THE GABELLI

DIVIDEND & INCOME TRUST

Shareholder Commentary
September 30, 2005

THE GABELLI DIVIDEND & INCOME TRUST

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America — that creativity, ingenuity, hard work and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected and interdependent economic world.

Investment Objective:

The Gabelli Dividend & Income Trust is a non-diversified, closed-end management investment company. The Trust's investment objective is to seek a high level of total return with an emphasis on dividends and income. In making stock selections, the Trust's investment adviser looks for securities that have a superior yield, as well as capital gains potential.

This report is printed on recycled paper.

To Our Shareholders,

THE GABELLI DIVIDEND & INCOME TRUST

Companies continued to increase dividends and repurchase shares at a strong pace, as they look for uses for the very large cash balances that have accumulated on their corporate balance sheets. The dividends paid by the S&P 500 companies have increased more than 35%, or 6.2% annually over the past five years, but since earnings have risen even faster, the payout ratio, or percent of earnings that a company pays out in dividends, is still down at about 31%. There is still much room for dividend growth and we expect to continue to see dividend growth over the next few years. The number of companies in the S&P 500 that pay a dividend has risen to 384, or about 77% of those in the index, compared to 70% in 2001 but still well off the highs of 87% in 1990 and even 93% in 1980. We expect dividend policies to continue to trend back toward the longer term average and so we believe this trend has a way to go.

It is the compounding effect of these growing dividends, reinvested year after year, that has comprised almost half the long-term return of the stock market as defined by the S&P 500, and we believe that these dividends are critical to long-term future returns.

The markets rose in the third quarter, but gains were mostly due to another sharp rise in the price of energy stocks, as crude oil rose to $67 a barrel from $57 at the start of the quarter. Hurricane Katrina was the most notable event impacting the market and the economy, and it revealed fully the vulnerability of the U.S. energy supply to disruptions, and its lack of options to respond to shocks. By the end of the quarter, there were plenty of debates over solutions, with Republicans calling for an easing of environmental rules and Democrats calling for a windfall profits tax. One thing is clear – we will have high energy prices for the next several years.

Comparative Results

Average Annual Returns through September 30, 2005 (a)

	Quarter	Year to Date	1 Year	Since Inception (11/28/03)
Gabelli Dividend & Income Trust NAV Return (b)	**5.06%**	**9.98%**	**17.71%**	**12.31%**
Gabelli Dividend & Income Trust Investment Return (c)	**0.96**	**8.02**	**8.05**	**1.89**
S&P 500 Index	3.60	2.77	12.25	10.41
Dow Jones Industrial Average	3.44	(0.34)	7.23	6.71
Nasdaq Composite Index	4.61	(1.09)	13.44	5.21

(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 figures for periods less than one year are not annualized. Investors should consider the investment objectives, risks and expenses of the Trust carefully before investing****. The Dow Jones Industrial Average is an unmanaged index of 30 large industrial stocks. The S&P 500 and Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index.*

(b) *Total returns and average annual returns reflect changes in net asset value ("NAV"), reinvestment of distributions at NAV on the ex-dividend, and are net of expenses. Since inception return is based on an initial net asset value of $19.06.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions on the payable date. Since inception return is based on an initial offering price of $20.00.*

We have separated the portfolio manager's 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 manager's 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/funds.

Performance

In the third quarter the net asset value of the Trust rose to $21.17, for a gain of 5.06% including distributions to our Trust shareholders, and compared to a gain of 3.60% for the S&P 500 Index. Year to date the Trust has gained 9.98% versus a gain of 2.77% for the S&P 500 for the same period.

As of September 30th, the public price of the shares, which trade on the New York Stock Exchange under the symbol "GDV", closed at a price of $18.46, down slightly from $18.58 at the end of the second quarter. This price performance for the publicly traded shares along with the reinvestment of the three monthly distributions of $0.10, or $0.30 for the quarter, results in a total return for our investors of 0.96%.

We are disappointed that the price of the publicly traded shares as of September 30th, $18.46, is at a 12.80% discount to the net asset value of $21.17. Also, we are particularly disappointed that the discount widened in the third quarter even as the Trust continued to deliver both good absolute and relative performance.

During the first and second quarters this discount narrowed and we had assumed that it was due to investors recognizing the positive performance and also appreciating that dividend paying stocks would deliver superior long term returns. What gives? The Trust is now a great buy. We changed the distribution policy to a monthly payout from a quarterly payout in order to reduce the discount and for the first six months of this year this had drawn attention to the good value in the holdings of the Trust. We will continue to monitor the discount and expect the NYSE price to ultimately track the net asset value, which is higher, over the longer term.

The stocks in the energy sector of the S&P 500 built on their strength with a 16% return in the quarter, followed by utilities, which gained 4%. The worst performing of the ten sectors that Standard and Poor's divides the S&P 500 stocks into was the telecommunications sector, which declined 3% in the quarter.

Stocks that declined in the quarter included material and industrial companies, which suffered from investor perception that the economic expansion will slow post-hurricane. These companies, which included chemical companies DuPont, Dow, and the aluminum company Alcoa, were also hurt by their exposure to the cost of oil and gas that they use to make their products.

As of the end of the third quarter, we had invested 79% of the Trust's assets, up from 76% at the end of the second quarter, and 72% at year-end, with the balance in cash equivalents.

Market Commentary

The quarter started with the economy continuing to show a consistent path of moderate growth. This growth trend was interrupted by hurricane Katrina, which flooded New Orleans and other parts of the Gulf Coast and destroyed businesses in the area. It also disrupted ports and warehouses which are important to the poultry and coffee processing sectors, and, of course, rigs, platforms and refineries which process oil. Immediately, investors began to assess the effect of the hurricane on the nation's growth and inflation rates. By the end of the quarter, it appeared that the impact on the economy would be largely local, and that the broader economy's strength and resilience would continue.

The sudden jump in the price of oil, as a result of lowered production and refining, focused our attention on how risky it is to have our energy refining and distribution so geographically concentrated in the Gulf Coast area. This is due in large part to reluctance on the part of other states to allow refiners to build. In addition, historically low returns in the decades prior to the past two years have discouraged oil and gas explorers from spending on new projects and refiners from adding capacity. The new high oil and gas trading range will sustain new capital expenditures to find and refine oil, but this will most likely be only at the margin.

However, the effect of higher energy prices on the economy will be noticeable in the coming year. Oil has risen to $65 a barrel from $45 a barrel at the beginning of the year, a 44% increase. We have tapped into our strategic petroleum reserve to help tide us over the decreased supplies due to the hurricane Katrina disruption. But there is no quick fix for the loss of refining capacity, and so a gallon of gas at the pump has risen to an average of $2.94 from $1.90, heating oil has risen to $2.10 from $1.40, and the price of natural gas has risen to $14 per million British thermal units (mBtu) from $6.50, a huge gain. Natural gas is used to heat about half the homes in the United States and so will affect homeowners in the winter months. This price increase will most likely cause heating oil prices to continue to rise as heating oil is an alternative to natural gas. Although we expect these energy prices to fall in the fourth quarter of the year, it looks as though the price range has a higher floor for 2006.

