

GABELLI DIVIDEND & INCOME TRUST  
Form N-CSR  
March 09, 2017

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: December 31, 2016

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.

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

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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**

**Annual Report December 31, 2016**

**(Y)our Portfolio Management Team**

|                                 |                                      |  |   |  |                           |
|---------------------------------|--------------------------------------|--|---|--|---------------------------|
| <b>Mario J. Gabelli,</b>        | <b>Christopher J. Marangi</b>        | <b>Kevin V. Dreyer</b>                 | <b>Barbara G. Marcin</b>                                    | <b>Robert D. Leininger,</b>                            | <b>Jeffrey J. Jonas,</b>  |
| <b>CFA</b>                      |                                      |  |   | <b>CFA</b>   | <b>CFA</b>                |
| <i>Chief Investment Officer</i> | <i>Co-Chief Investment Officer</i>   | <i>Co-Chief Investment Officer</i>     | <i>Portfolio Manager</i>                                    | <i>Portfolio Manager</i>                               | <i>Portfolio Manager</i>  |
|                                 | <i>BA, Williams College</i>          | <i>BA, University of Pennsylvania</i>  | <i>BA, University of Virginia</i>                           | <i>BA, Amherst College</i>                             | <i>BS, Boston College</i> |
|                                 | <i>MBA, Columbia Business School</i> | <i>BSE, University of Pennsylvania</i> | <i>MBA, Columbia Business School</i>                        | <i>MBA, Wharton School, University of Pennsylvania</i> |                           |
|                                 |                                      | <i>MBA, Columbia Business School</i>   | <i>MBA, Graduate School of Business, Harvard University</i> |  |                           |

**To Our Shareholders,**

For the year ended December 31, 2016, the net asset value ( NAV ) total return of The Gabelli Dividend & Income Trust (the Fund ) was 12.7%, compared with a total return of 12.0% for the Standard & Poor's ( S&P ) 500 Index. The total return for the Fund's publicly traded shares was 16.5%. The Fund's NAV per share was \$22.30 while the price of the publicly traded shares closed at \$20.04 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2016.

**Comparative Results**

**Average Annual Returns through December 31, 2016 (a) (Unaudited)**

Since  
Inception

|  | 1 Year | 5 Year | 10 Year | (11/28/03) |
|--|--------|--------|---------|------------|
| <b>Gabelli Dividend &amp; Income Trust</b> |        |        |         |            |
| <b>NAV Total Return (b)</b>                | 12.70% | 12.15% | 5.95%   | 7.81%      |
| <b>Investment Total Return (c)</b>         | 16.47  | 13.07  | 6.83    | 7.45       |
| S&P 500 Index                              | 11.96  | 14.66  | 6.95    | 8.11       |

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|                              |       |       |      |      |
|------------------------------|-------|-------|------|------|
| Dow Jones Industrial Average | 16.37 | 12.86 | 7.48 | 8.22 |
| Nasdaq Composite Index       | 8.92  | 17.16 | 9.58 | 9.27 |

- (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, 2016:

**The Gabelli Dividend & Income Trust**

|                                   |       |
|-----------------------------------|-------|
| Financial Services                | 17.8% |
| Food and Beverage                 | 12.8% |
| Health Care                       | 8.0%  |
| Energy and Utilities: Oil         | 6.5%  |
| U.S. Government Obligations       | 6.2%  |
| Retail                            | 4.7%  |
| Telecommunications                | 4.3%  |
| Diversified Industrial            | 4.2%  |
| Consumer Products                 | 3.3%  |
| Automotive: Parts and Accessories | 2.1%  |
| Energy and Utilities: Services    | 2.1%  |
| Entertainment                     | 2.1%  |
| Aerospace                         | 1.9%  |
| Energy and Utilities: Integrated  | 1.9%  |
| Business Services                 | 1.7%  |
| Environmental Services            | 1.7%  |
| Equipment and Supplies            | 1.7%  |
| Specialty Chemicals               | 1.7%  |
| Electronics                       | 1.6%  |
| Energy and Utilities: Natural Gas | 1.4%  |
| Machinery                         | 1.4%  |
| Cable and Satellite               | 1.3%  |
| Computer Software and Services    | 1.3%  |
| Building and Construction         | 1.2%  |
| Metals and Mining                 | 1.1%  |
| Automotive                        | 0.7%  |
| Broadcasting                      | 0.7%  |
| Transportation                    | 0.7%  |
| Computer Hardware                 | 0.6%  |
| Aviation: Parts and Services      | 0.4%  |
| Communications Equipment          | 0.4%  |
| Energy and Utilities: Electric    | 0.4%  |
| Energy and Utilities: Water       | 0.4%  |
| Hotels and Gaming                 | 0.4%  |
| Real Estate                       | 0.4%  |
| Energy and Utilities              | 0.3%  |
| Consumer Services                 | 0.2%  |
| Wireless Communications           | 0.2%  |
| Paper and Forest Products         | 0.1%  |
| Publishing                        | 0.1%  |
| Agriculture                       | 0.0%* |

