	
2,000	National Beverage Corp. ....	163,804	11,575	Ligand Pharmaceuticals Inc.† ..	1,181,398	1,584,965	
38,000	Nestlé SA .....	2,601,131	58,349	Mallinckrodt plc† .....	3,630,028	1,316,353	
35,000	Nestlé SA, ADR .....	2,563,158	25,000	McKesson Corp. ....	3,634,946	3,898,750	
160,000	Nissin Foods Holdings Co. Ltd. ....	5,465,019	40,000	Medtronic plc. ....	3,023,885	3,230,000	
1,740,151	Parmalat SpA .....	5,262,732	225,179	Merck & Co. Inc. ....	9,126,054	12,670,822	
339,450	Parmalat SpA, GDR(b)(c) .....	981,615	50,000	Mylan NV† .....	2,900,000	2,115,500	
204,000	PepsiCo Inc. ....	14,151,107	181,400	NeoGenomics Inc.† .....	1,406,201	1,607,204	
62,000	Pernod Ricard SA .....	5,311,274	114,992	Orthofix International NV† .....	1,458,930	2,461,500	
40,000	Pinnacle Foods Inc. ....	2,270,704	111,000	Owens & Minor Inc. ....	2,445,659	2,171,049	
20,000	Post Holdings Inc.† .....	1,319,861	624,724	Patterson Cos., Inc. ....	4,000,203	4,010,430	
25,000	Remy Cointreau SA .....	1,396,049	30,000	Pfizer Inc. ....	13,357,126	22,627,503	
18,000	Suntory Beverage & Food Ltd..	573,702	15,000	Shire plc, ADR .....	4,609,675	4,653,600	
271,025	The Kraft Heinz Co. ....	14,342,908	40,000	Stryker Corp. ....	1,296,831	2,322,600	
542,000	The Coca-Cola Co. ....	16,771,769	40,000	Tenet Healthcare Corp.† .....	1,983,184	606,400	
7,000	The J.M. Smucker Co. ....	690,177	15,000	The Cooper Companies Inc. ....	1,841,776	3,268,200	
30,000	Unilever plc, ADR .....	960,480	29,000	UnitedHealth Group Inc. ....	3,365,217	6,393,340	
5,000	United Natural Foods Inc.† .....	240,170	43,000	Zimmer Biomet Holdings Inc. .	4,341,287	5,188,810	
302,000	Yakult Honsha Co. Ltd. ....	7,649,653	150,702	Zoetis Inc. ....	5,102,300	10,856,572	
		<u>220,238,689</u>			<u>171,227,586</u>	<u>210,311,442</u>	
		<u>380,800,171</u>					
<b>Health Care — 8.0%</b>			<b>Hotels and Gaming — 0.5%</b>				
190,000	Abbott Laboratories .....	6,283,503	10,843,300	19,000	Accor SA .....	654,124	980,275
11,000	Aetna Inc. ....	771,301	1,984,290	100,000	Boyd Gaming Corp. ....	577,960	3,505,000
125,000	Akorn Inc.† .....	3,345,142	4,028,750	300,000	Ladbrokes Coral Group plc .....	472,316	736,775
90,909	Allergan plc. ....	18,886,850	14,870,894	52,000	Las Vegas Sands Corp. ....	2,356,286	3,613,480
59,500	AmerisourceBergen Corp. ....	3,937,302	5,463,290	400,000	Mandarin Oriental International Ltd. ....	680,880	808,000
10,000	Anthem Inc. ....	885,792	2,250,100	15,000	MGM Resorts International. ....	509,141	500,850
52,849	Baxter International Inc. ....	1,926,647	3,416,159	35,000	Ryman Hospitality Properties Inc. ....	1,928,422	2,415,700
10,000	Becton, Dickinson and Co. ....	1,496,549	2,140,600	6,000	Wyndham Worldwide Corp. ...	424,345	695,220
725,000	BioScrip Inc.† .....	2,280,364	2,109,750			<u>7,603,474</u>	<u>13,255,300</u>
54,000	Bristol-Myers Squibb Co. ....	3,206,440	3,309,120	<b>Machinery — 1.9%</b>			
12,500	Cardiovascular Systems Inc.† ..	339,293	296,125	7,000	Astec Industries Inc. ....	404,455	409,500
7,000	Chemed Corp. ....	453,403	1,701,140	170,000	CNH Industrial NV, Borsa Italiana. ....	1,339,904	2,278,388
15,000	Cigna Corp. ....	2,775,190	3,046,350	1,060,000	CNH Industrial NV, New York ..	7,628,939	14,204,000
35,000	DaVita Inc.† .....	2,192,140	2,528,750	88,000	Deere & Co. ....	5,479,960	13,772,880
100,000	Eli Lilly & Co. ....	4,323,602	8,446,000	289,000	Xylem Inc. ....	10,905,595	19,709,800
130,000	Envision Healthcare Corp.† .....	8,375,789	4,492,800			<u>25,758,853</u>	<u>50,374,568</u>
275,000	Evolent Health Inc., Cl. A† .....	4,775,724	3,382,500	<b>Metals and Mining — 1.0%</b>			
40,000	Express Scripts Holding Co.† ..	2,831,314	2,985,600	65,000	Agnico Eagle Mines Ltd. ....	2,061,450	3,001,700
40,000	Gerresheimer AG .....	2,664,055	3,317,335	20,000	Alliance Holdings GP LP .....	282,853	535,800
66,543	Gilead Sciences Inc. ....	5,566,820	4,767,141	172,588	Barrick Gold Corp. ....	3,346,411	2,497,348
50,000	HCA Healthcare Inc.† .....	3,020,542	4,392,000				

