

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-CSR
February 01, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-8747

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)

BNY Mellon

400 Bellevue Parkway

Wilmington, DE 19809

Attn: Closed-End Department

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-610-296-1400

Date of fiscal year end: November 30, 2010

Date of reporting period: November 30, 2010

Item 1. Reports to Stockholders.

CHARTWELL DIVIDEND AND INCOME FUND, INC. ANNUAL REPORT TO SHAREHOLDERS
DATED NOVEMBER 30, 2010 Chartwell Investment Partners www.chartwellip.com

Chartwell Dividend and Income Fund, Inc.

November 30, 2010

Investment Objectives & Strategy *(unaudited)*

The Chartwell Dividend and Income Fund's (the Fund) primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund will seek to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities, including dividend paying common stocks, convertible securities, preferred stocks and other equity-related securities. In addition, the Fund may invest the balance of its total assets in non-convertible debt securities, consisting primarily of corporate bonds. The Fund attempts to minimize individual security risk by diversifying across many industries and asset classes. The Fund is a closed-end management investment company which trades on the New York Stock Exchange under the symbol CWF.

Common Stock

The Fund invests in the common stocks of utility companies, Real Estate Investment Trusts (REITs) and other industrial and financial companies as well as other equity securities. Both utilities and REITs tend to offer a premium dividend yield with steady growth that can lead to capital appreciation. Industrial and financial stocks are primarily purchased for capital appreciation based on the fundamental value of the underlying company.

High-Yield Corporate Bonds

High-yield bonds are non-investment grade corporate debt obligations rated Ba1 or lower by Moody's Investors Service, Inc. or BB+ or lower by Standard and Poor's Ratings Group; they typically have a higher risk level than investment-grade bonds. These securities have historically compensated investors with higher levels of income for that risk. Prices usually are less sensitive to interest rate fluctuations than higher rated bonds because of the high income levels. However, the prices of these bonds are more sensitive to changes in the economy.

On January 4, 2011, the Fund filed a definitive proxy statement for a special meeting of shareholders to be held on January 31, 2011, to seek approval of a new investment agreement between the Fund and Bexil Advisers LLC (Bexil Advisers). In the event that shareholders approve a new investment management agreement appointing Bexil Advisers as the Fund's investment adviser, Bexil Advisers intends to gradually shift the Fund's direct investments in high yield fixed income securities to closed-end funds that may hold such securities. Bexil Advisers will not invest Fund assets in any closed-end funds managed by Bexil Advisers or its affiliates. An investment in a closed-end fund involves substantially the same risks as investing directly in the underlying instruments that the fund holds. Investments in shares of other closed-end funds are also affected by risks and duplication of fees similar to those of ETFs described below under Investment in Securities Issued by Other Investment Companies. In addition, in the case of leveraged closed-end funds, their share price and net asset value may fluctuate to a greater extent and be more volatile than un-leveraged closed-end funds.

Chartwell Dividend and Income Fund, Inc.

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(unaudited)

Convertible Securities

The Fund can invest in both convertible preferred stock and convertible bonds. Both pay fixed rates of income, but because they can be converted into common stock, they are indirectly tied to the common stock's performance. As a result, convertible securities generally offer higher income than common stocks and an opportunity for price appreciation when the value of the underlying security rises. The Fund buys convertibles when the underlying common stock offers strong growth potential as well.

Covered Call Options

The Fund is permitted to write (i.e., sell) covered call options on equity securities (including Exchange Traded Funds) or on stock indexes. The Fund may cover call options by: (i) owning the same security or, in the case of options on a stock index, a portfolio of stock substantially replicating the movement of the index underlying the call option until the option is exercised or expires; (ii) segregating cash or other liquid assets with the Fund's Custodian in an amount equal to the current market value of the call option; or (iii) other methods consistent with applicable laws, rules and regulations.

The writing of call options involves some investment analysis and risks that are different from those associated with securities transactions in common stocks. Options can seek to enhance return through price appreciation of the option, increase income, hedge to reduce overall portfolio risk, and/or hedge to reduce individual security risk. Writing options to seek to increase income in the Fund involves the risk of net loss (after receiving the option premium) if the investment adviser is incorrect in its expectation of the direction or magnitude of the change in securities prices. The successful use of options for hedging purposes also depends in part on the degree of correlation between the option and a security or index of securities. If the investment adviser is incorrect in its expectation of changes in securities prices or its estimation of the correlation between the option and a security index, the investment performance of the Fund will be less favorable than it would have been in the absence of such options transactions. The use of options may increase the Fund's portfolio turnover rate and, therefore, associated brokerage commissions.

