

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC  
Form N-CSRS  
August 05, 2015

**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:                 | 811-07460   |
| Exact name of registrant as specified in charter:   | Delaware Investments <sup>®</sup> Dividend and<br>Income Fund, Inc.   |
| Address of principal executive offices:             | 2005 Market Street<br>Philadelphia, PA 19103                          |
| Name and address of agent for service:              | David F. Connor, Esq.<br>2005 Market Street<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | (800) 523-1918  |
| Date of fiscal year end:                            | November 30   |
| Date of reporting period:                           | May 31, 2015  |

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Item 1. Reports to Stockholders

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Delaware Investments® Dividend  
and Income Fund, Inc.

Semiannual report

May 31, 2015

**The figures in the semiannual report for Delaware Investments Dividend and Income Fund, Inc. represent past results, which are not a guarantee of future results. A rise or fall in interest rates can have a significant impact on bond prices. Funds that invest in bonds can lose their value as interest rates rise.**

**Closed-end fund**

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Delaware Management Holdings, Inc. and its subsidiaries (collectively known by the marketing name of Delaware Investments) are wholly owned subsidiaries of Macquarie Group Limited, a global provider of banking, financial, advisory, investment, and funds management services. For more information, including press releases, please visit [delawareinvestments.com](http://delawareinvestments.com).

Unless otherwise noted, views expressed herein are current as of May 31, 2015, and subject to change for events occurring after such date. Information is as of the date indicated and subject to change.

Funds are not FDIC insured and are not guaranteed. It is possible to lose the principal amount invested.

Mutual fund advisory services are provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor. Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

Investments in Delaware Investments® Dividend and Income Fund, Inc. are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 and its holding companies, including their subsidiaries or related companies (Macquarie Group), and are subject to investment risk, including possible delays in repayment and

loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the Fund, the repayment of capital from the Fund, or any particular rate of return.

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Security type / sector allocations and

top 10 equity holdings

**Delaware Investments® Dividend and Income Fund, Inc.**

As of May 31, 2015 (Unaudited)

Sector designations may be different than the sector designations presented in other fund materials. The sector designations may represent the investment manager's internal sector classifications, which may result in the sector designations for one fund being different than another fund's sector designations.

| Security type / sector | Percentage<br>of net assets |
|------------------------|-----------------------------|
| <b>Common Stock</b>    | <b>85.04%</b>               |
| Consumer Discretionary | 4.50%                       |
| Consumer Staples       | 8.71%                       |
| Diversified REITs      | 1.49%                       |
| Energy                 | 9.28%                       |
| Financials             | 8.98%                       |
| Healthcare             | 13.02%                      |
| Healthcare REITs       | 0.88%                       |
| Hotel REITs            | 1.11%                       |
| Industrial REITs       | 0.81%                       |
| Industrials            | 6.53%                       |
| Information Technology | 11.23%                      |
| Mall REITs             | 1.87%                       |
| Materials              | 2.30%                       |
| Mixed REITs            | 0.30%                       |
| Mortgage REIT          | 0.29%                       |
| Multifamily REITs      | 1.58%                       |
| Office REITs           | 2.44%                       |
| Self-Storage REITs     | 0.64%                       |
| Shopping Center REITs  | 1.87%                       |
| Single Tenant REIT     | 0.22%                       |
| Specialty REITs        | 0.39%                       |
| Telecommunications     | 4.21%                       |
| Utilities              | 2.39%                       |

|                                    |              |
|------------------------------------|--------------|
| <b>Convertible Preferred Stock</b> | <b>2.25%</b> |
|------------------------------------|--------------|

|  |              |
|--|--------------|
|  | <b>8.03%</b> |
|--|--------------|

**Convertible Bonds**

|                       |       |
|-----------------------|-------|
| Basic Industry        | 0.04% |
| Capital Goods         | 0.54% |
| Communications        | 0.88% |
| Consumer Cyclical     | 0.42% |
| Consumer Non-Cyclical | 1.84% |
| Energy                | 0.38% |
| Financials            | 0.87% |
| Industrials           | 0.46% |
| REITs                 | 0.81% |
| Technology            | 1.79% |

|                        |                             |
|------------------------|-----------------------------|
| Security type / sector | Percentage<br>of net assets |
|------------------------|-----------------------------|