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			<b>Specialty Chemicals — 2.2%</b>		
<b>Metals and Mining (Continued)</b>			<b>Advansix Inc.†</b> \$ 32,251 \$ 53,850		
8,000	BHP Billiton Ltd., ADR \$ 217,549	\$ 367,920	1,280	Air Products & Chemicals Inc.	3,307,890 5,742,800
36,000	Franco-Nevada Corp.	1,500,629 2,877,136	58,000	Ashland Global Holdings Inc.	1,640,197 4,129,600
150,000	Freeport-McMoRan Inc.†	1,873,790 2,844,000	1,000	Axalta Coating Systems Ltd.†	25,039 32,360
324,332	Newmont Mining Corp.	13,449,606 12,168,937	318,668	DowDuPont Inc.	14,473,631 22,695,535
3,200	South32 Ltd., ADR	27,089 43,280	445,000	Ferro Corp.†	5,114,101 10,497,550
88,004	TimkenSteel Corp.†	1,169,040 1,336,781	35,000	International Flavors & Fragrances Inc.	4,330,609 5,341,350
		23,928,417 25,672,902	89,000	Olin Corp.	1,629,332 3,166,620
<b>Paper and Forest Products — 0.1%</b>			5,000	Praxair Inc.	556,243 773,400
64,000	International Paper Co.	2,918,317 3,708,160	9,000	The Chemours Co.	58,593 450,540
<b>Publishing — 0.1%</b>			192,359	Valvoline Inc.	2,575,777 4,820,517
600	Graham Holdings Co., Cl. B	296,058 335,010			33,743,663 57,704,122
107,000	News Corp., Cl. B	1,606,462 1,776,200	<b>Telecommunications — 3.9%</b>		
		1,902,520 2,111,210	195,000	AT&T Inc.	5,967,779 7,581,600
<b>Real Estate — 0.5%</b>			221,000	BCE Inc.	5,819,316 10,610,210
19,500	Brookfield Asset Management Inc., Cl. A	132,340 849,030	500,000	Deutsche Telekom AG, ADR	8,506,922 8,830,500
72,500	Crown Castle International Corp.	2,631,410 8,048,225	69,000	Harris Corp.	5,981,667 9,773,850
18,000	Forest City Realty Trust Inc., Cl. A	439,998 433,800	195,000	Hellenic Telecommunications Organization SA, ADR	1,323,723 1,328,925
16,000	QTS Realty Trust Inc., Cl. A	345,246 866,560	75,000	Loral Space & Communications Inc.†	3,158,177 3,303,750
71,144	Regional Health Properties Inc.†	154,598 12,094	50,000	Orange SA, ADR	1,066,612 870,000
100,000	Uniti Group Inc.†	1,997,452 1,779,000	50,000	Pharol SGPS SA†	14,182 14,998
38,000	Weyerhaeuser Co.	1,246,514 1,339,880	39,000	Proximus SA	1,195,261 1,279,816
		6,947,558 13,328,589	50,084	Telefonica SA, ADR	718,792 484,813
<b>Retail — 3.6%</b>			295,000	Telekom Austria AG	1,968,837 2,735,716
3,200	Advance Auto Parts Inc.	297,929 319,008	23,000	Telenet Group Holding NV†	1,046,305 1,603,079
118,000	AutoNation Inc.†	5,830,927 6,056,940	150,000	Telephone & Data Systems Inc.	4,429,792 4,170,000
1,100	AutoZone Inc.†	671,061 782,507	110,000	Telstra Corp. Ltd., ADR	2,014,389 1,556,500
361,000	CVS Health Corp.	20,843,399 26,172,500	135,000	TELUS Corp.	1,405,698 5,112,450
159,000	Hertz Global Holdings Inc.†	3,262,525 3,513,900	40,000	T-Mobile US Inc.†	2,310,516 2,540,400
135,000	Ingles Markets Inc., Cl. A	2,134,014 4,671,000	79,000	VEON Ltd., ADR	384,662 303,360
90,000	Lowe's Companies Inc.	2,027,654 8,364,600	710,086	Verizon Communications Inc.	30,582,912 37,584,852
118,000	Macy's Inc.	1,938,053 2,972,420	135,000	Vodafone Group plc, ADR	4,864,717 4,306,500
6,000	MSC Industrial Direct Co. Inc., Cl. A	430,132 579,960			82,760,259 103,991,319
40,000	Murphy USA Inc.†	1,594,399 3,214,400	<b>Transportation — 0.6%</b>		
25,000	Rush Enterprises Inc., Cl. B†	599,173 1,205,250	30,000	Daseke Inc.†	267,000 428,700
275,000	Sally Beauty Holdings Inc.†	4,365,683 5,159,000	239,000	GATX Corp.	7,386,430 14,856,240
120,000	Seven & i Holdings Co. Ltd.	3,637,248 4,987,442	16,500	Kansas City Southern	277,030 1,736,130
80,517	Starbucks Corp.	4,427,760 4,624,091			7,930,460 17,021,070
30,000	The Home Depot Inc.	1,118,445 5,685,900	<b>Wireless Communications — 0.2%</b>		
188,500	Walgreens Boots Alliance Inc.	7,935,183 13,688,870	130,000	United States Cellular Corp.†	5,740,722 4,891,900
20,000	Wal-Mart Stores Inc.	970,066 1,975,000	<b>TOTAL COMMON STOCKS</b> 1,650,211,914 2,562,609,002		
		62,083,651 93,972,788	<b>CLOSED-END FUNDS — 0.2%</b>		
			55,000	Altaba Inc.†	1,955,415 3,841,750