100.0%

**Short Positions**

Diversified Industrial

(0.1)%

\* 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 &amp; Income Trust

## Schedule of Investments December 31, 2016

| Shares  |                                 | Cost       | Market Value |
|---|---------------------------------|------------|--------------|
| <b>COMMON STOCKS 92.4%</b>                    |                                 |            |              |
| <b>Aerospace 1.7%</b>                         |                                 |            |              |
| 34,000  | Kaman Corp.                     | \$ 675,256 | \$ 1,663,620 |
| 104,000                                       | Rockwell Automation Inc.        | 4,480,794  | 13,977,600   |
| 1,507,000                                     | Rolls-Royce Holdings plc        | 11,374,835 | 12,406,349   |
| 69,322,000                                    | Rolls-Royce Holdings plc, Cl. C | 85,099     | 85,433       |
| 80,000  | The Boeing Co.                  | 6,011,773  | 12,454,400   |
|   |                                 | 22,627,757 | 40,587,402   |
| <b>Agriculture 0.0%</b>                       |                                 |            |              |
| 2,000   | Bunge Ltd.                      | 128,286    | 144,480      |
| <b>Automotive 0.7%</b>                        |                                 |            |              |
| 275,000                                       | Ford Motor Co.                  | 3,999,090  | 3,335,750    |
| 45,000  | General Motors Co.              | 1,675,166  | 1,567,800    |
| 263,000                                       | Navistar International Corp.    | 6,783,164  | 8,250,310    |
| 80,000  | PACCAR Inc.                     | 3,526,656  | 5,112,000    |
|   |                                 | 15,984,076 | 18,265,860   |
| <b>Automotive: Parts and Accessories 2.1%</b> |                                 |            |              |
| 21,213  | Adient plc                      | 997,011    | 1,243,082    |
| 275,000                                       | Dana Inc.                       | 4,857,803  | 5,219,500    |
| 35,000  | Delphi Automotive plc           | 2,369,984  | 2,357,250    |
| 108,000                                       | Federal-Mogul Holdings Corp.    | 1,374,169  | 1,113,480    |
| 342,000                                       | Genuine Parts Co.               | 20,969,203 | 32,674,680   |
| 5,900   | Lear Corp.                      | 714,022    | 780,983      |
| 25,000  | O Reilly Automotive Inc.        | 4,051,897  | 6,960,250    |
| 25,000  | Visteon Corp.                   | 2,333,971  | 2,008,500    |
|   |                                 | 37,668,060 | 52,357,725   |
| <b>Aviation: Parts and Services 0.4%</b>      |                                 |            |              |
| 83,333  | Arconic Inc.                    | 1,721,280  | 1,544,994    |
| 84,000  | B/E Aerospace Inc.              | 4,813,581  | 5,055,960    |
| 82,000  | KLX Inc.                        | 3,250,737  | 3,699,020    |
|   |                                 | 9,785,598  | 10,299,974   |

**Broadcasting 0.7%**

|         |   |            |            |
|---------|---|------------|------------|
| 24,500  | CBS Corp., Cl. A, Voting                    | 1,347,308  | 1,583,925  |
| 8,000   | Dolby Laboratories Inc.,<br>Cl. A           | 328,916    | 361,520    |
| 15,000  | Liberty Broadband Corp., Cl. C              | 798,727    | 1,111,050  |
| 61,764  | Liberty Global plc, Cl. A                   | 982,066    | 1,889,360  |
| 278,571 | Liberty Global plc, Cl. C                   | 5,683,434  | 8,273,547  |
| 12,000  | Liberty Media Corp.-Liberty SiriusXM, Cl. A | 293,384    | 414,240    |
| 25,000  | Liberty Media Corp.-Liberty SiriusXM, Cl. C | 586,470    | 848,000    |
| 101,000 | MSG Networks Inc.,<br>Cl. A                 | 783,268    | 2,171,500  |
|         |   | 10,803,573 | 16,653,142 |

**Building and Construction 1.2%**

|        |  |           |           |
|--------|--|-----------|-----------|
| 78,000 | Fortune Brands Home<br>& Security Inc. | 1,037,580 | 4,169,880 |
|--------|--|-----------|-----------|