Over the past two years, the effect of the rise in the price of gas at the pump and the price to heat and cool homes on consumers has been met by low and falling interest and mortgage rates, tax rebates and rising disposable incomes from the improving economy. Now those helpful forces are largely over, but the higher energy prices remain and will crimp both consumer and corporate spending plans. The general rule of thumb used by economists is that for each $10 increase in the price of a barrel of oil, the economy loses one half of one percent of growth as measured by the gross domestic product, or GDP. However, with the diminished refining capacity compounding the increases in heating oil and gas pump prices above and beyond the increase in the price of crude oil, this effect could be more significant.

Let’s Talk Stocks

The following are stock specifics on selected holdings of our Trust. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of September 30, 2005.

BCE Inc. (BCE - $27.44 - NYSE) is a diversified communications company. Through their Bell Canada segment, the company provides local telephone, long distance, satellite television, wireless and other services to much of Eastern Canada. BCE continues to cement its strategic position as a national provider of content, creativity and distribution. This includes a 20% interest in Bell Canada as well as CTV, a Canadian broadcaster, and The Globe and Mail, a Canadian newspaper.

ConocoPhillips (COP - $69.91 - NYSE) is an international, integrated energy company. The company explores for and produces petroleum, and refines, markets, supplies and transports petroleum and is the fifth largest refiner in the world. Management continues to show discipline in its management of strong cash flow, emphasizing cost cutting and growth initiatives, and should be able to reduce debt considerably over the next year. Conoco Phillips also gathers and processes natural gas, and produces and distributes chemicals and plastics.

Chevron Corp. (CVX - $64.73 - NYSE) is benefiting from strong oil and gas prices, which have lifted its earnings and cash flow and enabled the company to firm up its balance sheet and use its tremendous cash flow to increase its dividend and buy back shares.

Diamond Offshore Drilling (DO - $61.25 - NYSE) provides contract drilling of offshore oil and gas wells to the independent oil and gas companies. The company operates in the Gulf of Mexico, Europe, the North Sea, South America, Africa, Australia and Southeast Asia. With the increasing deep water drilling activity and prices for rigs and services up strongly, Diamond Offshore is enjoying growing revenues and earnings and the outlook for the next few years is strong.

Dominion Resources (D - $86.14 - NYSE) is a gas and electric utility holding company headquartered in Virginia. Its utility is Virginia Power, and the company also has exploration and production, natural gas storage and gas pipelines businesses, so that its earnings and cash flow continue to benefit from the rise in energy prices. We expect the company to be able to continue its earnings growth of 6–8% over the next few years and expect that the company will also increase its dividend.

Freeport-McMoRan Copper & Gold Inc. (FCX - $48.59 - NYSE) operates the world's largest and lowest cost copper and gold mine in the world. This deposit is located at the Grasberg mine in Indonesia. The deposit contains massive reserves of both gold and copper. The company also owns smaller interests in Spain and Indonesia. Aggregate proven and probable reserves were 2.8 billion tons of ore containing 56 billion pounds of copper and 61 million ounces of gold.

Great Plains Energy Inc. (GXP - $29.91 - NYSE) has one of the highest secure dividends in the utility sector. The company has strengthened its balance sheet in the past few years while gradually growing its non-regulated earnings. Great Plains Energy is the holding company that owns Kansas City Power & Light, an electric utility that operates in two states, and the company owns one of the few successful and profitable retail electricity marketing companies in the U.S. The relatively small size of Great Plains' utility operation (less than one million customers) makes it a potential takeover target.

The Hartford Financial Group (HIG - $77.17 - NYSE) is one of the largest property/casualty and life insurance organizations, with well designed products aimed at gaining share in rapidly growing segments of the U.S. financial markets. The company has attractive and durable franchises, particularly its variable annuity, wholesale life insurance and property/casualty business for small and medium businesses. Although small, its mutual fund business in the United States and its annuity business in Japan represent good growth opportunities. Overall, the Hartford is the best managed multi-line insurer and its diverse business model continues to deliver good results.

Sovereign Bancorp (SOV - $22.04 - NYSE) is working to assimilate its last three acquisitions, Waypoint Financial in January of 2005; Seacoast Financial in July of 2004 and First Essex in February of 2004. Sovereign is the second largest bank headquartered in Pennsylvania, the third largest New England bank, and one of the top 20 in the nation. Like most banks, Sovereign has suffered from the margin compression as the yield curve flattened so severely over the past year. In the third quarter, an activist group, Relational Investors, announced it had acquired 6.5% of the bank and would seek to nominate two directors to the board to force the board to address issues of improving performance and value. Nevertheless, the company has improved its balance sheet and doubled its dividend over the past year, and we think it is capable of achieving better quality earnings growth of 10% over the next year or so which could be the catalyst to improve the stock's valuation.

Looking Ahead

As we start the fourth quarter, the focus is very much on the resurgence of inflation that we are seeing and what the Federal Reserve will do. In speeches given towards the end of the third quarter, Chairman Alan Greenspan, along with other members of the Federal Reserve, reminded us that their number one mission is the preservation of the purchasing power of the currency – inflation. We think that the Federal Reserve is actually happy to have its job back. Of course, inflation is a natural result of a growth economy. However, most expansions have been ended in the past by the Federal Reserve squashing the economy with interest rate increases and the possibility that they will tighten too much is a big concern. So far, the 11 Federal Fund rate increases have accomplished very little, but rates are beginning to rise as we head into the fourth quarter.

Mr. Greenspan made it plain in his speeches in the third quarter that he has an intense personal interest in the issue of whether or not we are in a troublesome housing bubble. He cited new data that he had personally assembled in collaboration with his staff, and as usual, made a lot of "on-the-one-hand, on-the-other-hand" observations. With only a few months left before he retires in January, Mr. Greenspan's speeches have lately shown his intent to defend and cast positively his legacy of keeping rates low over the past several years as we recovered from the burst bubble of speculative investment and capital spending of the late 1990s. He concluded that homeowners have taken on too much risk, particularly with exotic sorts of deferred payment mortgages, but he also said that the finances of most households are still on solid ground. Nevertheless, it appears that the Federal Reserve is determined to correct this overheated engine before it reaches the level at which a recession, and/or a painful rise in rates, could cause trouble.

Overall inflation expectations have been climbing over the past few months. There is concern that with consumers expecting continued high energy prices, and now perhaps higher prices for building materials and other items either destroyed or in demand after the hurricane, there is the danger that people will expect higher prices broadly and demand higher wages. There are still powerful anti-inflation forces at work here, including the excess of distribution and retail stores, the Internet and its transparent pricing, and, of course, China and its ability to produce very inexpensive goods. So while we do not expect broad pricing power, consumer price inflation will be higher in the third and fourth quarter than it has been for a while and this "headline" number can lead to an expectation of higher prices in the future. Inflation is the ultimate self-fulfilling prophecy. If we all expect prices to go higher, they will, and the Federal Reserve is determined to nip this in the bud now.

Therefore, despite the lack of broad inflation, we believe rates are headed higher, and the old adage, "Don't fight the Fed", is as good as ever. Prior to the hurricanes and the jump in energy prices, the economic growth of the economy was clearly sound and even strong. As long as energy prices do not continue to rise, we think that consumers and companies will be able to weather the increased energy costs over the coming year. We think that the economy will continue to grow, and with the evidence so far, the odds are still in favor of a prolonged period of expansion. The risks remain the rising price of energy and the chance that the Federal Reserve will overshoot on raising the Federal Funds rate and ultimately interest rates.