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Market Value		
	<b>CONVERTIBLE PREFERRED STOCKS — 0.3%</b>				
	<b>Energy and Utilities — 0.2%</b>				
128,000	El Paso Energy Capital Trust I, 4.750% .....	\$ 4,617,789	\$ 6,162,560		
	<b>Telecommunications — 0.1%</b>				
53,000	Cincinnati Bell Inc., 6.750%, Ser. B .....	1,813,938	2,703,000		
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS .....</b>				
		6,431,727	8,865,560		
	<b>PREFERRED STOCKS — 0.1%</b>				
	<b>Health Care — 0.1%</b>				
133,681	The Phoenix Companies Inc., 7.450%, 01/15/32 .....	2,857,139	2,442,552		
	<b>Real Estate — 0.0%</b>				
50,000	Regional Health Properties Inc., 10.875%, Ser. A .....	864,421	400,000		
	<b>TOTAL PREFERRED STOCKS .....</b>				
		3,721,560	2,842,552		
	<b>RIGHTS — 0.0%</b>				
	<b>Retail — 0.0%</b>				
400,000	Safeway Casa Ley, CVR† .....	68,714	214,000		
400,000	Safeway PDC, CVR† .....	0	6,000		
	<b>TOTAL RIGHTS .....</b>				
		68,714	220,000		
	<b>CONVERTIBLE CORPORATE BONDS — 0.1%</b>				
	<b>Cable and Satellite — 0.1%</b>				
\$ 1,700,000	DISH Network Corp. 3.375%, 08/15/26 .....	1,700,000	1,854,063		
	<b>CORPORATE BONDS — 0.0%</b>				
	<b>Equipment and Supplies — 0.0%</b>				
820,000	Mueller Industries Inc., 6.000%, 03/01/27 .....	820,000	842,550		
	<b>U.S. GOVERNMENT OBLIGATIONS — 2.1%</b>				
55,096,000	U.S. Treasury Bills, 1.065% to 1.334%††, 01/25/18 to 04/12/18 .....	54,964,118	54,958,919		
	<b>TOTAL INVESTMENTS — 100.0% .....</b>				
		\$1,719,873,448	2,636,034,396		
	<b>Other Assets and Liabilities (Net) .....</b>				
			\$ (6,905,721)		
	<b>PREFERRED STOCK</b>				
			(9,603,095 preferred shares outstanding) .....		
			(559,257,875)		
	<b>NET ASSETS — COMMON STOCK</b>				
			(82,432,426 common shares outstanding) .....		
			\$2,069,870,800		
	<b>NET ASSET VALUE PER COMMON SHARE</b>				
			(\$2,069,870,800 ÷ 82,432,426 shares outstanding) .....		
			\$ 25.11		
	(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.				
	(b) At December 31, 2017, the Fund held a restricted and illiquid security amounting to \$1,263,603 or 0.05% of total investments, which was valued under methods approved by the Board of Trustees as follows:				
	<b>Acquisition Shares</b>	<b>Issuer</b>	<b>Acquisition Dates</b>	<b>Acquisition Cost</b>	<b>12/31/17 Carrying Value Per Share</b>
	339,450	Parmalat SpA, GDR ..	12/02/03-12/11/03	\$ 981,615	\$ 3.7225
	(c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, the market value of the Rule 144A security amounted to \$1,263,603 or 0.05% of total investments.				
	† Non-income producing security.				
	†† Represents annualized yield at date of purchase.				
	ADR American Depositary Receipt				
	CVR Contingent Value Right				
	GDR Global Depositary Receipt				
	<b>Geographic Diversification</b>		<b>% of Total Investments</b>	<b>Market Value</b>	
	<b>Long Positions</b>				
	North America .....		81.6%	\$2,152,073,730	
	Europe .....		13.4	353,130,433	
	Japan .....		3.6	95,624,002	
	Latin America .....		1.2	30,150,253	
	Asia/Pacific .....		0.2	5,055,978	
	Total Investments .....		100.0%	\$2,636,034,396	

See accompanying notes to financial statements.



## The Gabelli Dividend & Income Trust

### Statement of Assets and Liabilities December 31, 2017

<b>Assets:</b>	
Investments, at value (cost \$1,719,873,448) . . . . .	\$2,636,034,396
Foreign currency, at value (cost \$2,380) . . . . .	2,380
Deposit at brokers . . . . .	122
Receivable for investments sold . . . . .	259,630
Dividends and interest receivable . . . . .	3,676,265
Deferred offering expense . . . . .	117,992
Prepaid expenses . . . . .	14,253
<b>Total Assets</b> . . . . .	<u>2,640,105,038</u>
<b>Liabilities:</b>	
Payable to custodian . . . . .	235
Distributions payable . . . . .	276,212
Payable for investments purchased . . . . .	988,796
Payable for investment advisory fees . . . . .	6,420,633
Payable for payroll expenses . . . . .	89,391
Payable for accounting fees . . . . .	3,750
Payable for auction agent fees (a) . . . . .	2,840,609
Other accrued expenses . . . . .	356,737
<b>Total Liabilities</b> . . . . .	<u>10,976,363</u>
<b>Cumulative Preferred Shares each at \$0.001 par value:</b>	
Series A (5.875%, \$25 liquidation value, 3,200,000 shares authorized with 3,048,019 shares issued and outstanding) . . . . .	76,200,475
Series B (Auction Market, \$25,000 liquidation value, 4,000 shares authorized with 3,600 shares issued and outstanding) . . . . .	90,000,000
Series C (Auction Market, \$25,000 liquidation value, 4,800 shares authorized with 4,320 shares issued and outstanding) . . . . .	108,000,000
Series D (6.000%, \$25 liquidation value, 2,600,000 shares authorized with 2,542,296 shares issued and outstanding) . . . . .	63,557,400
Series E (Auction Rate, \$25,000 liquidation value, 5,400 shares authorized with 4,860 shares issued and outstanding) . . . . .	121,500,000
Series G (5.250%, \$25 liquidation value, 4,000,000 shares authorized with 4,000,000 shares issued and outstanding) . . . . .	100,000,000
<b>Total Preferred Shares</b> . . . . .	<u>559,257,875</u>
<b>Net Assets Attributable to Common Shareholders</b> . . . . .	<u>\$2,069,870,800</u>
<b>Net Assets Attributable to Common Shareholders Consist of:</b>	
Paid-in capital . . . . .	\$1,171,200,350
Distributions in excess of net investment income . . . . .	(242,652)
Distributions in excess of net realized gain on investments, securities sold short, and foreign currency transactions . . . . .	(17,249,655)
Net unrealized appreciation on investments . . . . .	916,160,948
Net unrealized appreciation on foreign currency translations . . . . .	1,809
<b>Net Assets</b> . . . . .	<u>\$2,069,870,800</u>
<b>Net Asset Value per Common Share at \$0.001 par value:</b>	
(\$2,069,870,800 ÷ 82,432,426 shares outstanding; unlimited number of shares authorized) . . . . .	<u>\$25.11</u>

(a) This amount represents auction agent fees accrued for earlier fiscal periods, and not for the period covered by this report.