Investment in Securities Issued by Other Investment Companies

The Fund is permitted to invest in shares of other investment companies, including exchange traded funds (ETFs), to the extent permitted by the Investment Company Act of 1940 (the 1940 Act). ETFs are open-end investment companies or unit investment trusts that are registered under the 1940 Act. ETF shares are listed and traded on stock exchanges at market prices. An investment in other investment companies involves the risk in that the price of the shares can fluctuate up or down. Consequently, the Fund could lose money investing

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in another investment company if the prices of the securities owned by the investment company decline in value. In addition, ETFs are subject to the following risks that do not apply to conventional open-end funds: (i) market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; and (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide circuit breakers (which are tied to large decreases in stock prices) halts stock trading.

The Fund will bear its proportionate share of any management fees and other expenses paid by such other investment companies, which will increase the Fund's expenses and decrease returns.

Temporary Investments

Temporary investments can be made for defensive purposes in response to adverse market, economic, political or other conditions, pending investment of the proceeds of sales of portfolio securities, or at other times when suitable investments are not available. In addition to money market mutual funds and cash, the Fund is permitted to temporarily invest without limit in: debt securities issued by the U.S. Government, its agencies or instrumentalities; commercial paper (rated A-2 or better by S&P or P-2 or better by Moody's, similarly rated by another comparable rating agency or, if not so rated, of comparable quality as determined by the Fund's Manager); certificates of deposit or bankers' acceptances; or repurchase agreements with respect to any of the foregoing investments. The Fund is also permitted to borrow up to 5% of its total assets for temporary purposes.

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Chartwell Dividend and Income Fund, Inc.

November 30, 2010

Dear Shareholders *(unaudited)*,

Stock market performance for the fiscal year ended November 30, 2010 was erratic but ended up solidly. The S&P 500 Index returned 9.94% and the Merrill Lynch High Yield Cash Pay Index returned 16.69%, while for the same period, the Chartwell Dividend and Income Fund's market return, including reinvested dividends, was 28.17% and the Net Asset Value (NAV) return was 14.55%, also including the reinvestment of dividends. We were pleased with the performance of the Fund's portfolio during the year. These results are discussed in greater detail later in this report. Through various portfolio transactions made during the period, we believe the portfolio was strengthened while remaining positioned for an economic recovery. Some of these changes are discussed in the fixed income and equity sections of this report.

This annual period was fairly volatile with two powerful stock market rallies of greater than 15% as measured by the S&P 500 Index, which were partially offset by one significant decline of almost 16% and several smaller reversals in the Index. The rallies were fueled by strengthening corporate profits, accommodative monetary policy, a forward look to the mid-term elections, and a number of economic indicators showing that the nascent economic recovery is continuing to gain momentum. The declines were mostly driven by fears of a possible significant slowing of the Chinese economy, a possible double dip in the US economy, and concerns over the Eurozone's sovereign debt and banking industry issues. Overall, with the S&P 500 Index returning 9.94% for the annual period, the liquidity available in the markets combined with the powerful rally in corporate profits, appear to us to have overcome the fears of possible economic weakness.

After closing the Fund's fiscal year on November 30, 2010 with a slight retreat, the S&P 500 Index had one of its strongest Decembers in history, up 6.68% on data showing healthy retail sales during the holiday shopping season. This left the Index at levels last seen just prior to Lehman's collapse. As the stock market is a forward looking indicator, it appears to be counting on a continuation of the economic recovery. In general, we are in agreement and we believe that the economy will be on better footing in 2011. In our opinion, this improvement will come from, among other things, continued low interest rates, continued global economic improvement, a slow return to job growth as companies begin to hire employees to meet demand, and a steep yield curve helping the banking industry. The main question for investors is: will this economic recovery be sustainable or will rising commodity prices, large governmental budget deficits, and a possible double-dip in housing derail the modest economic growth we have seen over the last year? We will continue to closely monitor the economy and markets and will endeavor to make appropriate adjustments in the Fund's portfolio.

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Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

The above commentary represents management's assessment of the Fund and market environment at a specific point in time and should not be relied upon by the reader as research or investment advice.

