

CHARTWELL DIVIDEND & INCOME FUND INC  
Form N-Q  
April 29, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----

FORM N-Q

-----

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

INVESTMENT COMPANY ACT FILE NUMBER 811-8747

CHARTWELL DIVIDEND AND INCOME FUND, INC.  
(Exact name of registrant as specified in charter)

-----

1235 Westlakes Drive, Suite 400  
Berwyn, PA 19312  
(Address of principal executive offices) (Zip code)

PNC Bank, National Association  
400 Bellevue Parkway  
Wilmington, DE 19809  
Attn: Closed-End Department  
(Name and address of agent for service)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 1-610-296-1400

DATE OF FISCAL YEAR END: NOVEMBER 30, 2010

DATE OF REPORTING PERIOD: FEBRUARY 28, 2010

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|                                     | NUMBER OF<br>SHARES | MARKET<br>VALUE |
|-------------------------------------|---------------------|-----------------|
|                                     | -----               | -----           |
| COMMON STOCK - 59.3%                |                     |                 |
| AEROSPACE & DEFENSE - 1.4%          |                     |                 |
| Honeywell International, Inc. ....  | 25,000              | \$ 1,004,000    |
|                                     |                     | -----           |
| BANKS - 4.6%                        |                     |                 |
| JPMorgan Chase & Company .....      | 55,000              | 2,308,350       |
| National Penn Bancshares, Inc. .... | 64,415              | 443,819         |
| NYSE Euronext .....                 | 20,000              | 527,600         |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|   |         |  |
|---|---------|--|
|   |         | -----<br>3,279,769<br>-----              |
| BASIC INDUSTRY - 0.3%                         |         |  |
| PPG Industries, Inc. ....                     | 3,000   | 184,620<br>-----                         |
| BEVERAGES - 1.6%                              |         |  |
| Coca-Cola Company .....                       | 10,000  | 527,200                                  |
| PepsiCo, Inc. ....                            | 10,000  | 624,700<br>-----<br>1,151,900<br>-----   |
| COMPUTERS & PERIPHERALS - 1.4%                |         |  |
| Hewlett-Packard Company .....                 | 20,000  | 1,015,800<br>-----                       |
| ELECTRICAL EQUIPMENT - 2.0%                   |         |  |
| Emerson Electric Company .....                | 30,000  | 1,420,200<br>-----                       |
| ENERGY - 9.7%                                 |         |  |
| Energy Transfer Partners LP (A) .....         | 42,500  | 1,966,900                                |
| Enterprise Products Partners LP (A) .....     | 20,000  | 655,200                                  |
| Exxon Mobil Corporation .....                 | 20,000  | 1,300,000                                |
| General Maritime Corporation .....            | 105,000 | 759,150                                  |
| Occidental Petroleum Corporation .....        | 28,000  | 2,235,800<br>-----<br>6,917,050<br>----- |
| FINANCIAL - 7.6%                              |         |  |
| ACE Limited .....                             | 30,000  | 1,499,700                                |
| Lincoln National Corporation .....            | 50,000  | 1,259,000                                |
| MetLife, Inc. ....                            | 60,000  | 2,183,400                                |
| Star Asia Financial Limited * + (B) (C) ..... | 15,000  | 471,900<br>-----<br>5,414,000<br>-----   |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|  | NUMBER OF<br>SHARES | MARKET<br>VALUE                      |
|--|---------------------|--------------------------------------|
|  | -----               | -----                                |
| COMMON STOCK (CONTINUED)               |                     |                                      |
| FOOD & STAPLES RETAILING - 0.9%        |                     |                                      |
| CVS Caremark Corporation .....         | 20,000              | \$ 675,000<br>-----                  |
| FOOD, BEVERAGE & TOBACCO - 1.1%        |                     |                                      |
| Kraft Foods, Inc., Class A .....       | 10,000              | 284,300                              |
| Philip Morris International, Inc. .... | 10,000              | 489,800<br>-----<br>774,100<br>----- |
| HEALTHCARE - 5.7%                      |                     |                                      |
| Abbott Laboratories .....              | 20,000              | 1,085,600                            |
| Bristol-Myers Squibb Company .....     | 50,000              | 1,225,500                            |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|                                       |         |           |