**Market**

| <b>Shares</b> |                                    | <b>Cost</b>  | <b>Value</b> |
|---------------|------------------------------------|--------------|--------------|
| 175,000       | Herc Holdings Inc.                 | \$ 6,370,223 | \$ 7,028,000 |
| 408,456       | Johnson Controls International plc | 13,015,365   | 16,824,307   |
| 89,000        | Layne Christensen Co.              | 1,225,132    | 967,430      |
|               |                                    | 21,648,300   | 28,989,617   |

**Business Services 1.7%**

|         |                                |            |            |
|---------|--------------------------------|------------|------------|
| 25,000  | Aramark                        | 645,416    | 893,000    |
| 90,000  | Diebold Nixdorf Inc.           | 2,629,688  | 2,263,500  |
| 150,000 | Fly Leasing Ltd., ADR          | 2,036,969  | 1,995,000  |
| 5,000   | Jardine Matheson Holdings Ltd. | 304,206    | 276,250    |
| 205,000 | Macquarie Infrastructure Corp. | 11,075,431 | 16,748,500 |
| 177,500 | MasterCard Inc., Cl. A         | 3,930,097  | 18,326,875 |
| 10,000  | Stericycle Inc.                | 771,753    | 770,400    |
| 27,000  | The Brink's Co.                | 686,974    | 1,113,750  |
|         |                                | 22,080,534 | 42,387,275 |

**Cable and Satellite 1.2%**

|         |                                    |           |            |
|---------|------------------------------------|-----------|------------|
| 67,000  | AMC Networks Inc., Cl. A           | 2,512,035 | 3,506,780  |
| 2,445   | Charter Communications Inc., Cl. A | 347,387   | 703,964    |
| 15,000  | Cogeco Inc.                        | 296,908   | 633,672    |
| 80,000  | Comcast Corp., Cl. A               | 3,570,839 | 5,524,000  |
| 185,000 | DISH Network Corp., Cl. A          | 5,507,256 | 10,717,050 |
| 50,000  | EchoStar Corp., Cl. A              | 1,296,581 | 2,569,500  |
| 9,507   | Liberty Global plc LiLAC,<br>Cl. A | 165,069   | 208,774    |
| 22,116  | Liberty Global plc LiLAC,<br>Cl. C | 568,678   | 468,196    |

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|         |  |            |            |
|---------|--|------------|------------|
| 153,000 | Rogers Communications Inc., Cl. B          | 3,393,082  | 5,902,740  |
|         |  | 17,657,835 | 30,234,676 |
|         | <b>Communications Equipment 0.4%</b>       |            |            |
| 384,000 | Corning Inc.                               | 4,703,885  | 9,319,680  |
|         | <b>Computer Hardware 0.6%</b>              |            |            |
| 117,000 | Apple Inc.                                 | 8,345,500  | 13,550,940 |
|         | <b>Computer Software and Services 1.3%</b> |            |            |
| 10,000  | Alphabet Inc., Cl. A                       | 2,656,297  | 7,924,500  |
| 5,527   | Alphabet Inc., Cl. C                       | 2,859,790  | 4,265,849  |
| 35,000  | Blucora Inc.                               | 438,146    | 516,250    |
| 214     | CommerceHub Inc., Cl. A                    | 1,498      | 3,212      |
| 427     | CommerceHub Inc., Cl. C                    | 2,989      | 6,418      |
| 15,000  | CyrusOne Inc.                              | 298,392    | 670,950    |
| 90,000  | EarthLink Holdings Corp.                   | 491,715    | 507,600    |
| 35,000  | eBay Inc.                                  | 782,634    | 1,039,150  |
| 250,000 | Hewlett Packard Enterprise Co.             | 5,466,816  | 5,785,000  |
| 50,000  | Internap Corp.                             | 244,685    | 77,000     |
| 155,000 | Microsoft Corp.                            | 5,752,172  | 9,631,700  |

See accompanying notes to financial statements.

**The Gabelli Dividend & Income Trust**

**Schedule of Investments (Continued) December 31, 2016**

| <b>Shares</b>                                     |             | <b>Cost</b>  | <b>Market Value</b> |
|---|-------------|--------------|---------------------|
| <b>COMMON STOCKS (Continued)</b>                  |             |              |                     |
| <b>Computer Software and Services (Continued)</b> |             |              |                     |
| 55,000  | Yahoo! Inc. | \$ 1,844,052 | \$ 2,126,850        |
|   |             | 20,839,186   | 32,554,479          |