

GABELLI DIVIDEND & INCOME TRUST
Form N-CSRS
September 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21423

The Gabelli Dividend & Income Trust

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: June 30, 2011

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

The Gabelli Dividend & Income Trust

Semiannual Report June 30, 2011

Mario J. Gabelli, CFA

Barbara G. Marcin, CFA

Robert D. Leininger, CFA

To Our Shareholders,

For the six months ended June 30, 2011, the net asset value (NAV) total return of The Gabelli Dividend & Income Trust (the Fund) was 9.38%, compared with the return of the Standard & Poor's (S&P) 500 Index increase of 6.02%. The total return for the Fund's publicly traded shares was 11.10%. On June 30, 2011, the Fund's NAV per share was \$18.86, while the price of the publicly traded shares closed at \$16.63 on the New York Stock Exchange (NYSE).

Enclosed are the portfolio of investments and financial statements as of June 30, 2011.

Comparative Results

Average Annual Returns through June 30, 2011 (a) (Unaudited)

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception (11/28/03)
Gabelli Dividend & Income Trust						
NAV Total Return (b)	0.38%	9.38%	40.78%	3.55%	3.74%	6.43%
Investment Total Return (c)	1.28	11.10	46.32	5.99	5.79	5.00
S&P 500 Index	0.10	6.02	30.69	3.34	2.94	5.05
Dow Jones Industrial Average	1.38	8.54	30.29	6.07	4.94	5.85(d)
Nasdaq Composite Index	(0.03)	5.01	32.87	7.63	5.96	5.55

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.
- (d) From November 30, 2003, the date closest to the Fund's inception for which data is available.

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

THE GABELLI DIVIDEND & INCOME TRUST
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2011:

Financial Services	11.5%
Food and Beverage	10.9%
Energy and Utilities: Oil	10.5%
Energy and Utilities: Integrated	9.5%
Telecommunications	5.9%
Energy and Utilities: Natural Gas	4.6%
U.S. Government Obligations	4.4%
Diversified Industrial	3.9%
Consumer Products	3.9%
Energy and Utilities: Electric	3.9%
Energy and Utilities: Services	3.4%
Health Care	3.3%
Retail	2.9%
Specialty Chemicals	2.8%
Aerospace	2.0%
Machinery	1.8%
Cable and Satellite	1.7%
Metals and Mining	1.5%
Equipment and Supplies	1.4%
Electronics	1.3%
Automotive: Parts and Accessories	1.2%
Entertainment	1.1%
Energy and Utilities: Water	0.9%
Environmental Services	0.8%
Computer Software and Services	0.7%
Business Services	0.6%
Paper and Forest Products	0.6%
Transportation	0.5%
Automotive	0.4%
Computer Hardware	0.4%
Semiconductors	0.3%
Hotels and Gaming	0.3%
Wireless Communications	0.3%
Energy and Utilities	0.3%
Agriculture	0.2%
Communications Equipment	0.1%
Consumer Services	0.1%
Building and Construction	0.1%
Publishing	0.0%
Real Estate	0.0%
Broadcasting	0.0%
Manufactured Housing and Recreational Vehicles	0.0%
	100.0%

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, the last of which was filed for the quarter ended March 31, 2011. Shareholders may obtain this information at 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

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website at 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 1-800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st 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.

THE GABELLI DIVIDEND & INCOME TRUST

SCHEDULE OF INVESTMENTS

June 30, 2011 (Unaudited)