|---------------------------------------|---------|-----------|
| Pfizer, Inc. ....                     | 100,000 | 1,755,000 |
|                                       |         | -----     |
|                                       |         | 4,066,100 |
|                                       |         | -----     |
| INDUSTRIAL CONGLOMERATES - 2.2%       |         |           |
| 3M Company .....                      | 20,000  | 1,603,000 |
|                                       |         | -----     |
| IT SERVICES - 0.4%                    |         |           |
| Paychex, Inc. ....                    | 10,000  | 299,400   |
|                                       |         | -----     |
| MACHINERY - 0.8%                      |         |           |
| Caterpillar, Inc. ....                | 10,000  | 570,500   |
|                                       |         | -----     |
| METALS & MINING - 1.1%                |         |           |
| BHP Billiton Limited ADR .....        | 11,000  | 806,630   |
|                                       |         | -----     |
| MULTILINE RETAIL - 1.5%               |         |           |
| JC Penney Company, Inc. ....          | 10,000  | 275,800   |
| Target Corporation .....              | 16,000  | 824,320   |
|                                       |         | -----     |
|                                       |         | 1,100,120 |
|                                       |         | -----     |
| PERSONAL PRODUCTS - 0.8%              |         |           |
| Avon Products, Inc. ....              | 20,000  | 608,800   |
|                                       |         | -----     |
| REAL ESTATE INVESTMENT TRUSTS - 4.6%  |         |           |
| Annaly Mortgage Management, Inc. .... | 120,000 | 2,205,600 |
| MFA Mortgage Investments, Inc. ....   | 150,000 | 1,086,000 |
|                                       |         | -----     |
|                                       |         | 3,291,600 |
|                                       |         | -----     |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | NUMBER OF<br>SHARES | MARKET<br>VALUE |
|---|---------------------|-----------------|
|   | -----               | -----           |
| COMMON STOCK (CONTINUED)                        |                     |                 |
| ROAD & RAIL - 0.9%                              |                     |                 |
| Union Pacific Corporation .....                 | 10,000              | \$ 673,700      |
|   |                     | -----           |
| SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 2.2% |                     |                 |
| Intel Corporation .....                         | 30,000              | 615,900         |
| Microchip Technology, Inc. ....                 | 35,000              | 947,100         |
|   |                     | -----           |
|   |                     | 1,563,000       |
|   |                     | -----           |
| SOFTWARE - 0.8%                                 |                     |                 |
| Microsoft Corporation .....                     | 20,000              | 573,200         |
|   |                     | -----           |
| SPECIALTY RETAIL - 2.2%                         |                     |                 |
| Limited Brands, Inc. ....                       | 70,000              | 1,547,700       |
|   |                     | -----           |
| TELECOMMUNICATIONS - 3.4%                       |                     |                 |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|  |         |            |
|--|---------|------------|
| AT&T, Inc. ....                                    | 40,500  | 1,004,805  |
| Frontier Communications Corporation .....          | 125,000 | 973,750    |
| Verizon Communications, Inc. ....                  | 15,000  | 433,950    |
|  |         | -----      |
|  |         | 2,412,505  |
|  |         | -----      |
| TRANSPORTATION - 0.7%                              |         |            |
| Seaspan Corporation .....                          | 50,000  | 511,000    |
|  |         | -----      |
| UTILITIES - 1.4%                                   |         |            |
| Exelon Corporation .....                           | 15,000  | 649,500    |
| Southern Company .....                             | 10,000  | 317,700    |
|  |         | -----      |
|  |         | 967,200    |
|  |         | -----      |
| TOTAL COMMON STOCK (COST \$39,643,051) .....       |         | 42,430,894 |
|  |         | -----      |
| EXCHANGE TRADED FUNDS - 2.1%                       |         |            |
| SPDR KBW Bank .....                                | 65,000  | 1,528,150  |
|  |         | -----      |
| TOTAL EXCHANGE TRADED FUNDS (COST \$871,731) ..... |         | 1,528,150  |