Sincerely,

Winthrop S. Jessup
Chairman
Chartwell Dividend and Income Fund

Bernard P. Schaffer
Portfolio Manager

Andrew S. Toburen
Portfolio Manager

Portfolio Management Team

Bernard P. Schaffer
Portfolio Manager
Equity

Andrew S. Toburen
Portfolio Manager
Fixed Income

Christine F. Williams
Portfolio Manager
Fixed Income

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C H A R T W E L L

Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

How did the Fund perform during the fiscal year ended November 30, 2010?

For the fiscal year ended November 30, 2010, the Fund's market return was 28.17% including dividends reinvested. The Fund's net asset value (NAV) return including dividends reinvested was 14.55%. The market, as measured by the S&P 500 Index, returned 9.94% (including dividends) for the period having recovered over 85% from its lows on March 9, 2009.

The Merrill Lynch High Yield Cash Pay Index returned 16.7% for the year ended November 30, 2010. The high yield market's spread to Treasury (or risk premium) compressed 119 basis points to finish the period at 525 basis points, as seen in the graph below. The yield on the Merrill Lynch High Yield Cash Pay Index declined from 9.6% at the start of the period to 8.05% by the end of November. Stabilizing economic data, lower default rates, and investor's thirst for yield were some of the factors that drove up prices for high yield bonds.

(See description of Benchmark indices on page 13.)

What factors contributed to the Fund's performance?

The equity portion of the Fund returned 15.15% due to several factors. The Fund has been positioned towards the more cyclical parts of the market which performed very well this year. As can be seen below, while all sectors within the S&P 500 Index, except Financials, had solidly positive returns, four sectors of the S&P 500 Index performed significantly better than the Index itself. Two of these four were highly cyclical sectors (Industrials and Consumer Discretionary) while two sectors were plays on higher yielding stocks (REITs and Telecom Services). The Technology sector was the largest drag on performance. While the Fund was underweight in Consumer Discretionary, the stock selection was led by a gain of 116% in the stock of The Limited Brands, Inc. During the year, we added significantly to the Industrials weighting making it the largest relative sector overweight in the portfolio and stock selection within this group was strong. The Fund was slightly overweight in Telecom Services which was beneficial while being slightly underweight in Utilities.

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Chartwell Dividend and Income Fund, Inc.
(unaudited)

November 30, 2010

(See description of Benchmark indices on page 13.)

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C H A R T W E L L

Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

The fixed income portion of the Fund returned 14.39% for the year ended November 30, 2010. Top performing bond positions in the Fund include U.S. Corrugated, a New Jersey-based manufacturer of containerboard and corrugated boxes, and WireCo Worldgroup, a Missouri-based manufacturer of wire and synthetic rope. In general, the financial, banking and transportation sectors outperformed, and the cable, healthcare and utility sectors underperformed, as seen in the graph below.

What changes were made to the portfolio during the fiscal year?

The equity portion of the portfolio made some sizeable changes during the period. Reductions were made in the Energy, Financials and Healthcare sectors, while Industrials, Technology and Materials saw significant increases in weighting.

Much of the trading in the fixed income portion of the Fund was centered on selling positions that had reached our price targets and redeploying capital in new bonds that, in our opinion offered better relative values. We exited positions in AES Corporation, a global utility, Aramark Services, a food services company, and Virgin Media, a U.K.-based cable company, among others. New bond investments during the year included Cedar Fair, a regional amusement park company, Equinix, Inc., an operator of internet business exchange centers, and Niska Gas Storage US LLC, a natural gas storage company, among others.

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Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

How did the Fund trade relative to its Net Asset Value (NAV) during the fiscal year?

As of November 30, 2010 the Fund was trading at a closing price of \$4.23, which was a 2.5% discount to its NAV of \$4.34. In comparison, at November 30, 2009, the Fund was trading at a closing price of \$3.65, which was a 12.9% discount to its NAV of \$4.19. Throughout the fiscal year ended November 30, 2010, the Fund traded between a 1.4% to 14.2% discount to its NAV.

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Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

How is the Fund positioned at the close of the fiscal year?

