

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-Q
October 24, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

INVESTMENT COMPANY ACT FILE NUMBER 811-8747

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

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

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

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

DATE OF FISCAL YEAR END: NOVEMBER 30, 2007

DATE OF REPORTING PERIOD: AUGUST 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND & INCOME FUND, INC. AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | NUMBER OF SHARES | | MA V |
|-----------------------------------|---------------------|----|---------|
| | ----- | | ----- |
| COMMON STOCK - 72.9% | | | |
| BANKS - 15.0% | | | |
| Bank of America Corporation | 200,000 | \$ | 10 |
| Huntington Bancshares, Inc. | 100,000 | | 1 |
| JPMorgan Chase & Company | 50,000 | | 2 |
| US Bancorp | 30,000 | | |
| Wachovia Corporation | 110,000 | | 5 |

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| | | |
|---|---------|-------|
| Washington Mutual, Inc. | 50,000 | 1 |
| | | ----- |
| | | 22 |
| | | ----- |
| CONSUMER STAPLES - 15.2% | | |
| Altria Group, Inc. | 122,950 | 8 |
| B&G Foods, Inc. | 41,000 | |
| B&G Foods, Inc., Class A | 65,000 | |
| Coinmach Corporation, Class A | 519,105 | 6 |
| Gatehouse Media, Inc. | 95,000 | 1 |
| Regal Entertainment Group, Class A | 110,000 | 2 |
| Reynolds American, Inc. | 30,000 | 1 |
| | | ----- |
| | | 22 |
| | | ----- |
| ENERGY - 5.9% | | |
| Baker Hughes, Inc. | 20,000 | 1 |
| Calumet Specialty Products Partners LP (a) | 5,000 | |
| Duncan Energy Partners LP (a) | 15,000 | |
| Energy Transfer Partners LP (a) | 50,000 | 2 |
| Enterprise Products Partners LP (a) | 50,000 | 1 |
| Linn Energy LLC (a) | 7,000 | |
| Sunoco Logistics Partners LP (a) | 40,000 | 2 |
| | | ----- |
| | | 8 |
| | | ----- |
| FINANCIAL - 12.2% | | |
| AllianceBernstein Holding LP (a) | 83,800 | 6 |
| American Capital Strategies Limited | 100,000 | 4 |
| Apollo Investment Corporation | 145,000 | 3 |
| MCG Capital Corporation | 125,000 | 1 |
| Newcastle Investment Corporation | 30,000 | |
| Star Asia Financial Limited * | 50,000 | |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | NUMBER OF SHARES | MA V |
|---|---------------------|---------|
| | ----- | ----- |
| COMMON STOCK (CONTINUED) | | |
| FINANCIAL (CONTINUED) | | |
| Technology Investment Capital Corporation | 80,595 | \$ 1 |
| | | ----- |
| | | 18 |
| | | ----- |
| REAL ESTATE INVESTMENT TRUSTS - 8.7% | | |
| Alesco Financial, Inc. | 300,000 | 1 |

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| | | |
|---|---------|----------------------|
| CapitalSource, Inc. | 200,000 | 3 |
| Care Investment Trust, Inc. * | 41,800 | |
| Deerfield Triarc Capital Corporation | 125,000 | 1 |
| iStar Financial, Inc. | 120,000 | 4 |
| LTC Properties, Inc. | 50,000 | 1 |
| NorthStar Realty Finance Corporation | 50,000 | |
| | | ----- 12 ----- |
| TELECOMMUNICATIONS - 7.6% | | |
| Alaska Communications Systems Group, Inc. | 150,000 | 2 |
| Citizens Communications Company | 200,000 | 2 |
| Consolidated Communications Holdings, Inc. | 40,000 | |
| Fairpoint Communications, Inc. | 100,000 | 1 |
| Windstream Corporation | 270,000 | 3 |
| | | ----- 11 ----- |
| TRANSPORTATION - 2.9% | | |
| General Maritime Corporation | 75,000 | 1 |
| K-Sea Transportation Partners LP (a) | 10,000 | |
| Paragon Shipping, Inc., Class A * | 50,000 | |
| Teekay LNG Partners LP (a) | 35,000 | 1 |
| | | ----- 4 ----- |
| UTILITIES - 5.4% | | |
| AmeriGas Partners LP (a) | 15,200 | |
| Kinder Morgan Energy Partners LP (a) | 45,000 | 2 |
| Oneok Partners LP (a) | 50,900 | 3 |
| TEPPCO Partners LP (a) | 34,800 | 1 |
| Transmontaigne Partners LP (a) | 15,000 | |
| | | ----- 7 ----- |
| TOTAL COMMON STOCK (COST \$104,826,139) | | 108 ----- |