### Statement of Operations For the Year Ended December 31, 2017

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$1,182,991) . . . . .	\$ 53,333,283
Interest* . . . . .	(187,936)
Other income** . . . . .	287
<b>Total Income</b> . . . . .	<u>53,145,634</u>
<b>Expenses:</b>	
Investment advisory fees . . . . .	24,884,686
Shareholder communications expenses . . . . .	433,556
Payroll expenses . . . . .	255,459
Custodian fees . . . . .	254,308
Trustees' fees . . . . .	229,408
Legal and audit fees . . . . .	151,736
Shareholder services fees . . . . .	57,308
Accounting fees . . . . .	45,000
Interest expense . . . . .	295
Miscellaneous expenses . . . . .	291,577
<b>Total Expenses</b> . . . . .	<u>26,603,333</u>
Less:	
Expenses paid indirectly by broker (See Note 3) . . . . .	(13,151)
<b>Net Expenses</b> . . . . .	<u>26,590,182</u>
<b>Net Investment Income</b> . . . . .	<u>26,555,452</u>
<b>Net Realized and Unrealized Gain/Loss on Investments, Securities Sold Short, and Foreign Currency:</b>	
Net realized gain on investments . . . . .	100,284,573
Net realized gain on securities sold short . . . . .	40,445
Net realized loss on foreign currency transactions . . . . .	(27,046)
Net realized gain/loss on investments, securities sold short, and foreign currency transactions . . . . .	<u>100,297,972</u>
Net change in unrealized appreciation/depreciation: on investments . . . . .	236,029,685
on securities sold short . . . . .	372,068
on foreign currency translations . . . . .	23,435
Net change in unrealized appreciation/ depreciation on investments, securities sold short, and foreign currency translations . . . . .	<u>236,425,188</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, and Foreign Currency</b> . . . . .	<u>336,723,160</u>
<b>Net Increase in Net Assets Resulting from Operations</b> . . . . .	<u>363,278,612</u>
Total Distributions to Preferred Shareholders . . . . .	(23,011,441)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> . . . . .	<u>\$340,267,171</u>

\* Includes amortization of bond premiums which exceeded the aggregate of interest accrued to income for the period.

\*\* The Fund received a reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

## The Gabelli Dividend & Income Trust

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

	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
<b>Operations:</b>		
Net investment income.....	\$ 26,555,452	\$ 29,496,817
Net realized gain on investments, securities sold short, and foreign currency transactions .....	100,297,972	98,145,898
Net change in unrealized appreciation/depreciation on investments, securities sold short, and foreign currency translations .....	<u>236,425,188</u>	<u>104,514,850</u>
<b>Net Increase in Net Assets Resulting from Operations.....</b>	<b><u>363,278,612</u></b>	<b><u>232,157,565</u></b>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income.....	(5,209,062)	(4,280,021)
Net realized capital gain.....	<u>(17,802,379)</u>	<u>(14,184,648)</u>
<b>Total Distributions to Preferred Shareholders .....</b>	<b><u>(23,011,441)</u></b>	<b><u>(18,464,669)</u></b>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations.....</b>	<b><u>340,267,171</u></b>	<b><u>213,692,896</u></b>
<b>Distributions to Common Shareholders:</b>		
Net investment income.....	(23,259,325)	(25,229,902)
Net realized capital gain.....	(79,490,563)	(83,604,970)
Return of capital .....	<u>(6,060,914)</u>	<u>—</u>
<b>Total Distributions to Common Shareholders .....</b>	<b><u>(108,810,802)</u></b>	<b><u>(108,834,872)</u></b>
<b>Fund Share Transactions:</b>		
Adjustment to offering costs for preferred shares .....	9,373	—
Net decrease from repurchase of common shares.....	—	(2,017,929)
Offering costs for preferred shares charged to paid-in capital .....	<u>—</u>	<u>(3,374,809)</u>
<b>Net Increase/(Decrease) in Net Assets from Fund Share Transactions .....</b>	<b><u>9,373</u></b>	<b><u>(5,392,738)</u></b>
<b>Net Increase in Net Assets Attributable to Common Shareholders .....</b>	<b>231,465,742</b>	<b>99,465,286</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year .....	<u>1,838,405,058</u>	<u>1,738,939,772</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively) .....	<u>\$2,069,870,800</u>	<u>\$1,838,405,058</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,				
	2017	2016	2015	2014	2013
<b>Operating Performance:</b>					
Net asset value, beginning of year . . . . .	\$ 22.30	\$ 21.07	\$ 23.57	\$ 24.18	\$ 18.58
Net investment income . . . . .	0.32	0.36	0.30	0.41	0.36
Net realized and unrealized gain/(loss) on investments, securities sold short, and foreign currency transactions . . . . .	4.09	2.45	(1.39)	1.54	6.45
Total from investment operations . . . . .	4.41	2.81	(1.09)	1.95	6.81
<b>Distributions to Preferred Shareholders: (a)</b>					
Net investment income . . . . .	(0.06)	(0.05)	(0.06)	(0.03)	(0.05)
Net realized gain . . . . .	(0.22)	(0.17)	(0.12)	(0.15)	(0.13)
Total distributions to preferred shareholders . . . . .	(0.28)	(0.22)	(0.18)	(0.18)	(0.18)
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations . . . . .</b>					
	4.13	2.59	(1.27)	1.77	6.63
<b>Distributions to Common Shareholders:</b>					
Net investment income . . . . .	(0.28)	(0.31)	(0.31)	(0.39)	(0.31)
Net realized gain . . . . .	(0.97)	(1.01)	(0.65)	(1.97)	(0.72)
Return of capital . . . . .	(0.07)	—	(0.28)	(0.02)	—
Total distributions to common shareholders . . . . .	(1.32)	(1.32)	(1.24)	(2.38)	(1.03)
<b>Fund Share Transactions:</b>					
Increase in net asset value from repurchase of common shares . . . . .	—	0.00(b)	0.01	—	0.00(b)
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital . . . . .	0.00(b)	(0.04)	—	—	—
Total from Fund share transactions . . . . .	0.00(b)	(0.04)	0.01	—	0.00(b)
<b>Net Asset Value Attributable to Common Shareholders, End of Year . . . . .</b>	<b>\$ 25.11</b>	<b>\$ 22.30</b>	<b>\$ 21.07</b>	<b>\$ 23.57</b>	<b>\$ 24.18</b>
NAV total return † . . . . .	19.14%	12.70%	(5.59)%	7.48%	36.47%
Market value, end of year . . . . .	\$ 23.41	\$ 20.04	\$ 18.46	\$ 21.66	\$ 22.17
Investment total return †† . . . . .	24.11%	16.47%	(9.32)%	8.82%	44.38%
<b>Ratios to Average Net Assets and Supplemental Data:</b>					
Net assets including liquidation value of preferred shares, end of year (in 000's) . . . . .	\$2,629,129	\$2,397,663	\$2,198,198	\$2,410,290	\$2,460,474
Net assets attributable to common shares, end of year (in 000's) . . . . .	\$2,069,871	\$1,838,405	\$1,738,940	\$1,951,032	\$2,001,217
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions . . . . .	1.38%	1.69%	1.60%	1.71%	1.65%
Ratio of operating expenses to average net assets attributable to common shares before fees waived . . . . .	1.38%(c)	1.39%(c)	1.33%(c)	1.36%	1.34%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any . . . . .	1.38%(c)	1.39%(c)	1.09%(c)	1.36%	1.34%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fees waived . . . . .	1.07%(c)	1.07%(c)	1.07%(c)	1.10%	1.07%
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any . . . . .	1.07%(c)	1.07%(c)	0.88%(c)	1.10%	1.07%
Portfolio turnover rate . . . . .	13.3%	15.6%	8.1%	18.4%	15.8%