|  |         | -----      |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | NUMBER OF<br>SHARES/<br>PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|---|---|-----------------|
|   | -----                                       | -----           |
| PREFERRED STOCK - 1.8%                          |   |                 |
| FINANCIAL - 1.1%                                |   |                 |
| Solar Cayman Limited * + (B) .....              | 80,000                                      | \$ 748,800      |
|   |   | -----           |
| REAL ESTATE INVESTMENT TRUSTS - 0.7%            |   |                 |
| FelCor Lodging Trust, Inc. * .....              | 40,000                                      | 522,000         |
|   |   | -----           |
| TOTAL PREFERRED STOCK (COST \$2,200,000) .....  |   | 1,270,800       |
|   |   | -----           |
| CORPORATE NOTES/BONDS - 49.4%                   |   |                 |
| BASIC INDUSTRY - 2.3%                           |   |                 |
| Appleton Papers, Inc. +                         |   |                 |
| 10.500%, 06/15/15 .....                         | \$ 500,000                                  | 465,000         |
| H&E Equipment Services, Inc.                    |   |                 |
| 8.375%, 07/15/16 .....                          | 1,175,000                                   | 1,175,000       |
|   |   | -----           |
|   |   | 1,640,000       |
|   |   | -----           |
| BUILDING MATERIALS - 1.1%                       |   |                 |
| Gibraltar Industries, Inc.                      |   |                 |
| 8.000%, 12/01/15 .....                          | 840,000                                     | 819,000         |
|   |   | -----           |
| CABLE TELEVISION - 3.4%                         |   |                 |
| Cequel Communications Holdings I LLC and Cequel |   |                 |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|  |         |           |
|--|---------|-----------|
| Capital Corporation +<br>8.625%, 11/15/17 .....    | 500,000 | 502,500   |
| CSC Holdings, Inc.<br>7.875%, 02/15/18 .....       | 750,000 | 785,625   |
| Mediacom Broadband LLC<br>8.500%, 10/15/15 .....   | 750,000 | 761,250   |
| Virgin Media Finance PLC<br>9.500%, 08/15/16 ..... | 350,000 | 372,750   |
|  |         | -----     |
|  |         | 2,422,125 |
|  |         | -----     |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|---|---------------------|-----------------|
|   | -----               | -----           |
| CORPORATE NOTES/BONDS (CONTINUED)                                 |                     |                 |
| CONSTRUCTION MATERIALS - 1.1%                                     |                     |                 |
| Headwaters, Inc. +<br>11.375%, 11/01/14 .....                     | \$ 750,000          | \$ 761,250      |
|   |                     | -----           |
| CONSUMER FINANCE - 0.3%   |                     |                 |
| Credit Acceptance Corporation +<br>9.125%, 02/01/17 .....         | 240,000             | 240,000         |
|   |                     | -----           |
| ENERGY - 7.8%   |                     |                 |
| Cie Generale de Geophysique<br>7.750%, 05/15/17 .....             | 500,000             | 492,500         |
| Cimarex Energy Company<br>7.125%, 05/01/17 .....                  | 650,000             | 653,250         |
| Complete Production Services, Inc.<br>8.000%, 12/15/16 .....      | 780,000             | 762,450         |
| Concho Resources, Inc.<br>8.625%, 10/01/17 .....                  | 500,000             | 515,625         |
| Copano Energy LLC<br>8.125%, 03/01/16 .....                       | 935,000             | 946,687         |
| Crosstex Energy +<br>8.875%, 02/15/18 .....                       | 250,000             | 255,000         |
| Hornbeck Offshore Services, Inc.<br>8.000%, 09/01/17 .....        | 400,000             | 394,000         |
| Linn Energy LLC<br>9.875%, 07/01/18 .....                         | 185,000             | 197,950         |
| Niska Gas Storage +<br>8.875%, 03/15/18 .....                     | 50,000              | 50,688          |
| Plains Exploration & Production Company<br>7.625%, 06/01/18 ..... | 500,000             | 503,750         |
| Range Resources Corporation<br>7.500%, 05/15/16 .....             | 750,000             | 770,625         |
|   |                     | -----           |
|   |                     | 5,542,525       |
|   |                     | -----           |
| FINANCE-LEASING COMPANY - 0.6%                                    |                     |                 |
| International Lease Finance Corporation MTN                       |                     |                 |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