**Corporate Bonds 37.92%**

|                       |       |
|-----------------------|-------|
| Automobiles           | 0.57% |
| Banking               | 1.75% |
| Basic Industry        | 4.16% |
| Capital Goods         | 2.86% |
| Communications        | 4.23% |
| Consumer Cyclical     | 1.86% |
| Consumer Non-Cyclical | 1.43% |
| Energy                | 4.91% |
| Financials            | 0.75% |
| Healthcare            | 2.49% |
| Insurance             | 0.56% |
| Media                 | 4.85% |
| Services              | 3.79% |
| Technology            | 1.55% |
| Utilities             | 2.16% |

**Senior Secured Loans 2.15%****Limited Partnership 1.76%****Preferred Stock 0.41%****Warrant 0.00%****Short-Term Investments 1.98%**

**Total Value of Securities** **139.54%**

**Borrowing Under Line of Credit** **(39.63%)**

**Receivables and Other Assets Net of Liabilities** **0.09%**

**Total Net Assets** **100.00%**

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Security type / sector allocations and

top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

Holdings are for informational purposes only and are subject to change at any time. They are not a recommendation to buy, sell, or hold any security.

| Top 10 Equity Holdings  | Percentage of<br>net assets |
|-------------------------|-----------------------------|
| Broadcom Class A        | 2.80%                       |
| Mondelez International  | 2.37%                       |
| Northrop Grumman        | 2.35%                       |
| Intel                   | 2.33%                       |
| Archer-Daniels-Midland  | 2.32%                       |
| Cardinal Health         | 2.29%                       |
| Cisco Systems           | 2.27%                       |
| Bank of New York Mellon | 2.25%                       |
| Quest Diagnostics       | 2.23%                       |
| Merck                   | 2.22%                       |



**Table of Contents****Schedule of investments****Delaware Investments® Dividend and Income Fund, Inc.**

May 31, 2015 (Unaudited)

|                              | <b>Number of</b> | <b>Value</b>     |
|------------------------------|------------------|------------------|
|                              | <b>shares</b>    | <b>(U.S. \$)</b> |
| <b>Common Stock 85.04%</b>   |                  |                  |
| Consumer Discretionary 4.50% |                  |                  |
| AMC Entertainment Holdings   | 15,000           | \$ 433,650       |
| Johnson Controls             | 41,200           | 2,143,224        |
| Lowe s                       | 28,100           | 1,966,438        |
|                              |                  | 4,543,312        |
| Consumer Staples 8.71%       |                  |                  |
| Archer-Daniels-Midland       | 44,400           | 2,346,540        |
| CVS Health                   | 20,500           | 2,098,790        |
| Kraft Foods Group            | 23,133           | 1,953,582        |
| Mondelez International       | 57,400           | 2,387,266        |
|                              |                  | 8,786,178        |
| Diversified REITs 1.49%      |                  |                  |
| Fibra Uno Administracion     | 116,400          | 296,560          |
| Gramercy Property Trust      | 21,375           | 568,789          |
| Lexington Realty Trust       | 62,300           | 571,914          |
| Vornado Realty Trust         | 665              | 66,427           |
|                              |                  | 1,503,690        |
| Energy 9.28%                 |                  |                  |
| Chevron                      | 17,600           | 1,812,800        |
| ConocoPhillips               | 28,600           | 1,821,248        |
| Halcon Resources             | 1,617            | 1,698            |
| Halliburton                  | 40,900           | 1,856,860        |
| Marathon Oil                 | 61,400           | 1,669,466        |
| Occidental Petroleum         | 28,200           | 2,204,958        |
|                              |                  | 9,367,030        |
| Financials 8.98%             |                  |                  |