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CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | NUMBER OF SHARES | MA V |
|--|---------------------|---------|
| | ----- | ----- |
| PREFERRED TERM SECURITIES + (C) - 10.3% | | |
| Alesco Preferred Funding IX, 06/23/36 | 1,000 | \$ |
| Alesco Preferred Funding X, 09/23/36 | 1,000 | |
| Alesco Preferred Funding XI, 12/23/36 | 5,000 | |
| Alesco Preferred Funding XII, 07/15/37 | 5,000 | |

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| | | |
|--|---------|----|
| Alesco Preferred Funding XIII, 09/23/37 | 2,500 | |
| Alesco Preferred Funding XIV, 03/15/37 | 5,000 | |
| Alesco Preferred Funding XV, 12/23/37 | 2,500 | |
| Alesco Preferred Funding XVI, 03/23/38 | 5,000 | |
| I-Preferred Term Securities IV, 06/24/34 | 10,000 | |
| Preferred Term Securities IV, 12/23/31 | 20,000 | |
| Preferred Term Securities XIII, 09/23/37 | 10,000 | |
| Preferred Term Securities XIV, 06/24/34 | 20,000 | 1 |
| Preferred Term Securities XV, 09/24/34 | 20,000 | 1 |
| Preferred Term Securities XVI, 03/23/35 | 10,000 | |
| Preferred Term Securities XVII, 09/23/35 | 6,000 | |
| Preferred Term Securities XVIII, 06/23/35 | 10,000 | |
| Preferred Term Securities XIX, 12/22/35 | 10,000 | |
| Preferred Term Securities XX, 03/22/38 (d) | 10,000 | |
| Preferred Term Securities XXI, 03/22/38 (d) | 10,000 | |
| Preferred Term Securities XXII, 03/22/37 (d) | 10,000 | |
| Preferred Term Securities XXIII, 12/22/36 (d) | 5,000 | |
| Preferred Term Securities XXIV, 03/22/37 | 5,000 | |
| Preferred Term Securities XXV, 06/22/37 | 5,000 | |
| Taberna Preferred Funding I, 07/05/35 (d) | 2,500 | |
| Taberna Preferred Funding II, 06/30/35 (d) | 5,000 | |
| Taberna Preferred Funding VI Limited, 12/05/36 (d) | 5,000 | |
| Taberna Preferred Funding VII, 02/05/37 (d) | 5,000 | |
| US Capital Funding VI Limited Capital Funding VI, 07/10/43 | 500,000 | |
| ----- | | |
| TOTAL PREFERRED TERM SECURITIES (COST \$18,804,283) | | 15 |
| ----- | | |
| CONVERTIBLE PREFERRED STOCK - 1.9% | | |
| FINANCIAL - 1.9% | | |
| ACE Limited, 7.800% | 26,025 | |
| Merrill Lynch & Company, RIG CAP APP Notes, Transocean, 11.000% | 27,148 | 2 |
| ----- | | |
| TOTAL CONVERTIBLE PREFERRED STOCK (COST \$2,663,290) | | 2 |
| ----- | | |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | NUMBER OF SHARES | MA V |
|------------------------------------|---------------------|---------|
| | ----- | ----- |
| PREFERRED STOCK - 2.2% | | |
| FINANCIAL - 2.2% | | |
| Aspen Insurance Holdings Limited * | 20,000 | \$ 1 |

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| | | |
|---------------------------------|--------|---|
| FelCor Lodging Trust, Inc. | 40,000 | 1 |
| Solar Cayman Limited + * | 80,000 | 1 |