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,				
	2017	2016	2015	2014	2013
<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	\$ 76,201	\$ 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)	\$ 26.31	\$ 26.32	\$ 25.63	\$ 25.26	\$ 25.31
Asset coverage per share(e)	\$ 117.53	\$ 107.18	\$ 119.66	\$ 131.21	\$ 133.94
<b>Series B Auction Market Preferred</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)	\$117,528	\$107,181	\$119,660	\$131,206	\$133,938
<b>Series C Auction Market Preferred</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)	\$117,528	\$107,181	\$119,660	\$131,206	\$133,938
<b>6.000% Series D Preferred</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)	\$ 26.57	\$ 26.58	\$ 25.70	\$ 25.53	\$ 26.25
Asset coverage per share(e)	\$ 117.53	\$ 107.18	\$ 119.66	\$ 131.21	\$ 133.94
<b>Series E Auction Rate Preferred</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)	\$117,528	\$107,181	\$119,660	\$131,206	\$133,938
<b>5.250% Series G Preferred</b>					
Liquidation value, end of year (in 000's)	\$100,000	\$100,000	—	—	—
Total shares outstanding (in 000's)	4,000	4,000	—	—	—
Liquidation preference per share	\$ 25.00	\$ 25.00	—	—	—
Average market value (d)	\$ 25.29	\$ 25.20	—	—	—
Asset coverage per share(e)	\$ 117.53	\$ 107.18	—	—	—
<b>Asset Coverage (g)</b>	470%	429%	479%	525%	536%

† 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 obtained 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 the years ended December 31, 2017, 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.

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 stock) 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.

**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 security is 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.

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.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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, 2017 is as follows:

	Valuation Inputs			Total Market Value at 12/31/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Aerospace	\$ 65,219,554	—	\$ 92,229	\$ 65,311,783
Energy and Utilities: Integrated	36,650,298	—	60,172	36,710,470
Energy and Utilities: Services	50,094,230	—	0	50,094,230
Food and Beverage	380,493,451	\$ 306,720	—	380,800,171
Other Industries (a)	2,029,692,348	—	—	2,029,692,348
<b>Total Common Stocks</b>	<b>2,562,149,881</b>	<b>306,720</b>	<b>152,401</b>	<b>2,562,609,002</b>
Closed-End Funds	3,841,750	—	—	3,841,750
Convertible Preferred Stocks (a)	2,703,000	6,162,560	—	8,865,560
Preferred Stocks (a)	400,000	2,442,552	—	2,842,552
Rights (a)	—	220,000	—	220,000
Convertible Corporate Bonds (a)	—	1,854,063	—	1,854,063
Corporate Bonds (a)	—	842,550	—	842,550
U.S. Government Obligations	—	54,958,919	—	54,958,919
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$2,569,094,631</b>	<b>\$66,787,364</b>	<b>\$152,401</b>	<b>\$2,636,034,396</b>

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

During the year ended December 31, 2017, the Fund had transfers of \$2,493,993 or 0.14% and \$1,060,510 or 0.06% of net assets as of December 31, 2016 from Level 1 to Level 2 and Level 2 to Level 1, respectively. Transfers from Level 1 to Level 2 and Level 2 to Level 1 are due to a decline or an increase in market activity, e.g., frequency of trades, respectively, which resulted in a decrease or an increase in available market inputs to determine price. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.



## 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.

**Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps.** 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 or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (“CFTC”). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (“CEA”), the Adviser has filed a notice of exemption from registration as a “commodity pool operator” with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which 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 options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does 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 positions 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. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

**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. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2017, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than 1 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.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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**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. For restricted securities the Fund held as of December 31, 2017, refer to the Schedule of Investments.

**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. 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.

**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 shareholders are recorded on the ex-dividend date. Distributions to shareholders 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 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 adjustments on sales of convertible securities and adjustments from real estate investments. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2017, reclassifications were made to decrease distributions in excess of net investment income by \$2,050,751 and increase distributions in excess of net realized gain on investments, securities sold short, and foreign currency transactions by \$2,049,985, with an offsetting adjustment to paid-in capital

Under the Fund's current common share distribution policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the calendar 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. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

Distribution, subject to the maximum federal income tax rate and may cause such gains to be treated as ordinary income. 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 5.875% Series A Preferred Shares, Series B Auction Market Preferred Shares, Series C Auction Market Preferred Shares, 6.000% Series D Preferred Shares, Series E Auction Rate Preferred Shares, and 5.250% Series G 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, 2017 and 2016 was as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Common	Preferred	Common	Preferred
<b>Distributions paid from:</b>				
Ordinary income (inclusive of short term gain) .....	\$ 23,259,325	\$ 5,209,062	\$ 25,936,252	\$ 4,400,284
Net long term capital gains .....	79,490,563	17,802,379	82,898,620	14,064,385
Return of capital .....	6,060,914	—	—	—
Total distributions paid .....	<u>\$108,810,802</u>	<u>\$23,011,441</u>	<u>\$108,834,872</u>	<u>\$18,464,669</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 substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2017, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations ..	\$898,998,525
Qualified late year loss deferral* .....	(51,864)
Other temporary differences** .....	<u>(276,211)</u>
Total .....	<u>\$898,670,450</u>

\* Under the current law, qualified late year losses realized after October 31 and prior to the Fund's year end may be elected as occurring on the first day of the following year. For the year ended December 31, 2017, the Fund elected to defer \$51,864 of late year specified losses.

\*\* Other temporary differences were primarily due to current year dividends payable.

At December 31, 2017, the temporary differences between book basis and tax basis were comprised of net unrealized appreciation on deferral of losses from wash sales for tax purposes and basis adjustments on investments in partnerships.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2017:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments .....	\$1,737,037,680	\$981,634,443	\$(82,637,727)	\$898,996,716

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. During the year ended December 31, 2017, the Fund did not incur any income tax, interest, or penalty. As of December 31, 2017, 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 A, Series B, Series C, Series D, 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. For the year ended December 31, 2017, the Fund's total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap rate on each of the outstanding Preferred Shares. Thus, advisory fees with respect to the liquidation value of the Preferred Shares were accrued on these assets.