6% Distribution Policy for Common Shareholders – Monthly Distributions

The Board of Trustees has reaffirmed the Trust's 6% Distribution Policy. Pursuant to the 6% Distribution Policy, the Trust paid a $0.10 per share cash distribution on July 25, 2005, August 25, 2005 and September 26, 2005 for a total distribution of $0.30 per share during the third quarter of 2005. Under the Trust's Distribution Policy, the Trust pays a minimum annual distribution of 6% of the initial public offering price of $20.00 per share. Pursuant to this policy, the Trust pays $0.10 per share in the first eleven months of the year and an adjusting distribution in December which includes, if necessary, any additional income and net realized capital gains in excess of the monthly distributions for that year to satisfy the minimum distribution requirements of the Internal Revenue Code. Each quarter, the Board of Trustees will review the amount of any potential distribution and the income, capital gain or paid-in capital available. The Trust's Distribution Policy is subject to modification by the Board at any time.

Monthly distributions were implemented to improve shareholder value with the objective of narrowing the discount to NAV of the publicly traded shares on the NYSE. We firmly believe that our shareholders prefer a monthly distribution to a quarterly payment, and that this will help to close the gap between NAV and market price over time. Of course, we are most directly responsible for the NAV because it reflects the performance of the investments that are in the Trust. However, we also know that we have a responsibility to improve shareholder value and that means using shareholder initiatives such as the distribution policy to improve the market price if it is trading at a discount to NAV.

If the Trust does not generate earnings from dividends and interest received and net realized capital gains equal to or in excess of the aggregate distributions paid by the Trust in a given year, then the amount distributed in excess of the Trust's investment income and net realized capital gains would be deemed a non-taxable return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is not taxable and is treated as a reduction in the shareholder's cost basis. However, despite the challenges of the extra record keeping, a distribution that is occasionally supplemented with a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders. For a closed-end fund with a distribution policy, a return of capital becomes progressively less likely with the passage of time because in later years it is more likely that long-term capital gains can be realized and therefore become available for distribution. A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum Federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, ordinary income and non-taxable return of capital, if any, will be allocated on a pro-rata basis to all distributions for the year. The final determination of the source of all distributions in 2005 will be made after year-end. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2005 distributions in early 2006 via Form 1099-DIV.

Common Share Repurchase Plan

On May 12, 2004, the Board of Trustees voted to authorize the repurchase of its common shares in the open market, from time to time, when such shares are trading at a discount of 7.5% or more from the NAV of the common shares. The Trust repurchased 80,000 shares in the open market under this share repurchase plan during the third quarter of 2005. In total, through September 30, 2005, the Trust has repurchased 365,700 shares in the open market under this share repurchase plan.

5.875% Series A Cumulative Preferred Shares

The Trust's 5.875% Series A Cumulative Preferred Shares paid a $0.3671875 per share cash distribution on September 26, 2005. The Series A Preferred Shares, which trade on the New York Stock Exchange under the symbol "GDV Pr A", are rated "Aaa" by Moody's Investors Service and have an annual dividend rate of $1.46875 per share. The Series A Preferred Shares were issued on October 12, 2004 at $25.00 per share and pay distributions quarterly. The next distribution is scheduled for December 2005.

Series B Auction Market Cumulative Preferred Shares

The dividend rates for the Series B Auction Market Cumulative Preferred Shares ranged from 3.18% to 3.85% during the third quarter of 2005. Dividend rates for the Series B Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. The Series B Preferred Shares do not trade on an exchange. The Series B Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Services. The Trust issued 4,000 Series B Preferred Shares on October 12, 2004 at $25,000 per share.

Series C Auction Market Cumulative Preferred Shares

The dividend rates for the Series C Auction Market Cumulative Preferred Shares ranged from 3.21% to 3.90% during the third quarter of 2005. Dividend rates for the Series C Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. The Series C Preferred Shares do not trade on an exchange. The Series C Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Services. The Trust issued 4,800 Series C Preferred Shares on October 12, 2004 at $25,000 per share.

6.00% Series D Cumulative Preferred Shares / Series E Auction Rate Cumulative Preferred Shares

On November 3, 2005, the Trust completed an offering of two series of Preferred Shares valued at a total of $200 million. The issuance consists of $65 million of 6.00% Series D Cumulative Preferred Shares and $135 million of Series E Auction Rate Cumulative Preferred Shares. The proceeds raised will be used for investment purposes.

The 6.00% Series D Cumulative Preferred Shares are rated "Aaa" by Moody's Investors Service, Inc. The 6.00% Series D Cumulative Preferred Shares are perpetual, non-callable for five years and were issued at $25 per share. Distributions will be paid quarterly beginning on December 27, 2005. The 6.00% Series D Cumulative Preferred Shares will begin trading on the New York Stock Exchange under the symbol "GDV Pr D" on November 7, 2005.

The Series E Auction Rate Preferred Shares are rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Ratings Services. The Series E Auction Rate Preferred Shares are perpetual and generally are callable at any time without premium. The initial dividend rate for the Series E Auction Rate Preferred Shares will be 3.70% for the period ending November 9, 2005. The dividend rates for subsequent periods will be determined by an auction process.

The Board of Trustees shares the Investment Adviser's view that the issuance of the Preferred Shares is designed to benefit the common shareholders. The Trust expects that, following investment of the Preferred Shares proceeds, it will be able to earn in excess of the dividend rate on the Preferred Shares and thereby create additional value for its common shareholders.

It should be noted that the Investment Adviser does not receive a management fee on the incremental assets attributable to the Preferred Shares unless the total return of the net asset value of the common shares during the year, including distributions and advisory fee subject to potential reduction for that year, exceeds the stated dividend rate of the Preferred Shares, including the net cost to the Trust of any associated interest rate swap agreement the Trust may enter into to protect against short-term interest rate increases. The Investment Adviser believes this fee arrangement is in the best interests of all shareholders.

Q & A regarding Preferred Shares issued by the Trust

Q: What are Preferred Shares?

A: Preferred Shares are a form of equity investment, which has certain rights that differ from those of common shares. The Trust is obligated to pay a dividend or distribution based on a stated rate to the Preferred Shareholders before any dividends or distributions are paid to Common Shareholders.

Q: Why does the Trust issue Preferred Shares?

A: The Trust issues Preferred Shares to raise capital and employ leverage for the Trust. By issuing Series' of Preferred Shares, the Trust pays a fixed or floating rate of dividends or distributions to Preferred Shareholders depending on the specific Series.

Q: How do the Preferred Shares benefit the Common Shareholder?

A: Any return that can be earned in excess of the stated distribution rate (fixed or floating) on the Preferred Shares would directly benefit and add wealth for the Common Shareholder. However, any shortfall from the stated rate would impact the Common Shareholder negatively in the opposite fashion. Since inception on November 28, 2003, the Trust has earned a 12.31% average annual total return compared with a blended dividend rate for all Preferred Shares of approximately 4.5%.

Q: How do the Preferred Share distributions affect distributions to Common Shareholders?

A: Because taxable income for the Trust is allocated to Preferred Shareholders before Common Shareholders, the portion of distributions that is taxable at higher tax rates would not be required to the extent they would be if the Preferred Shares were not outstanding. A larger portion of the distribution to Common Shareholders would constitute long-term capital gains, subject to the maximum Federal income tax rate, which is currently 15% in taxable accounts for individuals.

Q: What happens if the Trust doesn't earn the stated dividend rate on the Preferred Shares?