TOTAL PREFERRED STOCK (COST \$3,346,490)

| | PRINCIPAL AMOUNT | |
|---|---------------------|-------|
| ----- | | |
| CORPORATE NOTES/BONDS - 43.0% | | |
| BASIC INDUSTRY - 6.0% | | |
| Actuant Corporation + | | |
| 6.875%, 06/15/17 | \$ 1,265,000 | 1 |
| Baldor Electric Company | | |
| 8.625%, 02/15/17 | 630,000 | |
| Buhrmann US, Inc. | | |
| 8.250%, 07/01/14 | 620,000 | |
| Idearc, Inc. | | |
| 8.000%, 11/15/16 | 1,075,000 | 1 |
| Quebecor Media, Inc. | | |
| 7.750%, 03/15/16 | 520,000 | |
| TRW Automotive, Inc. + | | |
| 7.250%, 03/15/17 | 1,500,000 | 1 |
| Verso Paper Holdings LLC and Verson Paper, Inc. | | |
| 11.375%, 08/01/16 | 1,000,000 | 1 |
| WII Components, Inc. | | |
| 10.000%, 02/15/12 | 1,000,000 | 1 |
| Williams Scotsman, Inc. | | |
| 8.500%, 10/01/15 | 1,370,000 | 1 |
| | | 8 |
| | | ----- |
| CAPITAL GOODS - 2.8% | | |
| KAR Holdings, Inc. + | | |
| 8.750%, 05/01/14 | 1,270,000 | 1 |
| NSG Holdings LLC + | | |
| 7.750%, 12/15/25 | 1,200,000 | 1 |

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CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | PRINCIPAL AMOUNT | MA V |
|-----------------------------------|---------------------|---------|
| ----- | | |
| CORPORATE NOTES/BONDS (CONTINUED) | | |
| CAPITAL GOODS (CONTINUED) | | |
| Trimas Corporation | | |

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| | | |
|------------------------------------|------------|-------|
| 9.875%, 06/15/12 | \$ 772,000 | \$ |
| U.S. Corrugated | | |
| 10.000%, 06/01/13 | 1,000,000 | 1 |
| | | ----- |
| | | 4 |
| | | ----- |
| CONSUMER CYCLICAL - 5.5% | | |
| Allied Security Escrow Corporation | | |
| 11.375%, 07/15/11 | 1,015,000 | 1 |
| ARAMARK Corporation | | |
| 8.500%, 02/01/15 | 1,000,000 | 1 |
| Boyd Gaming Corporation | | |
| 7.125%, 02/01/16 | 1,100,000 | 1 |
| H&E Equipment Services, Inc. | | |
| 8.375%, 07/15/16 | 1,175,000 | 1 |
| MTR Gaming Group, Inc. | | |
| 9.000%, 06/01/12 | 700,000 | |
| Rent-A-Center, Inc. | | |
| 7.500%, 05/01/10 | 1,220,000 | 1 |
| Rental Service Corporation + | | |
| 9.500%, 12/01/14 | 725,000 | |
| Sonic Automotive, Inc., Series B | | |
| 8.625%, 08/15/13 | 1,390,000 | 1 |
| | | ----- |
| | | 8 |
| | | ----- |
| CONSUMER STAPLES - 1.6% | | |
| Brown Shoe Company, Inc. | | |
| 8.750%, 05/01/12 | 800,000 | |
| Hanesbrands, Inc. | | |
| 8.784%, 12/15/14 (b) | 1,025,000 | 1 |
| MTR Gaming Group, Inc., Series B | | |
| 9.750%, 04/01/10 | 520,000 | |
| | | ----- |
| | | 2 |
| | | ----- |
| CREDIT CARD OTHER - 0.6% | | |
| Steel Dynamics, Inc. + | | |
| 6.750%, 04/01/15 | 945,000 | |
| | | ----- |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

PRINCIPAL
AMOUNT

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CORPORATE NOTES/BONDS (CONTINUED)

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| | | |
|------------------------------------|------------|-------|
| ENERGY - 2.6% | | |
| Cimarex Energy Company | | |
| 7.125%, 05/01/17 | \$ 650,000 | \$ |
| Complete Production Services, Inc. | | |
| 8.000%, 12/15/16 | 780,000 | |
| Copano Energy LLC | | |
| 8.125%, 03/01/16 | 935,000 | |
| Encore Acquisition Company | | |
| 7.250%, 12/01/17 | 1,100,000 | 1 |
| Pioneer Natural Resources Company | | |
| 6.650%, 03/15/17 | 500,000 | |
| | | ----- |
| | | 3 |
| | | ----- |
| FINANCIAL - 2.9% | | |
| Ford Motor Credit Company | | |
| 7.000%, 10/01/13 | 1,950,000 | 1 |
| GMAC LLC | | |
| 7.000%, 02/01/12 | 1,470,000 | 1 |
| LaBranche & Company, Inc. | | |
| 11.000%, 05/15/12 | 1,260,000 | 1 |
| | | ----- |
| | | 4 |
| | | ----- |
| HEALTHCARE - 2.1% | | |
| Hanger Orthopedic Group, Inc. | | |
| 10.250%, 06/01/14 | 1,000,000 | 1 |
| HCA, Inc. + | | |
| 9.125%, 11/15/14 | 1,000,000 | 1 |
| Iasis Healthcare Corporation | | |
| 8.750%, 06/15/14 | 1,000,000 | |
| | | ----- |
| | | 3 |
| | | ----- |
| INDUSTRIAL - 10.2% | | |
| Blount, Inc. | | |
| 8.875%, 08/01/12 | 750,000 | |
| Chemtura Corporation | | |
| 6.875%, 06/01/16 | 1,000,000 | |
| Cie Generale Geophysique | | |
| 7.750%, 05/15/17 | 1,000,000 | 1 |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