During the year ended December 31, 2017, the Fund paid \$150,568 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2017, 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 \$13,151.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2017, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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, 2017 the Fund paid or accrued \$255,459 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Proxy Voting Committee Chairman receives an annual fee of \$1,500, the Nominating Committee Chairman and the Lead Trustee each receives an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

**4. Portfolio Securities.** Purchases and sales of securities during the year ended December 31, 2017, other than short term securities and U.S. Government obligations, aggregated \$323,130,975, and \$353,780,636, respectively.

**5. 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 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 year ended December 31, 2017, the Fund did not repurchase any common shares. During the year ended December 31, 2016, the Fund repurchased and retired 117,996 common shares in the open market at an investment of \$2,017,929 and an average discount of approximately 13.73% from its NAV.

Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
Net decrease from repurchase of common shares .....	—	—	(117,996)	\$(2,017,929)

On July 1 2016, the Fund received net proceeds of \$96,634,565 (after underwriting discounts of \$3,150,000 and offering expenses of \$215,435) from the public offering of 4,000,000 shares of 5.250% Series G Cumulative Preferred Shares.

As of December 31, 2017, after considering the issuance of Series G Preferred, the Fund has \$400 million available for issuing additional common or preferred shares or notes under the current shelf registration.

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 A, Series B, Series C, Series D, Series E, and Series G Preferred Shares at redemption prices of \$25, \$25,000, \$25,000, \$25, \$25,000, and \$25, respectively, per share plus

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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, as set by the auction process that is generally held every seven days, are 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, respectively, basis points greater than the seven day ICE LIBOR rate on the date of such auction. 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. There were no redemptions of Series B, Series C, and Series E Preferred Shares during the year ended December 31, 2017.

The Fund may redeem in whole or in part the 5.875% Series A and 6.000% Series D Preferred Shares at the redemption price at any time. Commencing July 1, 2021 and at any time thereafter, the Fund, at its option, may redeem the 5.250% Series G Cumulative Preferred Shares in whole or in part at the redemption price. The Board has authorized the repurchase of Series A, Series D, and Series G Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the years ended December 31, 2017 and 2016, the Fund did not repurchase any shares of Series A, Series D, or Series G 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.

The following table summarizes Cumulative Preferred Share information:

Series	Issue Date	Authorized	Number of Shares Outstanding at 12/31/17	Net Proceeds	2017 Dividend Rate Range	Dividend Rate at 12/31/17	Accrued Dividend at 12/31/17
A 5.875%	October 12, 2004	3,200,000	3,048,019	\$ 77,280,971	Fixed Rate	5.875%	\$62,177
B Auction Market	October 12, 2004	4,000	3,600	98,858,617	2.211% to 2.986%	2.986%	29,860
C Auction Market	October 12, 2004	4,800	4,320	118,630,341	2.212% to 2.984%	2.984%	17,904
D 6.000%	November 3, 2005	2,600,000	2,542,296	62,617,239	Fixed Rate	6.000%	52,965
E Auction Rate	November 3, 2005	5,400	4,860	133,379,387	3.211% to 3.989%	3.989%	40,389
G 5.250%	July 1, 2016	4,000,000	4,000,000	96,634,565	Fixed Rate	5.250%	72,917

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 Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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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.

**6. 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.

**7. Subsequent Events.** Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no 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, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (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, 2017, the results of its operations 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, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 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, 2017 by correspondence with the custodian, transfer agent 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.

PricewaterhouseCoopers LLP  
New York, New York  
February 27, 2018

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

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Unaudited)

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.

<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>4</sup></b>
<b>INTERESTED TRUSTEES<sup>3</sup>:</b>				
<b>Mario J. Gabelli, CFA</b> Chairman and Chief Investment Officer Age: 75	Since 2003**	32	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 Gabelli/GAMCO 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)
<b>Edward T. Tokar</b> Trustee Age: 70	Since 2003*	2	Private investor; Senior Managing Director of Beacon Trust Company (trust services) (2004-2016); Chief Executive Officer of Allied Capital Management LLC (1977-2004); Vice President of Honeywell International Inc. (1977-2004)	Director of CH Energy Group (energy services) (2009-2013); Director, Teton Advisors, Inc. (financial services) (2008-2010)
<b>INDEPENDENT TRUSTEES<sup>5</sup>:</b>				
<b>Anthony J. Colavita<sup>6</sup></b> Trustee Age: 82	Since 2003***	28	President of the law firm of Anthony J. Colavita, P.C.	—
<b>James P. Conn<sup>6</sup></b> Trustee Age: 79	Since 2003*	27	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)	—
<b>Frank J. Fahrenkopf, Jr.</b> Trustee Age: 78	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: 68	Since 2003**	23	Of Counsel in the law firm of McDonald Carano Wilson LLP; Partner in the law firm of Avansino, Melarkey, Knobel, Mulligan & McKenzie (1980-2015)	Director of Southwest Gas Corporation (natural gas utility)
<b>Salvatore M. Salibello</b> Trustee Age: 72	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 Kid Brands, Inc. (consumer products) (2002-2014)
<b>Anthonie C. van Ekris</b> Trustee Age: 83	Since 2003***	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
<b>Susan V. Watson</b> Trustee Age: 65	Since 2017**	1	Executive Search Associate with Spencer Stuart (2010-2016)	—
<b>Salvatore J. Zizza</b> Trustee Age: 72	Since 2003***	30	President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals)

## The Gabelli Dividend & Income Trust

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

<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>Principal Occupation(s) During Past Five Years</u>
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President Age: 66	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
<b>John C. Ball</b> Treasurer Age: 41	Since 2017	Treasurer of all the registered investment companies within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
<b>Agnes Mullady</b> Vice President Age: 59	Since 2006	Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
<b>Andrea R. Mango</b> Secretary and Vice President Age: 45	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
<b>Richard J. Walz</b> Chief Compliance Officer Age: 58	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013
<b>Carter W. Austin</b> Vice President and Ombudsman Age: 51	Since 2003	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO 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: 41	Since 2011	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2016) and Assistant Vice President (2003-2016) of GAMCO Investors, Inc.
<b>David I. Schachter</b> Vice President Age: 64	Since 2011	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2015) of GAMCO Investors, Inc. 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 2018 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\* Term expires at the Fund's 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\*\* Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior officer positions with the Fund. 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> "Interested person" of the Fund, as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mr. Tokar is considered an "interested person" because of his son's employment by an affiliate of the investment adviser.