A: In any given year, the Investment Adviser will not receive a management fee on the incremental assets raised through Preferred Share issuance unless the total return of the Trust to Common Shareholders during the year exceeds the dividend rate of the Preferred Shares, including the costs of any interest rate swap agreement the Trust may enter into to protect against short-term interest rate increases.

Q: How does the Trust protect against a rise in short-term interest rates for Auction (floating rate) Preferred Shares?

A: For Auction Preferred Shares, the Trust has the ability to enter into an interest rate swap transaction that essentially fixes the dividend rate that the Trust pays on the respective Series of Auction Preferred Shares. The Trust pays the counterparty to the interest-rate swap the agreed upon fixed rate, while the counterparty pays the Trust a variable rate payment sufficient to cover the periodic distributions on the Auction Preferred Shares. Currently, the Trust has entered into an interest-rate swap agreement with respect to its Series B Auction Market Preferred Shares, at a rate of 4.01%.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings and mutual fund prices and performance.

Sincerely,

Mario J. Gabelli, CFA
Portfolio Manager and Chief Investment Officer

Barbara G. Marcin, CFA
Portfolio Manager

November 4, 2005

NOTE: The views expressed in this report reflect those of the portfolio managers only through the end of the period stated in this report. The managers' views are subject to change at any time based on market and other conditions.

Portfolio Manager Compensation

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus and no stock options.

As founder and portfolio manager of the Gabelli Dividend & Income Trust, Mr. Gabelli received $884,501 in calendar year 2004. For the Trust's first two months of operation starting in November 2003, Mr. Gabelli received less than $305,000. As beneficial owner, he had $48,472,360 invested in the Gabelli Dividend & Income Trust as of 09/30/05, which includes the holdings of GAMCO Investors, Inc.

Top Ten Holdings
September 30, 2005

Dreyer's Grand Ice Cream Holdings Inc.,	1.78%	Electrabel SA,	1.00%
Statoil ASA, ADR,	1.11%	Citigroup Inc.,	1.00%
ConocoPhilips Co.,	1.07%	Chevron Corp.,	0.99%
Ameren Corp.,	1.05%	MBNA Corp.,	0.99%
American Express Co.,	1.01%	Siebel Systems Inc.,	0.99%

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the Policy of The Gabelli Dividend & Income Trust ("Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Dividend & Income Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Plan participants may send their stock certificates to Computershare Ltd. ("Computershare") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o Computershare
P.O. Box 43011
Providence, RI 02940-3011

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at (800) 336-6983.

Shareholders wishing to liquidate reinvested shares held at Computershare must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is $2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

If your shares are held in the name of a broker, bank or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of Common Stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Trust's Common Stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of Common Stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Trust's Common Stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange trading day, the next trading day. If the net asset value of the Common Stock at the time of valuation exceeds the market price of the Common Stock, participants will receive shares from the Trust valued at market price. If the Trust should declare a dividend or capital gains distribution payable only in cash, Computershare will buy Common Stock in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for Federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

The Trust reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days' written notice to participants in the Plan.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Trust's shares at the then current market price. Shareholders may send an amount from $250 to $10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates $0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43011, Providence, RI 02940–3011 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Trust.

THE GABELLI DIVIDEND & INCOME TRUST AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Dividend & Income Trust (the “Trust”) is a closed-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly-held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

What kind of non-public information do we collect about you if you become a Gabelli customer?

When you purchase shares of the Trust on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell, it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone, other than our affiliates, our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its web site, *www.sec.gov*.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

TRUSTEES AND OFFICERS
THE GABELLI DIVIDEND & INCOME TRUST
One Corporate Center, Rye, NY 10580-1422

Trustees

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

Anthony J. Colavita
Attorney-at-Law,
Anthony J. Colavita, P.C.

James P. Conn
Former Chief Investment Officer,
Financial Security Assurance Holdings Ltd.

Mario d'Urso
Chairman, Mittel Capital Markets SpA

Frank J. Fahrenkopf, Jr.
President & Chief Executive Officer,
American Gaming Association

Michael J. Melarkey
Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan

Karl Otto Pöhl
Former President, Deutsche Bundesbank

Salvatore M. Salibello
Certified Public Accountant,
Salibello & Broder

Edward T. Tokar
Senior Managing Director, Beacon Trust Company

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

Salvatore J. Zizza
Chairman, Hallmark Electrical Supplies Corp.

Officers

Bruce N. Alpert
President

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer

James E. McKee
Secretary

Richard C. Sell, Jr.
Treasurer

Investment Adviser
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

Custodian
State Street Bank and Trust Company

Counsel
Skadden, Arps, Slate, Meagher & Flom, LLP

Transfer Agent and Registrar
Computershare Ltd.

Stock Exchange Listing

	Common	5.875% Preferred
NYSE–Symbol:	GDV	GDV PrA
Shares Outstanding:	84,697,505	3,200,000

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Sunday's The New York Times and in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds."

The Net Asset Value may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: **www.gabelli.com** or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Dividend & Income Trust may, from time to time, purchase its common shares in the open market when the Dividend & Income Trust shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Dividend & Income Trust may also, from time to time, purchase its Cumulative Preferred Shares in the open market when the shares are trading at a discount to the Liquidation Value of $25.00.

THE GABELLI DIVIDEND & INCOME TRUST
One Corporate Center
Rye, NY 10580-1422
(914) 921-5070
www.gabelli.com

Shareholder Commentary
September 30, 2005

GDV 09/05

THE GABELLI
DIVIDEND &
INCOME TRUST

The Gabelli Dividend & Income Trust

Third Quarter Report
September 30, 2005

To Our Shareholders,

During the third quarter of 2005, the Gabelli Dividend & Income Trust's (Trust's) total return rose 5.06% on a net asset value (NAV) basis, compared to a gain of 3.60% for the Standard & Poor's (S&P) 500 Index. The Trust's market price, adjusted for distributions, rose 0.97% during the third quarter of 2005. The Trust's market price on September 30, 2005 was $18.46, which equates to a 12.80% discount to its NAV of $21.17 at the end of the quarter.

Enclosed is the investment portfolio as of September 30, 2005.

Comparative Results

Average Annual Returns through September 30, 2005 (a)

	Quarter	Year to Date	1 Year	Since Inception (11/28/03)
Gabelli Dividend & Income Trust NAV Return (b)	**5.06%**	**9.98%**	**17.71%**	**12.31%**
Gabelli Dividend & Income Trust Investment Return (c)	**0.97**	**8.02**	**8.05**	**1.90**
S&P 500 Index	3.60	2.77	12.25	19.91
Dow Jones Industrial Average	3.45	(0.18)	7.43	12.65
Nasdaq Composite Index	4.61	(1.09)	13.44	9.77

(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.* ***Investors should consider the investment objectives, risks and charges and expenses of the Fund carefully before investing.*** *Performance figures for periods less than one year are not annualized. 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.*

(b) *Total returns and average annual returns reflect changes in NAV, reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return based on an initial NAV of $19.06.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions on the payable date. Since inception return based on an initial offering price of $20.00.*

We have separated the portfolio manager's 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 manager's 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/funds.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS
September 30, 2005 (Unaudited)