PRINCIPAL
AMOUNT

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CORPORATE NOTES/BONDS (CONTINUED)

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INDUSTRIAL (CONTINUED)

| | | | |
|--------------------------------------|----|-----------|-------|
| Freeport-McMoRan Copper &, Inc. | | | |
| 8.375%, 04/01/17 | \$ | 1,000,000 | \$ 1 |
| Georgia-Pacific Corporation + | | | |
| 7.125%, 01/15/17 | | 100,000 | |
| Gibraltar Industries, Inc. | | | |
| 8.000%, 12/01/15 | | 1,340,000 | 1 |
| Hughes Network Systems | | | |
| 9.500%, 04/15/14 | | 855,000 | |
| Ineos Group Holdings + | | | |
| 8.500%, 02/15/16 | | 1,020,000 | |
| Lear Corporation, Series B | | | |
| 8.750%, 12/01/16 | | 585,000 | |
| Momentive Performance + | | | |
| 9.750%, 12/01/14 | | 1,000,000 | |
| Nalco Company | | | |
| 7.750%, 11/15/11 | | 1,050,000 | 1 |
| P H Glatfelter | | | |
| 7.125%, 05/01/16 + | | 1,190,000 | 1 |
| Quebecor World Capital Corporation + | | | |
| 8.750%, 03/15/16 | | 975,000 | |
| Superior Essex Communications LLC | | | |
| 9.000%, 04/15/12 | | 1,450,000 | 1 |
| Tronox Worldwide Finance Corporation | | | |
| 9.500%, 12/01/12 | | 1,285,000 | 1 |
| Wimar Opco LLC + | | | |
| 9.625%, 12/15/14 | | 1,150,000 | ----- |
| | | | 15 |
| | | | ----- |
| PHARMACY SERVICES - 0.4% | | | |
| Omnicare, Inc. | | | |
| 6.875%, 12/15/15 | | 650,000 | ----- |
| REAL ESTATE - 0.9% | | | |
| Geo Group, Inc. | | | |
| 8.250%, 07/15/13 | | 1,340,000 | ----- |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

PRINCIPAL
AMOUNT

MA
V

CORPORATE NOTES/BONDS (CONTINUED)

TELECOMMUNICATIONS - 4.9%

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| | | | |
|---|----|-----------|-------|
| Allbritton Communications Company | | | |
| 7.750%, 12/15/12 | \$ | 1,315,000 | \$ 1 |
| Cincinnati Bell, Inc. | | | |
| 8.375%, 01/15/14 | | 960,000 | |
| CSC Holdings, Inc. | | | |
| 7.875%, 02/15/18 | | 1,285,000 | 1 |
| DIRECTV Holdings LLC | | | |
| 6.375%, 06/15/15 | | 750,000 | |
| Echostar DBS | | | |
| 6.625%, 10/01/14 | | 715,000 | |
| Intelsat Holdings Company | | | |
| 8.625%, 01/15/15 | | 1,155,000 | 1 |
| Mediacom Broadband LLC | | | |
| 8.500%, 10/15/15 | | 1,250,000 | 1 |
| | | | ----- |
| | | | 7 |
| | | | ----- |
| TRANSPORTATION - 0.7% | | | |
| Ship Finance International Limited | | | |
| 8.500%, 12/15/13 | | 1,000,000 | 1 |
| | | | ----- |
| TRANSPORT-SERVICES - 0.7% | | | |
| Bristow Group, Inc. + | | | |
| 7.500%, 09/15/17 | | 1,030,000 | 1 |
| | | | ----- |
| UTILITIES - 1.1% | | | |
| Edison Mission Energy + | | | |
| 7.000%, 05/15/17 | | 650,000 | |
| Elwood Energy LLC | | | |
| 8.159%, 07/05/26 | | 1,007,318 | 1 |
| | | | ----- |
| | | | 1 |
| | | | ----- |
| TOTAL CORPORATE NOTES/BONDS (COST \$65,226,401) | | | 63 |
| | | | ----- |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | | NUMBER OF | MA |
|---|--|-----------|-------|
| | | SHARES | V |
| | | ----- | ----- |
| CASH EQUIVALENTS (e) - 5.7% | | | |
| SEI Daily Income Trust, Prime Obligations Fund, Class B Shares, | | | |
| 5.190% | | 504,284 | \$ |