5.650%, 6/01/14 ..... 500,000 424,862  
-----

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|---|---------------------|-----------------|
|   | -----               | -----           |
| CORPORATE NOTES/BONDS (CONTINUED)                                       |                     |                 |
| FIREARMS AND AMMUNITION - 1.0%  |                     |                 |
| Colt Defense LLC +<br>8.750%, 11/15/17 .....                            | \$ 750,000          | \$ 742,500      |
|   |                     | -----           |
| GAMING - 2.7%   |                     |                 |
| MTR Gaming Group, Inc.<br>9.000%, 06/01/12 .....                        | 700,000             | 556,500         |
| Seneca Gaming Corporation<br>7.250%, 05/01/12 .....                     | 1,000,000           | 980,000         |
| Yonkers Racing Corporation +<br>11.375%, 07/15/16 .....                 | 400,000             | 424,000         |
|   |                     | -----           |
|   |                     | 1,960,500       |
|   |                     | -----           |
| HEALTHCARE - 1.6%   |                     |                 |
| HCA Inc.<br>9.125%, 11/15/14 .....                                      | 500,000             | 526,875         |
| Omnicare, Inc.<br>6.875%, 12/15/15 .....                                | 650,000             | 627,250         |
|   |                     | -----           |
|   |                     | 1,154,125       |
|   |                     | -----           |
| INDUSTRIAL - 2.0%   |                     |                 |
| Anixter, Inc.<br>10.000%, 03/15/14 .....                                | 1,000,000           | 1,110,000       |
| United Rentals North America, Inc.<br>10.875%, 06/15/16 .....           | 270,000             | 284,850         |
|   |                     | -----           |
|   |                     | 1,394,850       |
|   |                     | -----           |
| INTERNET SOFTWARE & SERVICES - 0.4%                                     |                     |                 |
| Equinix, Inc.<br>8.125%, 03/01/18 .....                                 | 300,000             | 300,000         |
|   |                     | -----           |
| LEISURE - 0.7%  |                     |                 |
| Universal City Development Partners Limited +<br>8.875%, 11/15/15 ..... | 500,000             | 506,250         |
|   |                     | -----           |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|---|---------------------|-----------------|
|   | -----               | -----           |
| CORPORATE NOTES/BONDS (CONTINUED)                           |                     |                 |
| MACHINERY - 0.2%  |                     |                 |
| Trimas Corporation +<br>9.750%, 12/15/17 .....              | \$ 170,000          | \$ 171,700      |
|   |                     | -----           |
| METALS & MINING - 1.1%                                      |                     |                 |
| Cloud Peak Energy Resources LLC +<br>8.500%, 12/15/19 ..... | 500,000             | 507,500         |
| Steel Dynamics, Inc.<br>7.375%, 11/01/12 .....              | 250,000             | 255,625         |
|   |                     | -----           |
|   |                     | 763,125         |
|   |                     | -----           |
| OIL-FIELD SERVICES - 0.7%                                   |                     |                 |
| Aquilex Holdings LLC +<br>11.125%, 12/15/16 .....           | 500,000             | 525,000         |
|   |                     | -----           |
| PAPER & FOREST PRODUCTS - 3.2%                              |                     |                 |
| P H Glatfelter<br>7.125%, 05/01/16 .....                    | 1,190,000           | 1,148,350       |
| PE Paper Escrow +<br>12.000%, 08/01/14 .....                | 250,000             | 271,716         |
| U.S. Corrugated (B)<br>10.000%, 06/01/13 .....              | 1,000,000           | 850,000         |
|   |                     | -----           |
|   |                     | 2,270,066       |
|   |                     | -----           |
| REAL ESTATE MANAGEMENT - 0.5%                               |                     |                 |
| Corrections Corp of America<br>7.750%, 06/01/17 .....       | 300,000             | 309,000         |
| Geo Group, Inc. +<br>7.750%, 10/15/17 .....                 | 30,000              | 30,525          |
|   |                     | -----           |
|   |                     | 339,525         |
|   |                     | -----           |
| RETAIL - 2.8%   |                     |                 |
| Brown Shoe Company, Inc.<br>8.750%, 05/01/12 .....          | 700,000             | 712,250         |
| Couche-Tard US LP<br>7.500%, 12/15/13 .....                 | 500,000             | 505,000         |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

| PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|---------------------|-----------------|
| -----               | -----           |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

CORPORATE NOTES/BONDS (CONTINUED)

RETAIL (CONTINUED)

Sonic Automotive, Inc., Series B

|                        |            |            |
|------------------------|------------|------------|
| 8.625%, 08/15/13 ..... | \$ 750,000 | \$ 755,625 |
|                        |            | -----      |
|                        |            | 1,972,875  |
|                        |            | -----      |

ROAD & RAIL - 1.0%

RailAmerica, Inc.

|                        |         |         |
|------------------------|---------|---------|
| 9.250%, 07/01/17 ..... | 675,000 | 711,281 |
|                        |         | -----   |

SERVICES - 2.2%

ARAMARK Corporation

|                        |         |         |
|------------------------|---------|---------|
| 8.500%, 02/01/15 ..... | 500,000 | 507,500 |
|------------------------|---------|---------|

KAR Holdings, Inc.

|                        |         |         |
|------------------------|---------|---------|
| 8.750%, 05/01/14 ..... | 770,000 | 781,550 |
|------------------------|---------|---------|

Mobile Mini, Inc.

|                        |         |           |
|------------------------|---------|-----------|
| 9.750%, 08/01/14 ..... | 250,000 | 257,500   |
|                        |         | -----     |
|                        |         | 1,546,550 |
|                        |         | -----     |

TELECOMMUNICATIONS - 3.7%

Cincinnati Bell, Inc.

|                        |         |         |
|------------------------|---------|---------|
| 8.375%, 01/15/14 ..... | 750,000 | 759,375 |
|------------------------|---------|---------|

Clearwire Communications LLC +

|                         |         |         |
|-------------------------|---------|---------|
| 12.000%, 12/01/15 ..... | 750,000 | 736,875 |
|-------------------------|---------|---------|