Shares		Market Value*
	COMMON STOCKS — 79.6%	
	Aerospace — 0.1%	
10,000	Goodrich Corp.	$ 443,400
30,000	Kaman Corp., Cl. A	613,500
100,000	Rolls-Royce Group plc†	658,776
		1,715,676
	Agriculture — 0.6%	
480,000	Archer-Daniels-Midland Co.	11,836,800
	Automotive: Parts and Accessories — 1.2%	
600,000	Dana Corp.	5,646,000
455,000	Genuine Parts Co.	19,519,500
		25,165,500
	Broadcasting — 0.0%	
20,000	Liberty Corp.	937,800
	Business Services — 0.1%	
130,000	Intermix Media Inc.†	1,554,800
	Cable and Satellite — 1.2%	
14,200	Cogeco Inc.	332,860
100,000	DIRECTV Group Inc.†	1,498,000
285,000	EchoStar Communications Corp., Cl. A	8,427,450
90,000	Liberty Global Inc., Cl. A†	2,437,200
90,000	Liberty Global Inc., Cl. C†	2,317,500
110,000	PanAmSat Holding Corp.	2,662,000
205,000	Rogers Communications Inc., Cl. B	8,087,250
		25,762,260
	Communications Equipment — 0.0%	
20,000	Thomas & Betts Corp.†	688,200
	Computer Software and Services — 1.0%	
2,000,000	Siebel Systems Inc.	20,660,000
	Consumer Products — 1.4%	
60,000	Action Performance Companies Inc.	750,000
15,000	Altria Group Inc.	1,105,650
80,000	Avon Products Inc.	2,160,000
30,000	Eastman Kodak Co.	729,900
135,000	Gallaher Group plc, ADR	8,382,150
1,000	Kimberly-Clark Corp.	59,530
120,000	Maytag Corp.	2,191,200
90,000	Procter & Gamble Co.	5,351,400
700,000	Swedish Match AB	8,350,367
		29,080,197
	Diversified Industrial — 2.6%	
250,000	Bouygues SA	11,618,893
130,000	Cooper Industries Ltd., Cl. A	8,988,200
350,000	General Electric Co.	11,784,500
210,000	Honeywell International Inc.	$ 7,875,000
30,000	ITT Industries Inc.	3,408,000
100,000	Sonoco Products Co.	2,731,000
1,000	Textron Inc.	71,720
1,051,000	Tomkins plc	5,357,324
20,000	Tomkins plc, ADR	411,600
110,000	WHX Corp.†	1,210,000
20,000	York International Corp.	1,121,400
		54,577,637
	Energy and Utilities: Electric — 6.0%	
30,000	Allegheny Energy Inc.†	921,600
120,000	ALLETE Inc.	5,497,200
305,000	American Electric Power Co. Inc.	12,108,500
20,000	Cleco Corp.	471,600
380,000	DPL Inc.	10,564,000
17,500	DTE Energy Co.	802,550
270,000	Duquesne Light Holdings Inc.	4,646,700
237,000	Electric Power Development Co. Ltd.	7,912,526
210,000	FPL Group Inc.	9,996,000
610,000	Great Plains Energy Inc.	18,245,100
600,000	Pepco Holdings Inc.	13,962,000
220,000	Pinnacle West Capital Corp.	9,697,600
490,000	Southern Co.	17,522,400
398,100	Unisource Energy Corp.	13,232,844
		125,580,620
	Energy and Utilities: Integrated — 13.6%	
12,000	Alliant Energy Corp.	349,560
410,000	Ameren Corp.	21,930,900
35,000	Avista Corp.	679,000
11,000	Black Hills Corp.	477,070
22,800	Central Vermont Public Service Corp.	399,000
33,000	CH Energy Group Inc.	1,566,840
108,000	Chubu Electric Power Co. Inc.	2,635,307
121,500	Chugoku Electric Power Co. Inc.	2,504,493
345,000	Cinergy Corp.	15,321,450
160,000	CONSOL Energy Inc.	12,203,200
200,000	Consolidated Edison Inc.	9,710,000
20,000	Dominion Resources Inc.	1,722,800
180,000	Duke Energy Corp.	5,250,600
430,000	Edison SpA†	958,656
150,000	El Paso Corp.	2,085,000
42,000	Electrabel SA	21,049,216
6,500	Empire District Electric Co.	148,655
605,000	Endesa SA	16,192,957
300,000	Enel SpA	2,585,181
47,000	Enel SpA, ADR	2,016,770
139,500	Energy East Corp.	3,514,005
220,000	FirstEnergy Corp.	11,466,400
130,000	Hawaiian Electric Industries Inc.	3,624,400
250,000	Hera SpA	703,083
121,500	Hokkaido Electric Power Co. Inc.	2,584,765

Shares		Market Value*
	COMMON STOCKS (Continued)	
	Energy and Utilities: Integrated (Continued)	
121,500	Hokuriku Electric Power Co.	$ 2,509,844
121,500	Kansai Electric Power Co. Inc.	2,681,091
80,500	Korea Electric Power Corp., ADR	1,425,655
121,500	Kyushu Electric Power Co. Inc.	2,702,497
25,000	Maine & Maritimes Corp.	492,500
10,000	MGE Energy Inc.	365,100
35,102	National Grid plc, ADR	1,648,039
255,000	NiSource Inc.	6,183,750
600,000	NSTAR	17,352,000
500,000	OGE Energy Corp.	14,050,000
50,000	Ormat Technologies Inc.	1,106,500
330,000	Progress Energy Inc.	14,767,500
310,000	Public Service Enterprise Group Inc.	19,951,600
220,000	Scottish Power plc, ADR	8,852,800
121,500	Shikoku Electric Power Co. Inc.	2,632,928
5,000	TECO Energy Inc.	90,100
121,500	Tohoku Electric Power Co. Inc.	2,702,497
108,000	Tokyo Electric Power Co. Inc.	2,730,444
1,000	TXU Corp.	112,880
69,800	Vectren Corp.	1,978,830
460,000	Westar Energy Inc.	11,099,800
90,000	Wisconsin Energy Corp.	3,592,800
150,000	WPS Resources Corp.	8,670,000
800,000	Xcel Energy Inc.	15,688,000
		285,066,463
	Energy and Utilities: Natural Gas — 3.6%	
8,500	AGL Resources Inc.	315,435
100,000	Atmos Energy Corp.	2,825,000
14,800	Delta Natural Gas Co. Inc.	394,568
6,000	Energen Corp.	259,560
380,000	KeySpan Corp.	13,976,400
20,000	Kinder Morgan Energy Partners LP	1,057,000
50,000	Laclede Group Inc.	1,624,500
300,000	National Fuel Gas Co.	10,260,000
215,000	Nicor Inc.	9,036,450
220,000	ONEOK Inc.	7,484,400
260,000	Peoples Energy Corp.	10,238,800
300,000	SEMCO Energy Inc.†	1,977,000
200,000	Sempra Energy	9,412,000
24,000	South Jersey Industries Inc.	699,360
42,000	Southern Union Co.†	1,082,340
180,000	Southwest Gas Corp.	4,930,200
		75,573,013
	Energy and Utilities: Oil — 14.0%	
10,000	Amerada Hess Corp.	1,375,000
7,000	Anadarko Petroleum Corp.	670,250
40,000	Apache Corp.	3,008,800
20,000	Baker Hughes Inc.	1,193,600
46,900	BG Group plc, ADR	2,236,661
160,000	BP plc, ADR	$ 11,336,000
80,000	Burlington Resources Inc.	6,505,600
5,000	Chesapeake Energy Corp.	191,250
319,888	Chevron Corp.	20,706,350
1,000	Cimarex Energy Co.†	45,330
320,000	ConocoPhillips	22,371,200
20,000	Cooper Cameron Corp.†	1,478,600
65,000	Devon Energy Corp.	4,461,600
290,000	Diamond Offshore Drilling Inc.	17,762,500
75,000	Eni SpA, ADR	11,107,500
225,000	Exxon Mobil Corp.	14,296,500
200,000	Halliburton Co.	13,704,000
89,994	Kerr-McGee Corp.	8,739,317
298,366	Marathon Oil Corp.	20,566,369
200,000	Murphy Oil Corp.	9,974,000
2,000	Nabors Industries Ltd.†	143,660
5,000	Noble Corp.	342,300
190,000	Occidental Petroleum Corp.	16,231,700
10,000	PetroChina Co. Ltd., ADR	833,700
18,000	PetroKazakhstan Inc., Cl. A	979,740
280,000	Repsol YPF SA, ADR	9,046,800
200,000	Royal Dutch Shell plc, Cl. A, ADR	13,128,000
50,000	Schlumberger Ltd.	4,219,000
1,000	Seitel Inc.†	1,520
300,000	Spinnaker Exploration Co.†	19,407,000
940,000	Statoil ASA, ADR	23,208,600
200,000	Sunoco Inc.	15,640,000
102,000	Total SA, ADR	13,853,640
75,000	Transocean Inc.†	4,598,250
		293,364,337
	Energy and Utilities: Water — 0.3%	
11,000	American States Water Co.	368,060
40,000	Aqua America Inc.	1,520,800
4,000	Artesian Resources Corp., Cl. A	120,320
3,000	California Water Service Group	123,600
6,000	Connecticut Water Service Inc.	148,320
6,000	Middlesex Water Co.	134,700
21,466	Pennichuck Corp.	458,084
45,000	SJW Corp.	2,172,600
16,000	Southwest Water Co.	232,000
36,000	United Utilities plc, ADR	843,480
11,000	Veolia Environnement	464,167
6,000	York Water Co.	155,040
		6,741,171
	Entertainment — 1.3%	
2,000	Grupo Televisa SA, ADR	143,420
500,000	The Walt Disney Co.	12,065,000
400,000	Time Warner Inc.	7,244,000
250,000	Vivendi Universal SA, ADR	8,182,500
		27,634,920