As of November 30, 2010, the percentage of the Fund's total investments held in equities and fixed income was 59.7% and 39.3%, respectively, with 1.0% in cash. In the Equity portion of the portfolio, the Fund continues to be overweight in high quality, higher dividend paying securities with a leaning towards more cyclical companies. As shown below, securities related to the Industrials sector represent the largest sector allocation relative to the Index. The Industrials weight has been increased as the economic recovery has firmed. Technology and Consumer Discretionary are the largest underweights within the portfolio at November 30, 2010.

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Chartwell Dividend and Income Fund, Inc.

November 30, 2010

(unaudited)

The primary goal of the Fund's fixed income investments is to contribute a stable income stream to support the Fund's monthly distribution. At the end of the fiscal year, approximately 97% of the Fund's bond investments were rated either single-B or double-B and the largest individual bond position represented 1.2% of the Fund's total assets. As of the close of the fiscal year ended November 30, 2010, the fixed income portion of the Fund was conservatively positioned versus the overall high yield market and well diversified.

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Chartwell Dividend and Income Fund, Inc.**November 30, 2010***(unaudited)***What are the top 10 equity holdings by percentage of total investments?****TOP 10 EQUITIES BY PERCENTAGE OF TOTAL INVESTMENTS****(As of November 30, 2010)**

Ticker	Security	% of Total Investments
SO	Southern Company	2.8%
ETP	Energy Transfer Partners LP	2.1%
LTD	Limited Brands, Inc.	2.1%
CAT	Caterpillar, Inc.	1.8%
MMM	3M Company	1.8%
OXY	Occidental Petroleum Corporation	1.7%
MET	MetLife, Inc.	1.6%
HPQ	Hewlett-Packard Company	1.6%
KBE	SPDR KBW Bank	1.6%
AVP	Avon Products, Inc.	1.5%

Definition of the Comparative Indices

S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Merrill Lynch High Yield Cash Pay Index is an unmanaged index of corporate bonds that pay cash coupons, meet a minimum size threshold, and have a Merrill Lynch composite rating lower than BBB3.

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Chartwell Dividend and Income Fund, Inc.**November 30, 2010****Utilization of Leverage** *(unaudited)*

Until recently the Fund utilized leverage through the issuance of commercial paper. Effective April 26, 2010, the Fund replaced its commercial paper program with a line of credit up to \$25 million and has borrowed \$20 million on the line to pay down the remaining commercial paper and to borrow for investment purposes. The Fund's portfolio securities have been pledged as collateral to secure this loan. The line bears a variable interest rate equal to the 1-month LIBOR Market Index Rate plus 0.90% and an annual commitment fee of 0.10% on the unused balance. The Fund has the ability to leverage to a maximum of 33% of the Fund's gross assets, measured at the time of incurrence of the loan. As of November 30, 2010, the Fund had borrowed \$20 million on the line of credit.

Borrowing for investment purposes creates an opportunity of increased return, but at the same time, involves special risk considerations. Borrowing increases the likelihood of greater volatility of net asset value and market price of the Fund's common stock. To the extent that the return that the Fund earns on the securities purchased with borrowed monies exceeds the interest paid, the net asset value of the Fund's shares (and the return of the Fund) will increase to a greater extent than would otherwise be the case. Conversely, if the return that the Fund earns on the additional securities purchased fails to cover the interest incurred on the monies borrowed, the net asset value of the Fund (and the return of the Fund) would be lower than if borrowing had not been used. In addition, when the Fund borrows at a variable interest rate, there is a risk that fluctuations in the interest rate may adversely affect the return to the Fund's stockholders. Borrowing on a secured basis results in certain additional risks. Should securities that are pledged as collateral to secure the loan decline in value, the Fund may be required to pledge additional funds in the form of cash or securities to the lender to avoid liquidation of those pledged assets. In the event of a steep drop in the value of pledged securities, it might not be possible to liquidate assets quickly enough and this could result in mandatory liquidation of the pledged assets in a declining market at relatively low prices. Furthermore, the investment adviser's ability to sell the pledged securities is limited by the terms of the loan, which may reduce its investment flexibility over the pledged securities. In addition, the rights of the lender to receive payments of interest on and repayments of principal will be senior to the rights of the Fund's stockholders. Successful use of a borrowing strategy may depend on the investment adviser's ability to predict correctly interest rates and market movements, and there is no assurance that a borrowing strategy will be successful during any period in which it is employed.