Shares		Cost	Market Value
COMMON STOCKS 94.0%			
Aerospace 1.9%			
10,000	Goodrich Corp.	\$ 281,823	\$ 955,000
32,000	Kaman Corp.	594,408	1,135,040
120,000	Rockwell Automation Inc.	5,444,252	10,411,200
1,344,000	Rolls-Royce Holdings plc	10,073,258	13,913,043
129,024,000	Rolls-Royce Holdings plc Cl. C	211,688	207,078
158,000	The Boeing Co.	10,345,449	11,680,940
		26,950,878	38,302,301
Agriculture 0.2%			
100,000	Archer-Daniels-Midland Co.	2,706,857	3,015,000
Automotive 0.4%			
220,000	Ford Motor Co.	3,194,800	3,033,800
100,000	General Motors Co.	3,072,080	3,036,000
27,100	Navistar International Corp.	753,048	1,530,066
4,000	PACCAR Inc.	205,343	204,360
		7,225,271	7,804,226
Automotive: Parts and Accessories 1.2%			
24,000	BorgWarner Inc.	792,911	1,938,960
411,000	Genuine Parts Co.	14,617,407	22,358,400
10,000	Johnson Controls Inc.	417,699	416,600
		15,828,017	24,713,960
Building and Construction 0.1%			
30,000	Layne Christensen Co.	825,175	910,200
Business Services 0.6%			
165,000	Diebold Inc.	5,797,438	5,116,650
120,000	Intermec Inc.	2,112,922	1,324,800
20,000	MasterCard Inc., Cl. A	3,089,996	6,026,800
		11,000,356	12,468,250
Cable and Satellite 1.7%			
381,000	Cablevision Systems Corp., Cl. A	7,981,966	13,796,010
16,000	Cogeco Inc.	316,415	715,185
230,000	DISH Network Corp., Cl. A	5,062,421	7,054,100
50,000	EchoStar Corp., Cl. A	1,307,562	1,821,500
67,000	Liberty Global Inc., Cl. A	1,424,219	3,017,680
33,000	Liberty Global Inc., Cl. C	730,884	1,409,100
Shares		Cost	Market Value

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160,000	Rogers Communications Inc., Cl. B	\$ 2,059,469	\$ 6,323,200
		18,882,936	34,136,775
Communications Equipment 0.1%			
50,000	Thomas & Betts Corp.	1,872,311	2,692,500
Computer Hardware 0.2%			
75,000	Hewlett-Packard Co.	3,301,643	2,730,000
21,000	SanDisk Corp.	180,687	871,500
		3,482,330	3,601,500
Computer Software and Services 0.7%			
11,000	Google Inc., Cl. A	5,848,679	5,570,180
60,000	Microsoft Corp.	1,441,981	1,560,000
100,000	Telvent GIT SA	3,985,023	3,980,000
245,000	Yahoo! Inc.	4,481,602	3,684,800
		15,757,285	14,794,980
Consumer Products 3.9%			
15,000	Altria Group Inc.	321,236	396,150
165,000	Avon Products Inc.	4,716,691	4,620,000
90,000	Fortune Brands Inc.	3,659,121	5,739,300
50,000	Hanesbrands Inc.	1,118,462	1,427,500
90,000	Harman International Industries Inc.	3,671,233	4,101,300
195,000	Kimberly-Clark Corp.	12,663,991	12,979,200
25,000	Philip Morris International Inc.	1,011,008	1,669,250
956,000	Swedish Match AB	11,843,988	32,057,105
145,000	The Procter & Gamble Co.	7,977,094	9,217,650
100,000	Tupperware Brands Corp.	5,190,453	6,745,000
		52,173,277	78,952,455
Consumer Services 0.1%			
14,500	Dollar Thrifty Automotive Group Inc.	603,127	1,069,230
Diversified Industrial 3.5%			
100,000	Bouygues SA	3,516,295	4,396,154
126,000	Cooper Industries plc	3,996,818	7,518,420
637,000	General Electric Co.	14,606,321	12,013,820
280,000	Honeywell International Inc.	9,789,754	16,685,200
110,000	ITT Corp.	5,191,627	6,482,300
121,000	Owens-Illinois Inc.	4,233,776	3,123,010
50,000	Smiths Group plc	992,737	963,776
6,000	Sulzer AG	592,897	976,271
252,000	Textron Inc.	1,826,603	5,949,720
255,000	Tyco International Ltd.	10,715,467	12,604,650
		55,462,295	70,713,321
Electronics 1.3%			
854,900	Intel Corp.	17,700,848	18,944,584

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2011 (Unaudited)