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|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Allstate                            | 31,700           | 2,134,044        |
| Ashford                             | 90               | 8,685            |
| Bank of New York Mellon             | 52,300           | 2,267,728        |
| BB&T                                | 54,600           | 2,155,062        |
| Home Loan Servicing Solutions       | 35,400           | 24,355           |
| Marsh & McLennan                    | 37,400           | 2,177,802        |
| Solar Capital                       | 15,528           | 296,895          |
|                                     |                  | 9,064,571        |
| Healthcare 13.02%                   |                  |                  |
| Baxter International                | 30,900           | 2,058,249        |
| Cardinal Health                     | 26,200           | 2,310,054        |
| Johnson & Johnson                   | 21,100           | 2,112,954        |
| Merck                               | 36,800           | 2,240,752        |
| Pfizer                              | 62,489           | 2,171,493        |
| Quest Diagnostics                   | 29,900           | 2,249,377        |
|                                     |                  | 13,142,879       |
| Healthcare REITs 0.88%              |                  |                  |
| Health Care REIT                    | 3,900            | 274,014          |
|                                     |                  | <b>Value</b>     |
|                                     | <b>Number of</b> | <b>(U.S. \$)</b> |
|                                     | <b>shares</b>    |                  |
| <b>Common Stock (continued)</b>     |                  |                  |
| Healthcare REITs (continued)        |                  |                  |
| Healthcare Trust of America Class A | 9,100            | \$ 225,589       |
| Omega Healthcare Investors          | 4,400            | 158,532          |
| Ventas                              | 3,500            | 232,820          |
|                                     |                  | 890,955          |
| Hotel REITs 1.11%                   |                  |                  |
| Ashford Hospitality Prime           | 1,700            | 26,758           |
| Ashford Hospitality Trust           | 7,900            | 67,940           |
| DiamondRock Hospitality             | 15,800           | 208,086          |
| Pebblebrook Hotel Trust             | 3,500            | 150,080          |
| Strategic Hotels & Resorts          | 17,700           | 213,816          |
| Summit Hotel Properties             | 33,800           | 451,568          |
|                                     |                  | 1,118,248        |
| Industrial REITs 0.81%              |                  |                  |
| DCT Industrial Trust                | 2,625            | 85,864           |
| Prologis                            | 780              | 30,880           |
| STAG Industrial                     | 19,400           | 413,220          |
| Terreno Realty                      | 14,000           | 284,900          |

814,864

|                                      |         |            |
|--------------------------------------|---------|------------|
| <b>Industrials 6.53%</b>             |         |            |
| Northrop Grumman                     | 14,900  | 2,371,782  |
| Raytheon                             | 19,800  | 2,044,548  |
| Waste Management                     | 43,800  | 2,174,670  |
|                                      |         | 6,591,000  |
| <b>Information Technology 11.23%</b> |         |            |
| Broadcom Class A                     | 49,800  | 2,831,130  |
| CA                                   | 65,286  | 1,987,959  |
| Cisco Systems                        | 78,000  | 2,286,180  |
| Intel                                | 68,200  | 2,350,172  |
| Xerox                                | 164,600 | 1,879,732  |
|                                      |         | 11,335,173 |
| <b>Mall REITs 1.87%</b>              |         |            |
| General Growth Properties            | 11,829  | 335,116    |
| Simon Property Group                 | 8,547   | 1,550,426  |
|                                      |         | 1,885,542  |
| <b>Materials 2.30%</b>               |         |            |
| duPont (E.I.) deNemours              | 29,400  | 2,087,694  |
| Tarkett                              | 9,027   | 233,644    |
|                                      |         | 2,321,338  |
| <b>Mixed REITs 0.30%</b>             |         |            |
| CyrusOne                             | 6,300   | 203,301    |
| PS Business Parks                    | 1,400   | 102,340    |
|                                      |         | 305,641    |