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Shares		Market Value*
	COMMON STOCKS (Continued)	
	Environmental Services — 0.1%	
100,000	Waste Management Inc.	$ 2,861,000
	Equipment and Supplies — 0.6%	
115,000	CIRCOR International Inc.	3,156,750
29,000	Lufkin Industries Inc.	1,262,950
45,000	Mueller Industries Inc.	1,249,650
196,000	RPC Inc.	5,048,960
11,000	Weatherford International Ltd.†	755,260
		11,473,570
	Financial Services — 12.5%	
360,000	Alliance Capital Management Holding LP	17,226,000
90,000	Amegy Bancorporation Inc.	2,036,700
370,000	American Express Co.	21,252,800
270,000	American International Group Inc.	16,729,200
140,000	AmSouth Bancorporation	3,536,400
310,000	Bank of America Corp.	13,051,000
361,400	Bank of New York Co. Inc.	10,628,774
5,000	BlackRock Inc., Cl. A	443,100
460,000	Citigroup Inc.	20,939,200
20,000	Commerce Bancorp Inc.	613,800
270,000	Commercial Federal Corp.	9,217,800
30,000	Deutsche Bank AG, ADR	2,805,600
40,000	Fidelity National Financial Inc.	1,780,800
145,000	Fifth Third Bancorp	5,325,850
100,000	First Horizon National Corp.	3,635,000
30,000	Flushing Financial Corp.	491,100
27,000	Hartford Financial Services Group Inc.	2,083,590
60,000	Janus Capital Group Inc.	867,000
500,000	JPMorgan Chase & Co.	16,965,000
840,000	MBNA Corp.	20,697,600
15,000	Merrill Lynch & Co. Inc.	920,250
135,000	Morgan Stanley	7,281,900
180,000	New York Community Bancorp Inc.	2,952,000
20,000	NewAlliance Bancshares Inc.	292,800
30,000	North Fork Bancorporation Inc.	765,000
210,000	PNC Financial Services Group Inc.	12,184,200
170,000	Popular Inc.	4,117,400
1,000	Progressive Corp.	104,770
329,010	Sovereign Bancorp Inc.	7,251,381
290,000	St. Paul Travelers Companies Inc.	13,012,300
15,000	Sterling Bancorp	337,650
60,000	T. Rowe Price Group Inc.	3,918,000
5,000	Unitrin Inc.	237,300
14,490	Valley National Bancorp	331,821
220,000	Wachovia Corp.	10,469,800
350,000	Waddell & Reed Financial Inc., Cl. A	6,776,000
32,000	Washington Mutual Inc.	1,255,040
3,500	Webster Financial Corp.	157,360
150,000	Wells Fargo & Co.	8,785,500

Shares		Market Value*
90,000	Wilmington Trust Corp.	$ 3,280,500
97,300	Zions Bancorporation	6,928,733
		261,686,019
	Food and Beverage — 3.7%	
140,000	Anheuser-Busch Companies Inc.	6,025,600
25,000	Campbell Soup Co.	743,750
220,000	Coca-Cola Co.	9,501,800
200,000	ConAgra Foods Inc.	4,950,000
455,000	Dreyer's Grand Ice Cream Holdings Inc., Cl. A	37,350,950
150,000	General Mills Inc.	7,230,000
120,000	Heinz (H.J.) Co.	4,384,800
1,000	Kellogg Co.	46,130
40,000	Kraft Foods Inc., Cl. A	1,223,600
300,000	Sara Lee Corp.	5,685,000
1,000	Wrigley (Wm.) Jr. Co.	71,880
		77,213,510
	Health Care — 2.5%	
515,000	Beverly Enterprises Inc.†	6,308,750
145,000	Bristol-Myers Squibb Co.	3,488,700
16,800	Chiron Corp.†	732,816
190,000	Eli Lilly & Co.	10,168,800
42,700	Eyetech Pharmaceuticals Inc.†	766,892
115,000	IMS Health Inc.	2,894,550
220,000	Merck & Co. Inc.	5,986,200
50,000	Owens & Minor Inc.	1,467,500
630,000	Pfizer Inc.	15,731,100
110,000	Renal Care Group Inc.†	5,205,200
10,000	Wyeth	462,700
		53,213,208
	Hotels and Gaming — 0.9%	
60,000	Argosy Gaming Co.†	2,819,400
30,000	GTECH Holdings Corp.	961,800
2,000,000	Hilton Group plc	11,094,252
190,000	Hilton Hotels Corp.	4,240,800
		19,116,252
	Machinery — 0.7%	
333,500	CNH Global NV	6,569,950
145,000	Deere & Co.	8,874,000
		15,443,950
	Metals and Mining — 0.6%	
10,000	Arch Coal Inc.	675,000
8,000	BHP Billiton Ltd., ADR	273,440
3,000	Fording Canadian Coal Trust	127,710
120,000	Freeport-McMoRan Copper & Gold Inc., Cl. B	5,830,800
24,000	Inco Ltd.	1,136,400
10,000	Massey Energy Co.	510,700