<sup>4</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>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.

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited)**  
December 31, 2017

**Cash Dividends and Distributions**

Payable Date	Record Date	Ordinary Investment Income(a)	Long Term Capital Gains(a)	Return of Capital(b)	Total Amount Paid Per Share(a)	Dividend Reinvestment Price
<b>Common Shares</b>						
01/24/17	01/17/17	\$0.02450	\$0.07930	\$0.00620	\$0.11000	\$20.36230
02/21/17	02/13/17	0.02340	0.08040	0.00620	0.11000	21.05310
03/24/17	03/17/17	0.02340	0.08040	0.00620	0.11000	20.64990
04/21/17	04/13/17	0.02340	0.08040	0.00620	0.11000	21.36670
05/23/17	05/16/17	0.02340	0.08040	0.00620	0.11000	21.58920
06/23/17	06/16/17	0.02340	0.08040	0.00620	0.11000	21.84920
07/24/17	07/17/17	0.02340	0.08040	0.00620	0.11000	22.34870
08/24/17	08/17/17	0.02340	0.08040	0.00620	0.11000	21.58590
09/22/17	09/15/17	0.02340	0.08040	0.00620	0.11000	22.18270
10/24/17	10/17/17	0.02340	0.08040	0.00620	0.11000	22.60410
11/22/17	11/15/17	0.02340	0.08040	0.00620	0.11000	22.49350
12/15/17	12/08/17	0.02340	0.08040	0.00620	0.11000	22.98370
		\$0.28190	\$0.96370	\$0.07440	\$1.32000	
<b>5.875% Series A Cumulative Preferred Shares</b>						
03/27/17	03/20/17	\$0.08398	\$0.28321	—	\$0.36719	
06/26/17	06/19/17	0.08275	0.28444	—	0.36719	
09/26/17	09/19/17	0.08275	0.28444	—	0.36719	
12/26/17	12/18/17	0.08275	0.28444	—	0.36719	
		\$0.33224	\$1.13651	—	\$1.46875	
<b>6.000% Series D Cumulative Preferred Shares</b>						
03/27/17	03/20/17	\$0.08577	\$0.28923	—	\$0.37500	
06/26/17	06/19/17	0.08451	0.29049	—	0.37500	
09/26/17	09/19/17	0.08451	0.29049	—	0.37500	
12/26/17	12/18/17	0.08451	0.29049	—	0.37500	
		\$0.33930	\$1.16070	—	\$1.50000	
<b>5.250% Series G Cumulative Preferred Shares</b>						
03/27/17	03/20/17	\$0.07505	\$0.25308	—	\$0.32812	
06/26/17	06/19/17	0.07395	0.25418	—	0.32812	
09/26/17	09/19/17	0.07395	0.25418	—	0.32812	
12/26/17	12/18/17	0.07395	0.25418	—	0.32812	
		\$0.29689	\$1.01561	—	\$1.31250	

**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 \$7,342,081 for the fiscal year ended December 31, 2017.

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 2017 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 for the year ended December 31, 2017 were \$97,292,942.

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

In 2017, the Fund paid to common, 5.875% Series A, 6.000% Series D, and 5.250% Series G Cumulative Preferred shareholders ordinary income dividends of \$0.28190, \$0.33224, \$0.33930, and \$0.29689 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 \$146.74851, \$147.18673, and \$204.25358 per share, respectively. For the year ended December 31, 2017, 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. The percentage of ordinary income dividends paid by the Fund during 2017 derived from U.S. Treasury securities was 0.01%. 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 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 Fund did not meet this strict requirement in 2017. The percentage of U.S. Treasury securities held as of December 31, 2017 was 2.08%.

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited) (Continued)**  
December 31, 2017

**Historical Distribution Summary**

	Investment Income(c)	Short Term Capital Gains(c)	Long Term Capital Gains	Return of Capital(b)	Total Distributions(a)	Adjustment to Cost Basis(d)
<b>Common Shares</b>						
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
2011 .....	0.26832	0.13452	—	0.49716	0.90000	0.49716
2010 .....	0.16120	—	—	0.59880	0.76000	0.59880
2009 .....	0.20460	—	—	0.78540	0.99000	0.78540
2008 .....	0.27910	—	0.00250	0.99840	1.28000	0.99840
<b>5.875% Series A Cumulative Preferred Shares</b>						
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	—
2011 .....	0.97821	0.49054	—	—	1.46875	—
2010 .....	1.46875	—	—	—	1.46875	—
2009 .....	1.46875	—	—	—	1.46875	—
2008 .....	1.46583	—	0.00292	—	1.46875	—
<b>6.000% Series D Cumulative Preferred Shares</b>						
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	—
2011 .....	0.99920	0.50080	—	—	1.50000	—
2010 .....	1.50000	—	—	—	1.50000	—
2009 .....	1.50000	—	—	—	1.50000	—
2008 .....	1.49700	—	0.00300	—	1.50000	—
<b>5.250% Series G Cumulative Preferred Shares</b>						
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, 2017