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

|                                   | <b>Number of<br/>shares</b> | <b>Value<br/>(U.S. \$)</b> |
|-----------------------------------|-----------------------------|----------------------------|
| <b>Common Stock (continued)</b>   |                             |                            |
| Mortgage REIT 0.29%               |                             |                            |
| Starwood Property Trust           | 12,200                      | \$ 291,458                 |
|                                   |                             | 291,458                    |
| Multifamily REITs 1.58%           |                             |                            |
| Apartment Investment & Management | 10,919                      | 414,158                    |
| Camden Property Trust             | 2,950                       | 221,191                    |
| Equity Residential                | 5,000                       | 371,600                    |
| Essex Property Trust              | 1,147                       | 255,345                    |
| Post Properties                   | 5,800                       | 329,498                    |
|                                   |                             | 1,591,792                  |
| Office REITs 2.44%                |                             |                            |
| alstria office REIT               | 21,023                      | 272,629                    |
| Easterly Government Properties    | 60,000                      | 931,800                    |
| Equity Commonwealth               | 20,000                      | 515,000                    |
| Hudson Pacific Properties         | 6,100                       | 185,989                    |
| Paramount Group                   | 9,000                       | 165,060                    |
| Parkway Properties                | 23,000                      | 395,370                    |
|                                   |                             | 2,465,848                  |
| Self-Storage REITs 0.64%          |                             |                            |
| Extra Space Storage               | 7,300                       | 511,219                    |
| Jernigan Capital                  | 6,600                       | 134,904                    |
|                                   |                             | 646,123                    |
| Shopping Center REITs 1.87%       |                             |                            |
| DDR                               | 18,200                      | 307,944                    |
| First Capital Realty              | 10,481                      | 158,356                    |
| Kimco Realty                      | 15,530                      | 372,099                    |
| Kite Realty Group Trust           | 24,500                      | 662,725                    |
| Ramco-Gershenson Properties Trust | 11,700                      | 201,474                    |

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|  |                  |                   |
|--|------------------|-------------------|
| Urban Edge Properties  | 332              | 7,171             |
| Wheeler Real Estate Investment Trust @   | 77,956           | 179,299           |
|  |                  | 1,889,068         |
| <b>Single Tenant REIT 0.22%</b>  |                  |                   |
| Spirit Realty Capital  | 20,800           | 224,432           |
|  |                  | 224,432           |
| <b>Specialty REITs 0.39%</b>   |                  |                   |
| American Residential Properties  | 8,900            | 165,095           |
| EPR Properties   | 4,020            | 231,833           |
|  |                  | 396,928           |
| <b>Telecommunications 4.21%</b>  |                  |                   |
| AT&T   | 63,400           | 2,189,836         |
|  |                  | <b>Value</b>      |
|  | <b>Number of</b> | <b>(U.S. \$)</b>  |
|  | <b>shares</b>    |                   |
| <b>Common Stock (continued)</b>  |                  |                   |
| Telecommunications (continued)   |                  |                   |
| Century Communications =   | 500,000          | \$ 0              |
| Verizon Communications   | 41,600           | 2,056,704         |
|  |                  | 4,246,540         |
| <b>Utilities 2.39%</b>   |                  |                   |
| Abengoa Yield  | 5,100            | 196,044           |
| American Water Works   | 3,200            | 169,184           |
| Edison International   | 33,600           | 2,043,216         |
|  |                  | 2,408,444         |
| <b>Total Common Stock</b>  |                  | <b>85,831,054</b> |
| (cost \$61,796,023)  |                  |                   |
| <b>Convertible Preferred Stock 2.25%</b>   |                  |                   |
| Chesapeake Energy 5.75% exercise price \$26.10, expiration date 12/31/49             | 87               | 72,808            |
| Dynegy 5.375% exercise price \$38.75, expiration date 11/1/17 @                      | 1,490            | 166,850           |
| El Paso Energy Capital Trust I 4.75% exercise price \$34.49, expiration date 3/31/28 | 5,250            | 314,895           |
| Exelon 6.50% exercise price \$43.75, expiration date 6/1/17                          | 3,650            | 176,331           |
| Halcon Resources 5.75% exercise price \$6.16, expiration date 12/31/49               | 130              | 26,845            |
| Huntington Bancshares 8.50% exercise price \$11.95, expiration date 12/31/49         | 182              | 244,790           |

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|   |       |         |
|---|-------|---------|
| Intelsat 5.75% exercise price \$22.05, expiration date 5/1/16         | 6,898 | 215,563 |
| Laclede Group 6.75% exercise price \$57.81, expiration date 4/1/17    | 1,550 | 85,421  |
| Maiden Holdings 7.25% exercise price \$15.30, expiration date 9/15/16 | 5,350 | 269,560 |
| T-Mobile US 5.50% exercise price \$31.02, expiration date 12/15/17    | 2,110 | 145,105 |
| Wells Fargo 7.50% exercise price \$156.71, expiration date 12/31/49   | 259   | 313,087 |