Frontier Communications Corporation

|                        |         |         |
|------------------------|---------|---------|
| 8.250%, 05/01/14 ..... | 150,000 | 154,875 |
|------------------------|---------|---------|

Hughes Network Systems LLC

|                        |           |           |
|------------------------|-----------|-----------|
| 9.500%, 04/15/14 ..... | 1,000,000 | 1,027,500 |
|                        |           | -----     |
|                        |           | 2,678,625 |
|                        |           | -----     |

TRANSPORTATION - 1.9%

Marquette Transportation Company +

|                         |         |         |
|-------------------------|---------|---------|
| 10.875%, 01/15/17 ..... | 400,000 | 404,500 |
|-------------------------|---------|---------|

Stena AB

|                        |         |           |
|------------------------|---------|-----------|
| 7.500%, 11/01/13 ..... | 950,000 | 950,000   |
|                        |         | -----     |
|                        |         | 1,354,500 |
|                        |         | -----     |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|                                   | PRINCIPAL<br>AMOUNT | MARKET<br>VALUE |
|-----------------------------------|---------------------|-----------------|
|                                   | -----               | -----           |
| CORPORATE NOTES/BONDS (CONTINUED) |                     |                 |
| UTILITIES - 7.1%                  |                     |                 |
| AES Corporation +                 |                     |                 |
| 9.750%, 04/15/16 .....            | \$ 500,000          | \$ 536,250      |
| Amerigas Partners LP              |                     |                 |
| 7.250%, 05/20/15 .....            | 750,000             | 757,500         |
| Edison Mission Energy             |                     |                 |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|   |         |            |
|---|---------|------------|
| 7.000%, 05/15/17 .....                                | 650,000 | 479,375    |
| Elwood Energy LLC                                     |         |            |
| 8.159%, 07/05/26 .....                                | 820,703 | 789,727    |
| Ferrellgas Partners LP +                              |         |            |
| 9.125%, 10/01/17 .....                                | 100,000 | 105,000    |
| Ferrellgas Partners LP                                |         |            |
| 6.750%, 05/01/14 .....                                | 400,000 | 392,000    |
| Ipalco Enterprises, Inc. +                            |         |            |
| 7.250%, 04/01/16 .....                                | 500,000 | 507,500    |
| North American Energy Alliance LLC +                  |         |            |
| 10.875%, 06/01/16 .....                               | 400,000 | 426,000    |
| Sierra Pacific Resources                              |         |            |
| 8.625%, 03/15/14 .....                                | 750,000 | 767,813    |
| Southern Star Central Corporation                     |         |            |
| 6.750%, 03/01/16 .....                                | 350,000 | 348,250    |
|   |         | -----      |
|   |         | 5,109,415  |
|   |         | -----      |
| TOTAL CORPORATE NOTES/BONDS (COST \$35,153,823) ..... |         | 35,350,649 |
|   |         | -----      |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | NUMBER OF<br>SHARES/<br>WRITTEN<br>CONTRACTS | MARKET<br>VALUE |
|---|--|-----------------|
|   | -----  | -----           |
| CASH EQUIVALENTS - 0.5%   |  |                 |
| SEI Daily Income Trust, Prime Obligations Fund,<br>Class A, 0.070% (D) .....    | 390,696                                      | \$ 390,696      |
|   |  | -----           |
| TOTAL CASH EQUIVALENTS (COST \$390,696) .....                                   |  | 390,696         |
|   |  | -----           |
| TOTAL INVESTMENTS - 113.1% (COST \$78,259,301) ** ....                          |  | 80,971,189      |
|   |  | -----           |
| COVERED CALL OPTIONS WRITTEN - (0.4) %  |  |                 |
| ACE Limited, Expires: 03/20/10, Strike Price: \$50 ...                          | (100)  | (10,000)        |
| Annaly Capital Management, Inc., Expires: 03/20/10,<br>Strike Price: \$17 ..... | (400)  | (56,800)        |
| Annaly Capital Management, Inc., Expires: 03/20/10,<br>Strike Price: \$18 ..... | (800)  | (39,200)        |
| AT&T, Inc., Expires: 03/20/10, Strike Price: \$25 ....                          | (100)  | (3,100)         |
| BHP Billiton Limited, Expires: 03/20/10, Strike<br>Price: \$80. ....            | (110)  | (2,750)         |
| Bristol-Myers Squibb, Expires: 03/20/10, Strike<br>Price: \$26 .....            | (200)  | (1,200)         |
| Caterpillar, Inc., Expires: 03/20/10, Strike<br>Price: \$63 .....               | (100)  | (1,800)         |
| CVS Caremark Corporation, Expires: 03/20/10, Strike<br>Price: \$35 .....        | (200)  | (3,800)         |
| Emerson Electric Company, Expires: 03/20/10, Strike<br>Price: \$49 .....        | (300)  | (9,000)         |
| Hewlett-Packard Company, Expires: 03/20/10, Strike                              |  |                 |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|   |       |          |
|---|-------|----------|
| Price: \$50 .....   | (100) | (14,700) |
| Honeywell International, Inc., Expires: 03/20/10,<br>Strike Price: \$42 ..... | (150) | (2,850)  |
| Intel Corporation, Expires: 03/20/10, Strike<br>Price: \$21 .....             | (100) | (2,600)  |
| JC Penney Company, Inc., Expires: 03/20/10, Strike<br>Price: \$29 .....       | (100) | (2,500)  |
| JPMorgan Chase & Company, Expires: 03/20/10, Strike<br>Price: \$43 .....      | (200) | (13,000) |
| KBW Bank ETF, Expires: 03/20/10, Strike Price: \$23 ..                        | (250) | (22,500) |
| KBW Bank, Expires: 03/20/10, Strike Price: \$24 .....                         | (400) | (10,000) |
| Kraft Foods, Inc., Expires: 03/20/10, Strike<br>Price: \$29 .....             | (100) | (2,100)  |
| Limited Brands, Inc., Expires: 03/20/10, Strike<br>Price: \$23 .....          | (700) | (28,000) |