**Historical Distribution Summary**

	Investment Income(c)	Short Term Capital Gains(c)	Long Term Capital Gains	Return of Capital(b)	Total Distributions(a)
<b>Auction Market/Rate Cumulative</b>					
<b>Preferred Shares</b>					
2017 Class B Shares	\$ 146.74851	—	\$499.55149	—	\$ 646.30000
2017 Class C Shares	147.18673	—	501.04327	—	648.23000
2017 Class E Shares	204.25358	—	695.30642	—	899.56000
2016 Class B Shares	113.64000	\$ 3.11000	373.52000	—	490.27000
2016 Class C Shares	113.83000	3.11000	374.13000	—	491.07000
2016 Class E Shares	172.25000	4.71000	566.16000	—	743.12000
2015 Class B Shares	135.24823	12.19058	272.44119	—	419.88000
2015 Class C Shares	135.44794	12.20858	272.84348	—	420.50000
2015 Class E Shares	216.66839	19.52938	436.45223	—	672.65000
2014 Class B Shares	67.75947	11.25488	331.03565	—	410.05000
2014 Class C Shares	69.08641	11.47528	337.51831	—	418.08000
2014 Class E Shares	109.54380	18.19527	535.17093	—	662.91000
2013 Class B Shares	125.97838	2.26456	290.04706	—	418.29000
2013 Class C Shares	126.00248	2.26499	290.10253	—	418.37000
2013 Class E Shares	206.03966	3.70373	474.37661	—	684.12000
2012 Class B Shares	221.40190	179.93810	—	—	401.34000
2012 Class C Shares	216.87831	176.26169	—	—	393.14000
2012 Class E Shares	299.97988	243.80012	—	—	543.78000
2011 Class B Shares	243.86841	122.29159	—	—	366.16000
2011 Class C Shares	243.76851	122.24149	—	—	366.01000
2011 Class E Shares	285.90068	143.36932	—	—	429.27000
2010 Class B Shares	381.65000	—	—	—	381.65000
2010 Class C Shares	381.65000	—	—	—	381.65000
2010 Class E Shares	444.84000	—	—	—	444.84000
2009 Class B Shares	388.12000	—	—	—	388.12000
2009 Class C Shares	388.02000	—	—	—	388.02000
2009 Class E Shares	451.10000	—	—	—	451.10000
2008 Class B Shares	944.35220	—	1.87780	—	946.23000
2008 Class C Shares	966.50741	—	1.92259	—	968.43000
2008 Class E Shares	1,044.21367	—	2.07633	—	1,046.29000

(a) Total amounts may differ due to rounding.

(b) Non-taxable.

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

(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.

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 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](http://www.gabelli.com).

The NASDAQ symbol for the Net Asset Value is “XGDVX.”

## **THE GABELLI DIVIDEND & INCOME TRUST**

### **ANNUAL APPROVAL OF CONTINUANCE OF INVESTMENT ADVISORY AGREEMENT**

During the six months ended December 31, 2017, the Board of Trustees of the Trust approved the continuation of the investment advisory agreement with the Adviser for the Trust on the basis of the recommendation by the trustees (the “Independent Board Members”) who are not “interested persons” of the Trust. 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 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.

**Investment Performance.** The Independent Board Members reviewed the performance of the Fund over one, three, five, and ten year periods (as of September 30, 2017) against a peer group of thirteen other comparable funds prepared by the Adviser (the “Adviser Peer Group”) and against a larger peer group of 28 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 third quartile for the one and five year periods, the fourth (lowest) quartile for the three year period and the second quartile for the ten year period for the Adviser Peer Group, and in the second quartile for the one and five year periods, the third quartile for the three year period, and the second quartile for the ten year period for the Lipper Peer Group.

**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, 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 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 with 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 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

## **THE GABELLI DIVIDEND & INCOME TRUST**

### **ANNUAL APPROVAL OF CONTINUANCE OF INVESTMENT ADVISORY AGREEMENT (Continued)**

Fund were reasonable, and that 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 fair and reasonable with respect to the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund's Advisory Agreement. The Board Members based its decision on evaluations of all these factors as a whole and did not consider any one factor as all-important or controlling.



# AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

## Enrollment in the Plan

It is the policy of The Gabelli Dividend & Income Trust 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 shares of common stock 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 stock certificates to Computershare Trust Company, N.A. (“Computershare”) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust  
c/o Computershare  
P.O. Box 505000  
Louisville, KY 40233

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

The number of shares of common stock 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 stock 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 stock 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 stock. 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 stock at the time of valuation exceeds the market price of the common stock, 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 common stock 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 stock 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 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 505000, Louisville, KY 40233 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 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.

**THE GABELLI DIVIDEND & INCOME TRUST**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. 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.

**Christopher J. Marangi** joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.

**Sarah Donnelly** joined Gabelli in 1999 as a junior research analyst working with the consumer staples and media analysts. Currently she is a Portfolio Manager of Gabelli Funds, LLC, a Senior Vice President and the Food, Household and Personal Care products research analyst for Gabelli & Company. In 2013, she was named the Health & Wellness research platform leader. Ms. Donnelly received a BS in Business Administration with a concentration in Finance and minor in History from Fordham University.

**Robert D. Leininger, CFA**, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA degree from the Wharton School at the University of Pennsylvania.

**Jeffrey J. Jonas, CFA**, joined Gabelli in 2003 as a research analyst focusing on companies across the healthcare industry. In 2006, he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

**Brian C. Sponheimer** is a portfolio manager and research analyst, responsible for coverage of automotive, trucking, and machinery stocks. In 2010, 2011, and 2016, Brian was recognized by various financial publications, including the Wall Street Journal and the Financial Times, as a “Best on the Street” analyst. He began his business career in institutional equities at CIBC World Markets in New York and Boston. Brian graduated cum laude from Harvard University with a BA in Government and received an MBA in Finance and Economics from Columbia Business School.

**Regina M. Pitaro** is a Managing Director and Head of Institutional Marketing at GAMCO Investors, Inc. Ms. Pitaro joined the firm in 1984 and coordinates the organization’s focus with consultants and plan sponsors. She also serves as a Managing Director and Director of GAMCO Asset Management, Inc., and also serves as a portfolio manager for Gabelli Funds, LLC. Ms. Pitaro holds an MBA in Finance from the Columbia University Graduate School of Business, a Master’s degree in Anthropology from Loyola University of Chicago, and a Bachelor’s degree from Fordham University.

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. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.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 10% 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.

## THE GABELLI DIVIDEND & INCOME TRUST

One Corporate Center  
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e [info@gabelli.com](mailto:info@gabelli.com)

[GABELLI.COM](http://GABELLI.COM)

### TRUSTEES

Mario J. Gabelli, CFA  
Chairman and  
Chief Executive Officer,  
GAMCO Investors, Inc.  
Executive Chairman,  
Associated Capital Group, Inc.

Anthony J. Colavita  
President,  
Anthony J. 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  
Of Counsel,  
McDonald Carano Wilson LLP

Salvatore M. Salibello  
Senior Partner,  
Bright Side Consulting

Edward T. Tokar  
Former Chief Executive Officer of Allied  
Capital Management, LLC, &  
Vice President of Honeywell International,  
Inc.

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

Susan V. Watson  
Former President,  
Investor Relations Association

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

### OFFICERS

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President

John C. Ball  
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Vice President & Ombudsman

Laurissa M. Martire  
Vice President & Ombudsman

David I. Schachter  
Vice President

### 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.



GABELLI  
FUNDS

# THE GABELLI DIVIDEND & INCOME TRUST

## GDV

*Annual Report  
December 31, 2017*