Shares		Market Value*
	COMMON STOCKS (Continued)	
	Metals and Mining (Continued)	
12,000	Peabody Energy Corp.	$ 1,012,200
12,000	Phelps Dodge Corp.	1,559,160
1,000	Rio Tinto plc, ADR	164,300
3,000	Westmoreland Coal Co.†	82,980
		11,372,690
	Publishing — 0.2%	
200,000	Reader's Digest Association Inc.	3,194,000
	Real Estate — 0.0%	
8,000	Brascan Corp., Cl. A	372,800
	Retail — 2.4%	
750,000	Albertson's Inc.	19,237,500
160,000	Ingles Markets Inc., Cl. A	2,528,000
110,000	Neiman Marcus Group Inc., Cl. A	10,994,500
38,700	Neiman Marcus Group Inc., Cl. B	3,863,421
25,000	Reebok International Ltd.	1,414,250
475,000	Safeway Inc.	12,160,000
		50,197,671
	Specialty Chemicals — 1.1%	
65,000	Ashland Inc.	3,590,600
165,200	Dow Chemical Co.	6,883,884
130,000	E.I. du Pont de Nemours and Co.	5,092,100
200,000	Ferro Corp.	3,664,000
140,000	Olin Corp.	2,658,600
		21,889,184
	Telecommunications — 6.5%	
1,000,000	AT&T Corp.	19,800,000
650,000	BCE Inc.	17,836,000
205,000	BellSouth Corp.	5,391,500
74,000	BT Group plc, ADR	2,933,360
20,000	CenturyTel Inc.	699,600
50,000	Compania de Telecomunicaciones de Chile SA, ADR	542,500
100,000	Deutsche Telekom AG, ADR	1,824,000
55,000	France Telecom SA, ADR	1,581,250
215,000	Hellenic Telecommunications Organization SA, ADR†	2,162,900
250,000	MCI Inc.	6,342,500
220,000	Qwest Communications International Inc.†	902,000
300,000	SBC Communications Inc.	7,191,000
840,000	Sprint Nextel Corp.	19,975,200
190,000	TDC A/S	10,220,236
370,000	TDC A/S, ADR	9,982,600
12,000	Telecom Corp. of New Zealand Ltd., ADR	403,200
42,000	Telecom Italia SpA, ADR	1,369,200
26,000	Telefonica SA, ADR	1,282,320
290,000	Telefonos de Mexico SA de CV, Cl. L, ADR	$ 6,168,300
150,000	Telstra Corp. Ltd., ADR	2,335,500
100,000	TELUS Corp., Non-Voting	4,079,786
400,000	Verizon Communications Inc.	13,076,000
		136,098,952
	Transportation — 0.5%	
8,000	Frontline Ltd.	352,960
210,000	GATX Corp.	8,305,500
24,000	Golden Ocean Group Ltd.†	20,478
4,000	Ship Finance International Ltd.	80,000
42,000	Teekay Shipping Corp.	1,808,100
		10,567,038
	Wireless Communications — 0.3%	
18,598	Crown Castle International Corp.†	458,069
120,000	O2 plc	333,886
110,000	United States Cellular Corp.†	5,876,200
3,000	Vimpel-Communications, ADR†	133,320
		6,801,475
	TOTAL COMMON STOCKS	1,667,440,713
	CONVERTIBLE PREFERRED STOCKS — 2.9%	
	Aerospace — 0.1%	
5,000	Coltec Capital Trust, 5.250% Cv. Pfd.	248,750
8,315	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	1,006,115
		1,254,865
	Automotive — 0.0%	
20,000	General Motors Corp., 4.500% Cv. Pfd., Ser. A	476,600
	Aviation: Parts and Services — 0.1%	
33,100	Sequa Corp., $5.00 Cv. Pfd.	3,227,250
	Broadcasting — 0.0%	
20,460	Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A	889,498
	Building and Construction — 0.0%	
200	Fleetwood Capital Trust, 6.000% Cv. Pfd.†	10,550
	Business Services — 0.1%	
35,000	Allied Waste Industries Inc., 6.250% Cv. Pfd.	1,708,350
	Diversified Industrial — 0.4%	
179,400	Owens-Illinois Inc., 4.750% Cv. Pfd.	6,619,860

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Shares		Market Value*
	CONVERTIBLE PREFERRED STOCKS (Continued)	
	Diversified Industrial (Continued)	
80,502	Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A	$ 1,843,496
1,000	U.S. Steel Corp., 7.000% Cv. Pfd., Ser. B	135,810
		8,599,166
	Energy and Utilities — 0.7%	
	Chesapeake Energy Corp.,	
5,000	5.000% Cv. Pfd. (a)	827,500
20,000	5.000% Cv. Pfd.	4,648,800
2,700	6.000% Cv. Pfd.	444,487
20,000	CMS Energy Corp., 4.500% Cv. Pfd., Ser. B	1,745,000
130,000	El Paso Corp. Capital Trust I, 4.750% Cv. Pfd., Ser. C	5,252,000
40,000	Hanover Compressor Capital Trust, 7.250% Cv. Pfd.	2,040,000
		14,957,787
	Entertainment — 0.2%	
160,000	Six Flags Inc., 7.250% Cv. Pfd., Ser. B	3,824,000
	Financial Services — 0.8%	
5,420	Doral Financial Corp., 4.750% Cv. Pfd. (a)	864,490
215,000	National Australia Bank Ltd., 7.875% Cv. Pfd.	8,815,000
138,900	Newell Financial Trust, 5.250% Cv. Pfd.	6,125,490
		15,804,980
	Health Care — 0.0%	
10,000	Omnicare Inc., 4.000% Cv. Pfd., Ser. B	730,000
	Metals and Mining — 0.1%	
9,750	Arch Coal Inc., 5.000% Cv. Pfd.	1,593,638
	Real Estate Investment Trusts — 0.0%	
2,100	Equity Office Properties Trust, 5.250% Cv. Pfd., Ser. B	107,604
	Telecommunications — 0.4%	
41,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	1,791,700
121,000	Crown Castle International Corp., 6.250% Cv. Pfd.	6,062,100
		7,853,800
	Transportation — 0.0%	
1,500	GATX Corp., $2.50 Cv. Pfd.	296,250
982	Kansas City Southern, 4.250% Cv. Pfd.	$ 799,321
		1,095,571
	TOTAL CONVERTIBLE PREFERRED STOCKS	62,133,659

Principal Amount		Market Value*
	CONVERTIBLE CORPORATE BONDS — 1.8%	
	Aerospace — 0.1%	
$ 1,000,000	GenCorp Inc., Sub. Deb. Cv., 5.750%, 04/15/07	1,098,750
	Agriculture — 0.0%	
600,000	Bunge Ltd. Financial Corp., Cv., 3.750%, 11/15/22	985,500
	Automotive: Parts and Accessories — 0.0%	
500,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	445,000
	Broadcasting — 0.6%	
13,240,000	Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12	11,651,200
	Business Services — 0.1%	
	Trans-Lux Corp., Sub. Deb. Cv.,	
950,000	8.250%, 03/01/12	932,187
2,000,000	7.500%, 12/01/06	1,995,000
		2,927,187
	Communications Equipment — 0.3%	
5,000,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	5,025,000
2,000,000	TriQuint Semiconductor Inc., Sub. Deb. Cv., 4.000%, 03/01/07	1,947,500
		6,972,500
	Diversified Industrial — 0.0%	
500,000	EDO Corp., Sub. Deb. Cv., 5.250%, 04/15/07	514,375
	Entertainment — 0.1%	
1,500,000	The Walt Disney Co., Cv., 2.125%, 04/15/23	1,531,875
	Equipment and Supplies — 0.1%	
1,000,000	Robbins & Myers Inc., Sub. Deb. Cv., 8.000%, 01/31/08	1,051,250
	Financial Services — 0.0%	
250,000	AON Corp., Deb. Cv., 3.500%, 11/15/12	382,813