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| | | |
|---|-----------|--------|
| SEI Daily Income Trust, Prime Obligations Fund, Class A Shares, 5.500% | 4,664,225 | 4 |
| SEI Daily Income Trust, Treasury Fund, Class A Shares, 4.890% | 3,244,269 | 3 |
| TOTAL CASH EQUIVALENTS (COST \$8,412,778) | | 8 |
| TOTAL INVESTMENTS - 136.0% (COST \$203,279,381) ** | | \$ 201 |
| CALL OPTIONS WRITTEN - (0.4)% | | |

| | WRITTEN CONTRACTS | |
|---|----------------------|----|
| | ----- | |
| AllianceBernstein Holding LP, Expires: 09/22/07, Strike Price: \$85 | (100) | \$ |
| AllianceBernstein Holding LP, Expires: 10/23/07, Strike Price: \$90 | (100) | |
| Altria Group, Inc., Expires: 09/25/07, Strike Price: \$70 | (100) | |
| Altria Group, Inc., Expires: 12/26/07, Strike Price: \$75 | (200) | |
| American Capital Strategies Limited, Expires: 09/25/07, Strike Price: \$40 | (300) | |
| Apollo Investment Corporation, Expires: 10/23/07, Strike Price: \$23 | (400) | |
| Baker Hughes, Inc., Expires: 09/25/07, Strike Price: \$85 | (100) | |
| Baker Hughes, Inc., Expires: 09/25/07, Strike Price: \$80 | (100) | |
| Bank of America Corporation, Expires: 09/22/07, Strike Price: \$53 | (220) | |
| CapitalSource, Inc., Expires: 09/25/07, Strike Price: \$20 | (1,000) | |
| CapitalSource, Inc., Expires: 10/23/07, Strike Price: \$20 | (100) | |
| Huntington Bancshares, Inc., Expires: 09/25/07, Strike Price: \$18 | (1,000) | |
| JPMorgan Chase & Company, Expires: 10/23/07, Strike Price: \$50 | (500) | |
| PHLX Index, Expires: 09/25/07, Strike Price: \$110 | (100) | |
| PHLX Index, Expires: 09/25/07, Strike Price: \$115 | (100) | |
| Regal Entertainment Group, Expires: 10/23/07, Strike Price: \$23 | (600) | |

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CHARTWELL

CHARTWELL DIVIDEND & INCOME FUND, INC.

AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

| | WRITTEN CONTRACTS | |
|---|----------------------|----|
| | ----- | |
| CALL OPTIONS WRITTEN (CONTINUED) | | |
| Reynolds American, Inc., Expires: 09/25/07, Strike Price: \$65 | (200) | \$ |

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| | | |
|--|-------|--------|
| Reynolds American, Inc., Expires: 11/20/07, Strike Price: \$70 | (100) | |
| US Bancorp, Expires: 09/25/07, Expires: 09/25/07, Strike Price: \$33 | (200) | |
| S&P 500 Index, Expires: 09/25/07, Strike Price: \$1,525 | (200) | |
| S&P 500 Index, Expires: 09/25/07, Strike Price: \$1,490 | (300) | |
| Wachovia Corporation, Expires: 09/25/07, Strike Price: \$50 | (300) | |
| Washington Mutual, Inc., Expires: 09/25/07, Strike Price: \$40 | (500) | |
| TOTAL COVERED CALL OPTIONS WRITTEN | | |
| (PREMIUMS RECEIVED \$685,832) | | |
| OTHER LIABILITIES IN EXCESS OF ASSETS - (35.6)% ++ | | (52) |
| NET ASSETS - 100.0% | | \$ 148 |

* NON-INCOME PRODUCING SECURITY.