Shares		Cost	Market Value
COMMON STOCKS (Continued)			
Electronics (Continued)			
130,000	TE Connectivity Ltd.	\$ 4,651,064	\$ 4,778,800
100,000	Texas Instruments Inc.	2,570,320	3,283,000
		24,922,232	27,006,384
Energy and Utilities: Electric 3.9%			
85,000	ALLETE Inc.	2,788,153	3,488,400
222,000	American Electric Power Co. Inc.	6,986,776	8,364,960
239,400	DPL Inc.	4,525,133	7,220,304
50,000	Edison International	2,007,537	1,937,500
220,000	Electric Power Development Co. Ltd.	5,427,931	5,943,730
796,000	Great Plains Energy Inc.	21,623,270	16,501,080
260,000	Integrus Energy Group Inc.	12,673,349	13,478,400
100,000	Pepco Holdings Inc.	1,871,858	1,963,000
212,000	Pinnacle West Capital Corp.	8,262,262	9,450,960
75,000	Southern Co.	2,167,182	3,028,500
183,000	UniSource Energy Corp.	4,670,592	6,831,390
		73,004,043	78,208,224
Energy and Utilities: Integrated 9.5%			
12,000	Alliant Energy Corp.	305,115	487,920
120,000	Ameren Corp.	4,952,422	3,460,800
50,000	Avista Corp.	926,534	1,284,500
55,000	Black Hills Corp.	1,514,660	1,654,950
40,000	CH Energy Group Inc.	1,728,883	2,130,400
108,000	Chubu Electric Power Co. Inc.	2,458,019	2,106,205
273,000	CONSOL Energy Inc.	10,888,547	13,235,040
176,000	Consolidated Edison Inc.	7,177,871	9,370,240
70,000	Dominion Resources Inc.	2,979,663	3,378,900
150,000	Duke Energy Corp.	2,106,757	2,824,500
400,000	Edison SpA	932,177	505,815
500,000	El Paso Corp.	6,588,514	10,100,000
126,000	Endesa SA	4,972,497	4,195,249
450,000	Enel SpA	2,812,556	2,939,180
50,000	Exelon Corp.	2,474,807	2,142,000
110,000	FirstEnergy Corp.	3,836,421	4,856,500
95,000	Hawaiian Electric Industries Inc.	2,184,256	2,285,700
250,000	Hera SpA	552,073	529,308
121,500	Hokkaido Electric Power Co. Inc.	2,282,208	2,017,831
121,500	Hokuriku Electric Power Co.	2,131,359	2,315,148
90,000	Iberdrola SA, ADR	4,110,724	3,216,600
120,000	Korea Electric Power Corp., ADR	1,718,720	1,592,400
		Market Value	Market Value
Shares		Cost	Market Value
125,000	Kyushu Electric Power Co. Inc.	\$ 2,438,133	\$ 2,246,755
63,000	MGE Energy Inc.	2,026,116	2,553,390
35,102	National Grid plc, ADR	1,588,562	1,735,092
250,000	NextEra Energy Inc.	9,232,978	14,365,000

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230,000	NiSource Inc.	4,811,338	4,657,500
476,700	NSTAR	11,283,586	21,918,666
349,000	OGE Energy Corp.	8,392,580	17,561,680
25,000	Ormat Technologies Inc.	375,000	550,250
288,000	Progress Energy Inc.	12,915,300	13,826,880
160,000	Public Service Enterprise Group Inc.	4,866,381	5,222,400
121,500	Shikoku Electric Power Co. Inc.	2,264,565	2,754,332
121,500	The Chugoku Electric Power Co. Inc.	2,194,052	2,100,838
50,000	The Empire District Electric Co.	1,081,365	963,000
121,500	The Kansai Electric Power Co. Inc.	2,333,021	2,414,757
50,000	The Tokyo Electric Power Co. Inc.	1,206,272	202,472
139,000	Tohoku Electric Power Co. Inc.	2,411,047	2,004,584
160,000	Vectren Corp.	4,447,616	4,457,600
335,000	Westar Energy Inc.	6,561,695	9,014,850
150,000	Wisconsin Energy Corp.	2,374,171	4,702,500
140,000	Xcel Energy Inc.	2,316,806	3,402,000
		154,755,367	193,283,732