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Principal Amount		Market Value*
	CONVERTIBLE CORPORATE BONDS (Continued)	
	Food and Beverage — 0.0%	
$ 1,550,000	Parmalat Soparfi SA, Sub. Deb. Cv., 6.125%, 05/23/32† (b)	$ 856,920
	Metals and Mining — 0.0%	
400,000	Inco Ltd., Cv., Zero Coupon, 03/29/21	505,000
	Real Estate — 0.1%	
	Palm Harbor Homes Inc., Cv.,	
100,000	3.250%, 05/15/24	90,250
1,000,000	3.250%, 05/15/24 (a)	902,500
		992,750
	Telecommunications — 0.2%	
4,000,000	Nortel Networks Corp., Cv., 4.250%, 09/01/08	3,785,000
	Transportation — 0.2%	
2,700,000	GATX Corp., Cv., 7.500%, 02/01/07	3,375,000
	TOTAL CONVERTIBLE CORPORATE BONDS	37,075,120
	SHORT-TERM OBLIGATIONS — 15.7%	
	Repurchase Agreements — 8.4%	
100,000,000	ABN Amro, 3.200%, dated 09/30/05, due 10/03/05, proceeds at maturity, $100,026,667 (c)	100,000,000
75,000,000	Barclays Capital Inc., 3.200%, dated 09/30/05, due 10/03/05, proceeds at maturity, $75,020,000 (d)	75,000,000
		175,000,000
	U.S. Treasury Bills — 7.3%	
154,419,000	U.S. Treasury Bills, 3.137% to 3.825%††, 10/06/05 to 03/09/06	153,792,881
	TOTAL SHORT-TERM OBLIGATIONS	328,792,881
	TOTAL INVESTMENTS — 100.0% (Cost $1,876,091,557)	$2,095,442,373

Number of Contracts		Expiration Date/ Exercise Price	Market Value*
	For Federal tax purposes: Aggregate cost		$1,876,091,557
	Gross unrealized appreciation		$ 250,491,036
	Gross unrealized depreciation		(31,140,220)
	Net unrealized appreciation (depreciation)		$ 219,350,816
	Written Call Option — Short Position — (0.0)%		
450	Albertson's Inc.	Dec. 05/25	$ 87,750

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2005, the Rule 144A securities are considered liquid and the market value amounted to $2,594,490 or 0.12% of total investments.

(b) Security in default.

(c) Collateralized by U.S. Treasury Bonds, 8.125% and 8.750%, due 05/15/21 and 05/15/17 respectively, market values $45,821,460 and $56,178,540, respectively.

(d) Collateralized by U.S. Treasury Bonds, 6.375%, due 08/15/27, market value $76,500,000.

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depository Receipt

* Portfolio securities are valued at the last quoted sale price or closing values. If these are unavailable, then the average of the closing bid and asked prices is used. If there is no asked price, the security is valued at the closing bid price on that day. Debt instruments are valued at the average of the closing bid and asked prices. If the security matures in 60 days or less and is not credit-impaired, it is valued at amortized cost. All securities and assets for which market quotations are not readily available or any security that the Board determines does not reflect its fair market value are valued in good faith under procedures established by the Board.

	% of Market Value	Market Value
GEOGRAPHIC DIVERSIFICATION		
North America	85.8%	$1,796,792,904
Europe	11.4	239,726,254
Latin America	1.1	22,055,327
Japan	1.5	31,596,393
Asia/Pacific	0.2	5,271,495
Total Investments	100.0%	$2,095,442,373

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the Policy of The Gabelli Dividend & Income Trust ("Trust") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Trust. Plan participants may send their stock certificates to Computershare Ltd. ("Computershare") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o Computershare
P.O. Box 43010
Providence, RI 02940-3010

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at (800) 336-6983.

Shareholders wishing to liquidate reinvested shares held at Computershare, must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is $2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

If your shares are held in the name of a broker, bank or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of Common Shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Trust's Common Shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued Common Shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Trust's Common Shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange trading day, the next trading day. If the net asset value of the Common Shares at the time of valuation exceeds the market price of the Common Shares, participants will receive Common Shares from the Trust valued at market price. If the Trust should declare a dividend or capital gains distribution payable only in cash, Computershare will buy Common Shares in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Shares exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for Federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

The Trust reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days' written notice to participants in the Plan.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Trust's shares at the then current market price. Shareholders may send an amount from $250 to $10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates $0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43010, Providence, RI 02940–3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares acquired under the Voluntary Cash Purchase Plan should follow the same procedures outlined above for reinvested shares with the same charges.

For more information regarding the Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Trust.

THE GABELLI DIVIDEND & INCOME TRUST AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Dividend & Income Trust (the "Trust") is a closed-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly-held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

What kind of non-public information do we collect about you if you become a Gabelli customer?

When you purchase shares of the Trust on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell, it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone, other than our affiliates, our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its web site, *www.sec.gov*.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

TRUSTEES AND OFFICERS
THE GABELLI DIVIDEND & INCOME TRUST
One Corporate Center, Rye, NY 10580-1422

Trustees

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

Anthony J. Colavita
Attorney-at-Law,
Anthony J. Colavita, P.C.

James P. Conn
Former Chief Investment Officer,
Financial Security Assurance Holdings Ltd.

Mario d'Urso
Chairman, Mittel Capital Markets SpA

Frank J. Fahrenkopf, Jr.
President and Chief Executive Officer,
American Gaming Association

Michael J. Melarkey
Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan

Karl Otto Pöhl
Former President, Deutsche Bundesbank

Salvatore M. Salibello
Certified Public Accountant,
Salibello & Broder

Edward T. Tokar
Senior Managing Director, Beacon Trust Company

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

Salvatore J. Zizza
Chairman, Hallmark Electrical Supplies Corp.

Officers

Bruce N. Alpert
President

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer

James E. McKee
Secretary

Richard C. Sell, Jr.
Treasurer

Investment Adviser
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

Custodian
State Street Bank and Trust Company

Counsel
Skadden, Arps, Slate, Meagher & Flom, LLP

Transfer Agent and Registrar
Computershare Ltd.

Stock Exchange Listing

	Common	5.875% Preferred
NYSE–Symbol:	GDV	GDV PrA
Shares Outstanding:	84,697,505	3,200,000

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Sunday's The New York Times and in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds."

The Net Asset Value may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: **www.gabelli.com** or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Dividend & Income Trust may, from time to time, purchase its common shares in the open market when the Dividend & Income Trust shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Dividend & Income Trust may also, from time to time, purchase its Series A Cumulative Preferred Shares in the open market when the shares are trading at a discount to the Liquidation Value of $25.00.

THE GABELLI DIVIDEND & INCOME TRUST
One Corporate Center
Rye, NY 10580-1422
(914) 921-5070
www.gabelli.com

First Quarter Report
September 30, 2005

GDV PQ3/05