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

|   | WRITTEN<br>CONTRACTS | MARKET<br>VALUE |
|---|----------------------|-----------------|
|   | -----                | -----           |
| COVERED CALL OPTIONS WRITTEN - (CONTINUED)                                    |                      |                 |
| MetLife, Inc., Expires: 03/20/10, Strike Price: \$37..                        | (300)                | \$ (23,700)     |
| Occidental Capital Management, Expires: 03/20/10,<br>Strike Price: \$85 ..... | (280)                | (7,000)         |
| Pfizer, Inc., Expires: 03/20/10, Strike Price: \$18 ..                        | (200)                | (3,800)         |
| Union Pacific Corporation, Expires: 03/20/10, Strike<br>Price: \$68 .....     | (100)                | (14,900)        |
| Verizon Communications, Inc., Expires: 03/20/10,<br>Strike Price: \$30 .....  | (150)                | (1,200)         |
|   |                      | -----           |
| TOTAL COVERED CALL OPTIONS WRITTEN<br>(PREMIUMS RECEIVED \$240,574) .....     |                      | (276,500)       |
|   |                      | -----           |
| OTHER LIABILITIES IN EXCESS OF ASSETS - (12.7)% ++...                         |                      | (9,103,279)     |
|   |                      | -----           |
| NET ASSETS - 100.0% .....   |                      | \$ 71,591,410   |
|   |                      | =====           |

\* NON-INCOME PRODUCING SECURITY.

+ SECURITIES ARE EXEMPT FROM REGISTRATION UNDER RULE 144A OF THE SECURITIES ACT OF 1933. THESE SECURITIES MAY BE RESOLD IN TRANSACTIONS EXEMPT FROM REGISTRATION NORMALLY TO QUALIFIED INSTITUTIONS. AT FEBRUARY 28, 2010, THESE SECURITIES AMOUNTED TO \$9,390,454 OR 13.1% OF NET ASSETS.

(A) SECURITIES CONSIDERED MASTER LIMITED PARTNERSHIPS. AT FEBRUARY 28, 2010, THESE SECURITIES AMOUNTED TO \$2,622,100 OR 3.7% OF NET ASSETS.

(B) SECURITIES FAIR VALUED IN ACCORDANCE WITH THE FAIR VALUE PROCEDURES, AT FEBRUARY 28, 2010 THESE SECURITIES AMOUNTED TO \$2,070,700 OR 2.9% OF NET ASSETS.

## Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

(C) SECURITY IS ILLIQUID. THE TOTAL VALUE OF ILLIQUID SECURITIES AS OF FEBRUARY 28, 2010 WAS \$471,900 OR 0.7% OF NET ASSETS.

(D) THE RATE REPORTED IS THE 7-DAY EFFECTIVE YIELD AS OF FEBRUARY 28, 2010.

ADR AMERICAN DEPOSITARY RECEIPT  
 LLC LIMITED LIABILITY COMPANY  
 LP LIMITED PARTNERSHIP  
 MTN MEDIUM TERM NOTE  
 PLC PUBLIC LIMITED COMPANY  
 SPDR STANDARD & POOR'S DEPOSITORY RECEIPTS

\*\* AT FEBRUARY 28, 2010, THE TAX BASIS COST OF THE FUND'S INVESTMENTS WAS \$78,259,301, AND THE UNREALIZED APPRECIATION AND DEPRECIATION WERE \$8,203,029 AND \$(5,491,141), RESPECTIVELY.