Energy and Utilities: Natural Gas 4.6%

7,000	Atmos Energy Corp.	182,560	232,750
25,000	Delta Natural Gas Co. Inc.	646,919	794,000
160,356	GDF Suez, Strips	0	233
20,000	Kinder Morgan Energy Partners LP	824,553	1,452,000
424,000	National Fuel Gas Co.	12,863,831	30,867,200
150,000	Nicor Inc.	5,104,943	8,211,000
200,000	ONEOK Inc.	4,976,022	14,802,000
173,600	Sempra Energy	5,211,824	9,179,968
30,000	South Jersey Industries Inc.	736,853	1,629,300
130,000	Southern Union Co.	2,670,481	5,219,500
159,000	Southwest Gas Corp.	3,982,375	6,138,990
485,000	Spectra Energy Corp.	10,969,283	13,293,850
42,000	The Laclede Group Inc.	1,195,634	1,588,860
		49,365,278	93,409,651

Energy and Utilities: Oil 10.5%

57,000	Anadarko Petroleum Corp.	2,542,540	4,375,320
36,000	Apache Corp.	1,665,964	4,442,040
44,000	BG Group plc, ADR	1,780,065	5,027,000
124,000	BP plc, ADR	5,478,145	5,491,960

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2011 (Unaudited)

Shares		Cost	Market Value
COMMON STOCKS (Continued)			
Energy and Utilities: Oil (Continued)			
80,000	Chesapeake Energy Corp.	\$ 1,581,444	\$ 2,375,200
200,000	Chevron Corp.	12,100,639	20,568,000
344,000	ConocoPhillips	18,533,568	25,865,360
65,000	Devon Energy Corp.	3,026,178	5,122,650
141,000	Eni SpA, ADR	5,227,969	6,704,550
205,000	Exxon Mobil Corp.	9,587,887	16,682,900
36,000	Hess Corp.	1,130,043	2,691,360
465,400	Marathon Oil Corp.	16,396,082	24,517,272
114,000	Murphy Oil Corp.	5,969,718	7,485,240
230,100	Occidental Petroleum Corp.	8,724,221	23,939,604
2,000	PetroChina Co. Ltd., ADR	121,180	292,060
70,000	Petroleo Brasileiro SA, ADR	2,414,555	2,370,200
220,000	Repsol YPF SA, ADR	4,658,131	7,647,200
220,000	Royal Dutch Shell plc, Cl. A, ADR	11,028,128	15,648,600
645,100	Statoil ASA, ADR	9,903,055	16,417,795
115,000	Sunoco Inc.	5,508,099	4,796,650
185,000	Total SA, ADR	8,118,724	10,700,400
		135,496,335	213,161,361
Energy and Utilities: Services 3.4%			
185,000	ABB Ltd., ADR	2,017,405	4,800,750
74,000	Cameron International Corp.	1,023,207	3,721,460
85,000	Diamond Offshore Drilling Inc.	4,724,138	5,984,850
428,600	Halliburton Co.	11,275,667	21,858,600
10,000	Noble Corp.	254,820	394,100
76,000	Oceaneering International Inc.	1,614,498	3,078,000
151,000	Rowan Companies Inc.	5,207,163	5,860,310
117,000	Schlumberger Ltd.	3,907,339	10,108,800
45,000	Transocean Ltd.	3,911,427	2,905,200
540,000	Weatherford International Ltd.	10,341,425	10,125,000
		44,277,089	68,837,070
Energy and Utilities: Water 0.9%			
11,000	American States Water Co.	273,608	381,260
429,000	American Water Works Co. Inc.	9,226,095	12,634,050
74,000	Aqua America Inc.	1,237,577	1,626,520
40,000	Pennichuck Corp.	973,428	1,150,000
90,000	SJW Corp.	1,564,611	2,181,600
12,000	The York Water Co.	156,854	198,600
25,000	United Utilities Group plc, ADR	662,400	479,000
		14,094,573	18,651,030
Shares		Cost	Market Value