To illustrate these concepts, assume a fund's common stock capitalization of \$100 million and the borrowing under a line of credit for an additional \$20 million, creating a total value of \$120 million available for investment in long-term securities. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. In this example, the Fund pays interest on the \$20 million loan based on the lower short-term interest rates. At the same time, the Fund's total portfolio of \$120 million earns the income based on long-term interest rates.

In this case, the interest paid on the loan is significantly lower than the income earned on the Fund's long-term investments, and therefore the common stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pick-up on the common stock will be reduced or eliminated completely. At the same time, the market value on the Fund's common stock (that is, its price as listed on the New York Stock Exchange), may, as a result, decline. Furthermore, if long-term interest rates rise, the common stock's NAV will reflect the full decline in the price of the portfolio's investments, since the amount of the Fund's outstanding loan does not fluctuate. In addition to the decline in net asset value, the market value of the Fund's common stock may also decline.

Chartwell Dividend and Income Fund, Inc.
Schedule of Investments
Asset Class Weightings (unaudited) :

November 30, 2010

Percentages are based on total net assets of \$73,322,466.

Total Investments including leverage are \$93,299,241.

	Number of Shares	Market Value
Common Stock 74.0%		
Aerospace & Defense 2.7%		
Honeywell International, Inc.	25,000	\$ 1,242,750
United Technologies Corporation	10,000	752,700
		1,995,450
Air Freight & Logistics 1.0%		
United Parcel Service, Inc., Class B	10,000	701,300
Banks 1.9%		
JPMorgan Chase & Company	36,800	1,375,584
Basic Industry 4.1%		
Dow Chemical Company	30,000	935,400
EI du Pont de Nemours & Company	20,000	939,800
PPG Industries, Inc.	15,000	1,169,400
		3,044,600
Beverages 2.2%		
Coca-Cola Company	15,000	947,550
PepsiCo, Inc.	10,000	646,300
		1,593,850
Commercial Services & Supplies 0.7%		
Waste Management, Inc.	15,000	513,750

See Accompanying Notes to Financial Statements.

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Chartwell Dividend and Income Fund, Inc.
Schedule of Investments *(continued)*

November 30, 2010

	Number of Shares	Market Value
Common Stock <i>(continued)</i>		
Communications Equipment 0.6%		
QUALCOMM, Inc.	10,000	\$ 467,400
Computers & Peripherals 2.4%		
Hewlett-Packard Company	35,000	1,467,550
International Business Machines Corporation	2,000	282,920
		1,750,470
Electrical Equipment 1.5%		
Emerson Electric Company	20,000	1,101,400
Energy 7.9%		
Energy Transfer Partners LP (A)	39,000	1,976,130
Enterprise Products Partners LP (A)	20,000	841,600
Exxon Mobil Corporation	20,000	1,391,200
Occidental Petroleum Corporation	18,160	1,601,167
		5,810,097
Financial 9.6%		
ACE Limited	20,000	1,170,400
Apollo Investment Corporation	50,000	528,000
Horizon Technology Finance Corporation	20,000	297,200
Invesco Limited	30,000	652,200
Lincoln National Corporation	50,000	1,194,000
MetLife, Inc.	40,000	1,526,000
Newco Star Asia Financial Limited SPV * (B)(C)(D)	15,000	40,050
NYSE Euronext	25,000	683,000
Solar Capital Limited	34,634	813,207
Star Asia Financial Limited * (B)(C)	46,169	160,206
		7,064,263
Food, Beverage & Tobacco 2.2%		
Altria Group, Inc.	30,000	720,000
Kraft Foods, Inc., Class A	10,000	302,500
Philip Morris International, Inc.	10,000	568,900
		1,591,400
Healthcare 6.5%		
Abbott Laboratories	30,000	1,395,300

Bristol-Myers Squibb Company

55,000

1,388,200

See Accompanying Notes to Financial Statements.