++ AS OF FEBRUARY 28, 2010, \$10,000,000 OF COMMERCIAL PAPER WAS OUTSTANDING WITH AN AMORTIZED COST OF \$9,951,000. THE DISCOUNT RATE OF COMMERCIAL PAPER OUTSTANDING AT FEBRUARY 28, 2010, WAS 3.20%. THE AVERAGE DAILY BALANCE OF COMMERCIAL PAPER OUTSTANDING FOR THE QUARTER ENDED FEBRUARY 28, 2010 WAS \$9,960,676 AT A WEIGHTED AVERAGE DISCOUNT RATE OF 3.21%. THE MAXIMUM FACE AMOUNT OF COMMERCIAL PAPER OUTSTANDING AT ANYTIME DURING THE QUARTER ENDED FEBRUARY 28, 2010, WAS \$10,000,000. IN CONJUNCTION WITH THE ISSUANCE OF THE COMMERCIAL PAPER, THE FUND HAS ENTERED ONTO A LINE OF CREDIT ARRANGEMENT WITH A BANK FOR \$25,000,000. THE LINE IS COLLATERALIZED BY SECURITIES HELD IN THE FUND'S PORTFOLIO. INTEREST ON BORROWING IS BASED ON MARKET RATES IN EFFECT AT THE TIME OF BORROWING. THE COMMITMENT FEE IS COMPUTED AT THE RATE OF 0.10% PER ANNUM ON THE UNUSED BALANCE. THERE WERE NO BORROWINGS UNDER THIS ARRANGEMENT DURING THE QUARTER ENDED FEBRUARY 28, 2010.

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

THE FOLLOWING TABLE SETS FORTH INFORMATION ABOUT THE LEVEL OF THE FUND'S INVESTMENTS IN ACCORDANCE WITH ASC 820 (FORMERLY FAS 157) AT FEBRUARY 28, 2010:

|                                 | LEVEL 1      | LEVEL 2      | LEVEL 3        | TOTAL        |
|---------------------------------|--------------|--------------|----------------|--------------|
| INVESTMENTS IN SECURITIES       |              |              |                |              |
| COMMON STOCK                    | \$41,958,994 | \$ --        | \$ 471,900 (1) | \$42,430,894 |
| EXCHANGE TRADED FUND            | 1,528,150    | --           | --             | 1,528,150    |
| PREFERRED STOCK                 | 522,000      | --           | 748,800 (1)    | 1,270,800    |
| CORPORATE NOTES/BONDS           | --           | 34,500,649   | 850,000 (2)    | 35,350,649   |
| CASH EQUIVALENT                 | 390,696      | --           | --             | 390,696      |
|                                 | -----        | -----        | -----          | -----        |
| TOTAL INVESTMENTS IN SECURITIES | \$44,399,840 | \$34,500,649 | \$2,070,700    | \$80,971,189 |
|                                 | =====        | =====        | =====          | =====        |

|                 | LEVEL 1      | LEVEL 2 | LEVEL 3 | TOTAL        |
|-----------------|--------------|---------|---------|--------------|
| LIABILITIES     |              |         |         |              |
| WRITTEN OPTIONS | \$ (276,500) | \$ --   | \$ --   | \$ (276,500) |

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

|                   |                                |                         |                         |                                |
|-------------------|--------------------------------|-------------------------|-------------------------|--------------------------------|
| TOTAL LIABILITIES | -----<br>\$ (276,500)<br>===== | -----<br>\$ --<br>===== | -----<br>\$ --<br>===== | -----<br>\$ (276,500)<br>===== |
|-------------------|--------------------------------|-------------------------|-------------------------|--------------------------------|

(1) CLASSIFIED AS FINANCIAL.