** AT AUGUST 31, 2007, THE TAX BASIS COST OF THE FUND'S INVESTMENTS WAS \$203,279,381, AND THE UNREALIZED APPRECIATION AND DEPRECIATION WERE \$10,506,908 AND \$(12,238,715), RESPECTIVELY.

++ AS OF AUGUST 31, 2007, \$55,000,000 OF COMMERCIAL PAPER WAS OUTSTANDING WITH AN AMORTIZED COST OF \$54,630,836. THE AVERAGE DISCOUNT RATE OF COMMERCIAL PAPER OUTSTANDING AT AUGUST 31, 2007, WAS 5.38%. THE AVERAGE DAILY BALANCE OF COMMERCIAL PAPER OUTSTANDING FOR THE QUARTER ENDED AUGUST 31, 2007 WAS \$54,637,281 AT A WEIGHTED AVERAGE DISCOUNT RATE OF 5.36%. THE MAXIMUM FACE AMOUNT OF COMMERCIAL PAPER OUTSTANDING AT ANY TIME DURING THE QUARTER ENDED AUGUST 31, 2007, WAS \$55,000,000. IN CONJUNCTION WITH THE ISSUANCE OF THE COMMERCIAL PAPER, THE FUND HAS ENTERED ONTO A LINE OF CREDIT ARRANGEMENT WITH A BANK FOR \$30,000,000. INTEREST ON BORROWING IS BASED ON MARKET RATES IN EFFECT AT THE TIME OF BORROWING. THE COMMITMENT FEE IS COMPUTED AT THE RATE OF 0.30% PER ANNUM ON THE UNUSED BALANCE. THERE WERE NO BORROWINGS UNDER THIS ARRANGEMENT DURING THE QUARTER ENDED AUGUST 31, 2007.

+ SECURITIES ARE EXEMPT FROM REGISTRATION UNDER RULE 144A OF THE SECURITIES ACT OF 1933. THESE SECURITIES MAY BE RESOLD IN TRANSACTIONS EXEMPT FROM REGISTRATION NORMALLY TO QUALIFIED INSTITUTIONS. AT AUGUST 31, 2007, THESE SECURITIES AMOUNTED TO \$30,621,734 OR 20.67% OF NET ASSETS.

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CHARTWELL DIVIDEND & INCOME FUND, INC. AUGUST 31, 2007

SCHEDULE OF INVESTMENTS (UNAUDITED)

(a) SECURITIES CONSIDERED MASTER LIMITED PARTNERSHIPS. AT AUGUST 31, 2007, THESE SECURITIES AMOUNTED TO \$23,543,251 OR 15.89% OF NET ASSETS.

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- (b) VARIABLE RATE SECURITY -- THE RATE REPORTED ON THE SCHEDULE OF INVESTMENTS IS THE RATE IN EFFECT AT AUGUST 31, 2007.
- (c) SECURITIES CONSIDERED ILLIQUID. THE TOTAL VALUE OF SUCH SECURITIES AS OF AUGUST 31, 2007 WAS \$15,292,465 OR 10.30% OF NET ASSETS.
- (d) SECURITY FAIR VALUED USING METHODS DETERMINED IN GOOD FAITH BY THE VALUATION COMMITTEE OF THE BOARD OF TRUSTEES. THE TOTAL VALUE OF SUCH SECURITIES AS OF AUGUST 31, 2007 WAS \$1,613,240 AND REPRESENTED 1.09% OF NET ASSETS.
- (e) THE RATE SHOWN IS THE 7-DAY EFFECTIVE YIELD AS OF AUGUST 31, 2007.

LLC LIMITED LIABILITY COMPANY
LP LIMITED PARTNERSHIP

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

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CHARTWELL

ITEM 2. CONTROLS AND PROCEDURES

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

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

ITEM 3. EXHIBITS.

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

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SIGNATURES

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

(Registrant) Chartwell Dividend and Income Fund, Inc.

By (Signature and Title)* /s/ Winthrop S. Jessup

Winthrop S. Jessup, President
(Principal Executive Officer)

Date October 17, 2007

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

By (Signature and Title)* /s/ Winthrop S. Jessup

Winthrop S. Jessup, President
(Principal Executive Officer)

Date October 17, 2007

By (Signature and Title)* /s/ G. Gregory Hagar

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

Date October 17, 2007

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