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Chartwell Dividend and Income Fund, Inc.
Schedule of Investments *(continued)*

November 30, 2010

	Number of Shares	Market Value
Common Stock <i>(continued)</i>		
Healthcare <i>(continued)</i>		
Merck & Company, Inc.	20,000	\$ 689,400
Pfizer, Inc.	80,000	1,303,200
		4,776,100
Industrial Conglomerates 3.8%		
3M Company	20,000	1,679,600
General Electric Company	70,000	1,108,100
		2,787,700
IT Services 0.4%		
Paychex, Inc.	10,000	285,400
Leisure Equipment & Products 0.5%		
Mattel, Inc.	15,000	387,600
Machinery 2.3%		
Caterpillar, Inc.	20,000	1,692,000
Multiline Retail 1.7%		
JC Penney Company, Inc.	10,000	332,700
Target Corporation	16,000	911,040
		1,243,740
Personal Products 1.9%		
Avon Products, Inc.	50,000	1,428,000
Real Estate Investment Trusts 3.1%		
Annaly Mortgage Management, Inc.	52,900	962,251
MFA Mortgage Investments, Inc.	138,000	1,124,700
ProLogis	15,000	195,150
		2,282,101
Semiconductors & Semiconductor Equipment 2.8%		
Intel Corporation	40,000	844,800
Microchip Technology, Inc.	35,000	1,176,350
		2,021,150

Software 1.0%

Microsoft Corporation

30,000

756,300

See Accompanying Notes to Financial Statements.

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Chartwell Dividend and Income Fund, Inc.
Schedule of Investments *(continued)*

November 30, 2010

	Number of Shares/ Principal Amount	Market Value
Common Stock <i>(continued)</i>		
Specialty Retail 2.7%		
Limited Brands, Inc.	58,300	\$ 1,962,961
Telecommunications 4.4%		
AT&T, Inc.	45,000	1,250,550
Frontier Communications Corporation	128,600	1,170,260
Verizon Communications, Inc.	25,000	800,250
		3,221,060
Transportation 1.8%		
General Maritime Corporation	105,000	401,100
Nordic American Tanker Shipping	10,000	258,700
Seaspan Corporation	50,000	634,000
		1,293,800
Utilities 3.6%		
Southern Company	70,000	2,640,400
Wireless Telecommunication Services 0.7%		
Vodafone Group PLC ADR	20,000	501,200
Total Common Stock (cost \$49,661,377)		54,289,076
EXCHANGE TRADED FUND 2.0%		
SPDR KBW Bank	65,000	1,446,250
Total Exchange Traded Fund (cost \$871,731)		1,446,250
PREFERRED STOCK 0.0%		
Financial 0.0%		
Solar Cayman Limited * (B)	80,000	26,400
Total Preferred Stock (cost \$604,763)		26,400
CORPORATE NOTES/BONDS 50.0%		
Aerospace & Defense 0.7%		
	\$ 500,000	510,000

DynCorp International, Inc.
10.375%, 07/01/17

Banks 0.7%

PHH Corporation
9.250%, 03/01/16

500,000

515,000

See Accompanying Notes to Financial Statements.

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Chartwell Dividend and Income Fund, Inc.
Schedule of Investments *(continued)*

November 30, 2010

	Principal Amount	Market Value
Corporate Notes/Bonds <i>(continued)</i>		
Basic Industry 4.7%		
Aquilex Holdings LLC 11.125%, 12/15/16	\$ 500,000	\$ 505,000
Cascades, Inc. 7.750%, 12/15/17	500,000	526,250
H&E Equipment Services, Inc. 8.375%, 07/15/16	675,000	681,750
Tower Automotive Holdings USA LLC 10.625%, 09/01/17	300,000	323,625
United Rentals North America, Inc. 10.875%, 06/15/16	270,000	307,800
WireCo WorldGroup 9.500%, 05/15/17	1,000,000	1,086,875
		3,431,300
Building Materials 1.1%		
Gibraltar Industries, Inc. 8.000%, 12/01/15	840,000	831,600
Cable Television 3.3%		
Cequel Communications Holdings I LLC and Cequel Capital Corporation 8.625%, 11/15/17	1,000,000	1,030,000
CSC Holdings, Inc. 7.875%, 02/15/18	550,000	613,937
Mediacom Broadband LLC 8.500%, 10/15/15	750,000	751,875
		2,395,812
Casino Services 0.4%		
Scientific Games International, Inc. 9.250%, 06/15/19	300,000	312,000
Commercial Services & Supplies 0.4%		
Covanta Holding Corporation 7.250%, 12/01/20	300,000	308,014
Construction Materials 1.1%		
Headwaters, Inc. 11.375%, 11/01/14	750,000	810,938

See Accompanying Notes to Financial Statements.

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Chartwell Dividend and Income Fund, Inc.
Schedule of Investments *(continued)*

November 30, 2010