

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 SHARES	MARKET 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

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		----- 3,279,769 -----
BASIC INDUSTRY - 0.3%		
PPG Industries, Inc.	3,000	184,620 -----
BEVERAGES - 1.6%		
Coca-Cola Company	10,000	527,200
PepsiCo, Inc.	10,000	624,700 -----
		1,151,900 -----
COMPUTERS & PERIPHERALS - 1.4%		
Hewlett-Packard Company	20,000	1,015,800 -----
ELECTRICAL EQUIPMENT - 2.0%		
Emerson Electric Company	30,000	1,420,200 -----
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 -----
		6,917,050 -----
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 -----
		5,414,000 -----

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

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

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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 SHARES	MARKET 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%		

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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 SHARES/ PRINCIPAL AMOUNT	MARKET 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		

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Capital Corporation + 8.625%, 11/15/17	500,000	502,500
CSC Holdings, Inc. 7.875%, 02/15/18	750,000	785,625
Mediacom Broadband LLC 8.500%, 10/15/15	750,000	761,250
Virgin Media Finance PLC 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 AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
CONSTRUCTION MATERIALS - 1.1%		
Headwaters, Inc. + 11.375%, 11/01/14	\$ 750,000	\$ 761,250

CONSUMER FINANCE - 0.3%		
Credit Acceptance Corporation + 9.125%, 02/01/17	240,000	240,000

ENERGY - 7.8%		
Cie Generale de Geophysique 7.750%, 05/15/17	500,000	492,500
Cimarex Energy Company 7.125%, 05/01/17	650,000	653,250
Complete Production Services, Inc. 8.000%, 12/15/16	780,000	762,450
Concho Resources, Inc. 8.625%, 10/01/17	500,000	515,625
Copano Energy LLC 8.125%, 03/01/16	935,000	946,687
Crosstex Energy + 8.875%, 02/15/18	250,000	255,000
Hornbeck Offshore Services, Inc. 8.000%, 09/01/17	400,000	394,000
Linn Energy LLC 9.875%, 07/01/18	185,000	197,950
Niska Gas Storage + 8.875%, 03/15/18	50,000	50,688
Plains Exploration & Production Company 7.625%, 06/01/18	500,000	503,750
Range Resources Corporation 7.500%, 05/15/16	750,000	770,625

		5,542,525

FINANCE-LEASING COMPANY - 0.6%		
International Lease Finance Corporation MTN		

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

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
FIREARMS AND AMMUNITION - 1.0%		
Colt Defense LLC + 8.750%, 11/15/17	\$ 750,000	\$ 742,500

GAMING - 2.7%		
MTR Gaming Group, Inc. 9.000%, 06/01/12	700,000	556,500
Seneca Gaming Corporation 7.250%, 05/01/12	1,000,000	980,000
Yonkers Racing Corporation + 11.375%, 07/15/16	400,000	424,000

		1,960,500

HEALTHCARE - 1.6%		
HCA Inc. 9.125%, 11/15/14	500,000	526,875
Omnicare, Inc. 6.875%, 12/15/15	650,000	627,250

		1,154,125

INDUSTRIAL - 2.0%		
Anixter, Inc. 10.000%, 03/15/14	1,000,000	1,110,000
United Rentals North America, Inc. 10.875%, 06/15/16	270,000	284,850

		1,394,850

INTERNET SOFTWARE & SERVICES - 0.4%		
Equinix, Inc. 8.125%, 03/01/18	300,000	300,000

LEISURE - 0.7%		
Universal City Development Partners Limited + 8.875%, 11/15/15	500,000	506,250

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SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
MACHINERY - 0.2%		
Trimas Corporation + 9.750%, 12/15/17	\$ 170,000	\$ 171,700

METALS & MINING - 1.1%		
Cloud Peak Energy Resources LLC + 8.500%, 12/15/19	500,000	507,500
Steel Dynamics, Inc. 7.375%, 11/01/12	250,000	255,625

		763,125

OIL-FIELD SERVICES - 0.7%		
Aquilex Holdings LLC + 11.125%, 12/15/16	500,000	525,000

PAPER & FOREST PRODUCTS - 3.2%		
P H Glatfelter 7.125%, 05/01/16	1,190,000	1,148,350
PE Paper Escrow + 12.000%, 08/01/14	250,000	271,716
U.S. Corrugated (B) 10.000%, 06/01/13	1,000,000	850,000

		2,270,066

REAL ESTATE MANAGEMENT - 0.5%		
Corrections Corp of America 7.750%, 06/01/17	300,000	309,000
Geo Group, Inc. + 7.750%, 10/15/17	30,000	30,525

		339,525

RETAIL - 2.8%		
Brown Shoe Company, Inc. 8.750%, 05/01/12	700,000	712,250
Couche-Tard US LP 7.500%, 12/15/13	500,000	505,000

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PRINCIPAL AMOUNT	MARKET VALUE
-----	-----

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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
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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
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Clearwire Communications LLC +

12.000%, 12/01/15	750,000	736,875
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Frontier Communications Corporation

8.250%, 05/01/14	150,000	154,875
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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
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Stena AB

7.500%, 11/01/13	950,000	950,000

		1,354,500

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FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET 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		

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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 SHARES/ WRITTEN CONTRACTS	MARKET VALUE
	-----	-----
CASH EQUIVALENTS - 0.5%		
SEI Daily Income Trust, Prime Obligations Fund, 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, Strike Price: \$17	(400)	(56,800)
Annaly Capital Management, Inc., Expires: 03/20/10, 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 Price: \$80.	(110)	(2,750)
Bristol-Myers Squibb, Expires: 03/20/10, Strike Price: \$26	(200)	(1,200)
Caterpillar, Inc., Expires: 03/20/10, Strike Price: \$63	(100)	(1,800)
CVS Caremark Corporation, Expires: 03/20/10, Strike Price: \$35	(200)	(3,800)
Emerson Electric Company, Expires: 03/20/10, Strike Price: \$49	(300)	(9,000)
Hewlett-Packard Company, Expires: 03/20/10, Strike		

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Price: \$50	(100)	(14,700)
Honeywell International, Inc., Expires: 03/20/10, Strike Price: \$42	(150)	(2,850)
Intel Corporation, Expires: 03/20/10, Strike Price: \$21	(100)	(2,600)
JC Penney Company, Inc., Expires: 03/20/10, Strike Price: \$29	(100)	(2,500)
JPMorgan Chase & Company, Expires: 03/20/10, Strike 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 Price: \$29	(100)	(2,100)
Limited Brands, Inc., Expires: 03/20/10, Strike Price: \$23	(700)	(28,000)

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 28, 2010

SCHEDULE OF INVESTMENTS (UNAUDITED)

	WRITTEN CONTRACTS	MARKET 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, 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 Price: \$68	(100)	(14,900)
Verizon Communications, Inc., Expires: 03/20/10, Strike Price: \$30	(150)	(1,200)

TOTAL COVERED CALL OPTIONS WRITTEN (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.

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(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)

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TOTAL LIABILITIES	----- \$ (276,500) =====	----- \$ -- =====	----- \$ -- =====	----- \$ (276,500) =====
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(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 STOCK	CORPORATE NOTES/BONDS	PREFERRED 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	----- \$471,900 =====	----- \$850,000 =====	----- \$748,800 =====	----- \$2,070,700 =====
CHANGES IN UNREALIZED GAINS/(LOSSES) INCLUDED IN EARNINGS RELATED TO SECURITIES STILL HELD AT REPORTING DATE	\$ -- =====	\$ -- =====	\$ (27,200) =====	\$ (27,200) =====

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.

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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

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\$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

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(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.