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Entertainment 1.1%			
37,000	Grupo Televisa SA, ADR	\$ 777,456	\$ 910,200
167,000	Take-Two Interactive Software Inc.	3,723,731	2,551,760
90,000	The Madison Square Garden Co., Cl. A	1,662,598	2,477,700
298,000	Time Warner Inc.	9,516,816	10,838,261
176,000	Vivendi	5,330,073	4,893,993
		21,010,674	21,671,914
Environmental Services 0.8%			
12,375	Veolia Environnement	395,937	349,044
406,000	Waste Management Inc.	14,717,329	15,131,620
		15,113,266	15,480,664
Equipment and Supplies 1.4%			
95,000	CIRCOR International Inc.	1,731,985	4,068,850
57,000	Lufkin Industries Inc.	488,572	4,904,850
65,000	Mueller Industries Inc.	2,587,485	2,464,150
445,000	RPC Inc.	1,328,758	10,920,300
150,000	Tenaris SA, ADR	6,826,283	6,859,500
		12,963,083	29,217,650
Financial Services 11.3%			
188,000	Aflac Inc.	10,106,594	8,775,840
80,000	AllianceBernstein Holding LP	1,519,748	1,555,200
460,200	American Express Co.	19,886,727	23,792,340
495,000	Bank of America Corp.	5,808,582	5,425,200
22,000	BlackRock Inc.	1,979,990	4,219,820
150,770	Citigroup Inc.	5,366,389	6,278,063
23,000	CME Group Inc.	7,786,995	6,706,570
120,000	Deutsche Bank AG	7,765,466	7,108,800
255,000	Discover Financial Services	4,194,488	6,821,250
98,000	Fidelity National Financial Inc., Cl. A	1,809,417	1,542,520
105,000	Fidelity National Information Services Inc.	2,370,510	3,232,950
250,000	First Niagara Financial Group Inc.	3,258,518	3,300,000
66,000	HSBC Holdings plc, ADR	4,301,334	3,274,920
135,000	Invesco Ltd.	3,352,875	3,159,000
550,000	JPMorgan Chase & Co.	19,421,664	22,517,000
314,000	Legg Mason Inc.	8,186,543	10,286,640
44,000	M&T Bank Corp.	2,862,163	3,869,800
103,000	Moody's Corp.	3,590,380	3,950,050
120,000	Morgan Stanley	3,486,829	2,761,200
60,000	National Australia Bank Ltd., ADR	1,428,010	1,659,000
180,000	New York Community Bancorp Inc.	3,037,621	2,698,200
40,000	Northern Trust Corp.	2,152,819	1,838,400

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2011 (Unaudited)

Shares		Cost	Market Value
COMMON STOCKS (Continued)			
Financial Services (Continued)			
222,000	PNC Financial Services Group Inc.	\$ 11,777,255	\$ 13,233,420
245,000	SLM Corp.	4,682,283	4,118,450
136,000	State Street Corp.	5,063,655	6,132,240
147,000	T. Rowe Price Group Inc.	6,313,399	8,869,980
601,000	The Bank of New York Mellon Corp.	18,908,045	15,397,620
98,000	The Blackstone Group LP	1,562,497	1,622,880
252,000	The Travelers Companies Inc.	9,416,372	14,711,760
25,000	U.S. Bancorp	661,250	637,750
359,000	Waddell & Reed Financial Inc., Cl. A	7,807,829	13,049,650
554,000	Wells Fargo & Co.	16,281,200	15,545,240
15,000	Willis Group Holdings plc	433,200	616,650
		206,580,647	228,708,403
Food and Beverage 10.9%			
80,000	Campbell Soup Co.	2,493,959	2,764,000
350,000	China Mengniu Dairy Co. Ltd.	857,331	1,178,406
190,000	ConAgra Foods Inc.	4,409,379	4,903,900
60,000	Constellation Brands Inc., Cl. A	777,257	1,249,200
300,082	Danone	15,096,110	22,389,308
1,600,000	Davide Campari - Milano SpA	8,082,326	13,155,834
270,000	Dr Pepper Snapple Group Inc.		