(2) CLASSIFIED AS PAPER & FOREST PRODUCTS

THE FOLLOWING IS A RECONCILIATION OF THE INVESTMENTS IN WHICH SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) WERE USED IN DETERMINING VALUE:

|  | COMMON<br>STOCK             | CORPORATE<br>NOTES/BONDS    | PREFERRED<br>STOCK          | TOTAL                         |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
|  | -----                       | -----                       | -----                       | -----                         |
| BEGINNING BALANCE AS OF 11/30/09   | \$471,900                   | \$850,000                   | \$776,000                   | \$2,097,900                   |
| REALIZED GAIN (LOSS)   | --                          | --                          | --                          | --                            |
| CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)   | --                          | --                          | (27,200)                    | (27,200)                      |
| NET PURCHASE/SALES   | --                          | --                          | --                          | --                            |
| NET TRANSFERS IN/AND OR OUT OF LEVEL 3   | --                          | --                          | --                          | --                            |
| ENDING BALANCE AS OF 02/28/10  | -----<br>\$471,900<br>===== | -----<br>\$850,000<br>===== | -----<br>\$748,800<br>===== | -----<br>\$2,070,700<br>===== |
| CHANGES IN UNREALIZED GAINS/(LOSSES)<br>INCLUDED IN EARNINGS RELATED TO<br>SECURITIES STILL HELD AT REPORTING DATE | \$ --<br>=====              | \$ --<br>=====              | \$ (27,200)<br>=====        | \$ (27,200)<br>=====          |

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

IN JANUARY 2010, THE FINANCIAL ACCOUNTING STANDARDS BOARD ISSUED ACCOUNTING STANDARDS UPDATED NO. 2010-06, "IMPROVING DISCLOSURES ABOUT FAIR VALUE MEASUREMENTS" ("ASU"). THE ASU REQUIRES ENHANCES DISCLOSURES ABOUT (1) TRANSFERS INTO AND OUT OF LEVELS 1 AND 2 AND (2) PURCHASES, SALES, ISSUANCES, AND SETTLEMENTS ON A GROSS BASIS RELATING TO LEVEL 3 MEASUREMENTS. THE FIRST DISCLOSURE IS EFFECTIVE FOR THE FIRST REPORTING PERIOD (INCLUDING INTERIM PERIODS) BEGINNING AFTER DECEMBER 15, 2009, AND THE SECOND DISCLOSURE WILL BE EFFECTIVE FOR FISCAL YEAR BEGINNING AFTER DECEMBER 15, 2010, AND FOR INTERIM PERIODS WITHIN THOSE FISCAL YEARS. MANAGEMENT IS CURRENTLY EVALUATING THE IMPACT THE ADOPTIONS OF THIS ASU WILL HAVE ON THE FUND'S FINANCIAL STATEMENT DISCLOSURES.

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

SUBSEQUENT EVENT

IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN FASB STATEMENT OF FINANCIAL ACCOUNTING STANDARDS ASC 855 "SUBSEQUENT EVENTS," MANAGEMENT HAS DETERMINED THAT NO MATERIAL EVENTS OR TRANSACTIONS OCCURRED SUBSEQUENT TO FEBRUARY 28, 2010, THAT WOULD REQUIRE ADDITIONAL DISCLOSURE IN THE FUND'S SCHEDULE OF INVESTMENTS OTHER THAN THE FOLLOWING: EFFECTIVE WITH THE COMMERCIAL PAPER MATURITY DATE OF APRIL 26, 2010, THE FUND HAS TERMINATED THE COMMERCIAL PAPER PROGRAM. THE FUND UTILIZED THE AFOREMENTIONED LINE OF CREDIT ARRANGEMENT TO PAY DOWN THE

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

\$10,000,000 OF COMMERCIAL PAPER AND TO BORROW AN ADDITIONAL \$10,000,000, BRINGING TOTAL LEVERAGE TO \$20,000,000. THE LINE OF CREDIT BEARS A VARIABLE INTEREST RATE EQUAL TO THE 1-MONTH LIBOR MARKET INDEX RATE PLUS 0.90% PER ANNUM (APPROXIMATELY 1.16% AS OF APRIL 26, 2010).

FOR INFORMATION ON THE FUND'S POLICY REGARDING VALUATION OF INVESTMENTS, FAIR VALUE HIERARCHY AND OTHER SIGNIFICANT ACCOUNTING POLICIES, PLEASE REFER TO NOTE 1 OF THE FUND'S MOST RECENT SEMI-ANNUAL OR ANNUAL FINANCIAL STATEMENTS.

ITEM 2. CONTROLS AND PROCEDURES

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended, (the "1940 Act")) are effective as of a date within 90 days of the filing of this report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures, required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

(a) A separate certification for the principal executive officer and the principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)), are filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Chartwell Dividend and Income Fund, Inc.

By (Signature and Title)\* /s/ Winthrop S. Jessup  
-----  
Winthrop S. Jessup, President  
(Principal Executive Officer)

Date April 29, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Winthrop S. Jessup  
-----  
Winthrop S. Jessup, President

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

(Principal Executive Officer)

Date April 29, 2010

By (Signature and Title)\*

/s/ G. Gregory Hagar

-----  
G. Gregory Hagar, Vice President and CFO  
(Principal Financial Officer)

Date April 29, 2010

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