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|   | <b>Number of<br/>shares</b> | <b>Value<br/>(U.S. \$)</b> |
|---|-----------------------------|----------------------------|
| <b>Convertible Preferred Stock (continued)</b>  |                             |                            |
| Weyerhaeuser 6.375% exercise price \$33.13, expiration date 7/1/16                            | 3,638                       | \$ 197,398                 |
| Wheeler Real Estate Investment Trust 9.00% exercise price \$5.00, expiration date 12/31/49 @= | 34                          | 35,265                     |
| <b>Total Convertible Preferred Stock (cost \$2,281,504)</b>                                   |                             | <b>2,263,918</b>           |

|   | <b>Principal<br/>amount<sup>o</sup></b> |
|---|---|
| <b>Convertible Bonds 8.03%</b>  |   |
| Basic Industry 0.04%  |   |
| Peabody Energy 4.75% exercise price \$57.15, expiration date 12/15/41                     | 135,000                                 |
|   | 34,509                                  |
| Capital Goods 0.54%   |   |
| Abengoa 144A 5.125% exercise price \$38.44, expiration date 2/23/17 #                     | 400,000                                 |
| Cemex 3.25% exercise price \$9.27, expiration date 3/9/16                                 | 69,000                                  |
| Titan Machinery 3.75% exercise price \$43.17, expiration date 4/30/19                     | 47,000                                  |
|   | 544,108                                 |
| Communications 0.88%  |   |
| Alaska Communications Systems Group 6.25% exercise price \$10.28, expiration date 4/27/18 | 304,000                                 |
| Clearwire Communications 144A 8.25% exercise price \$7.08, expiration date 11/30/40 #     | 213,000                                 |
| Liberty Interactive 144A 1.00% exercise price \$64.31, expiration date 9/28/43 #          | 364,000                                 |

891,608

|   |                                     |                  |
|---|-------------------------------------|------------------|
| <b>Consumer Cyclical 0.42%</b>  |                                     |                  |
| Huron Consulting Group 144A 1.25% exercise price \$79.89, expiration date 9/27/19 # | 181,000                             | 193,783          |
|   | <b>Principal amount<sup>o</sup></b> | <b>Value</b>     |
|   |                                     | <b>(U.S. \$)</b> |

**Convertible Bonds (continued)**

|   |         |            |
|---|---------|------------|
| <b>Consumer Cyclical (continued)</b>                          |         |            |
| Meritor 4.00% exercise price \$26.73, expiration date 2/12/27 | 217,000 | \$ 231,647 |
|   |         | 425,430    |

|   |         |           |
|---|---------|-----------|
| <b>Consumer Non-Cyclical 1.84%</b>  |         |           |
| BioMarin Pharmaceutical 1.50% exercise price \$94.15, expiration date 10/13/20  | 122,000 | 183,915   |
| HealthSouth 2.00% exercise price \$38.82, expiration date 11/30/43              | 151,000 | 183,843   |
| Hologic 2.00% exercise price \$31.17, expiration date 2/27/42 f                 | 167,000 | 214,177   |
| Hologic 2.00% exercise price \$38.59, expiration date 12/15/43                  | 227,000 | 269,988   |
| NuVasive 2.75% exercise price \$42.13, expiration date 6/30/17                  | 274,000 | 365,276   |
| Spectrum Pharmaceuticals 2.75% exercise price \$10.53, expiration date 12/13/18 | 283,000 | 261,421   |
| <b>Vector Group</b>   |         |           |
| 1.75% exercise price \$25.87, expiration date 4/15/20                           | 223,000 | 239,446   |
| 2.50% exercise price \$16.78, expiration date 1/14/19                           | 97,000  | 136,763   |
|   |         | 1,854,829 |

|  |         |         |
|--|---------|---------|
| <b>Energy 0.38%</b>  |         |         |
| Chesapeake Energy 2.50% exercise price \$47.55, expiration date 5/15/37            | 126,000 | 122,693 |
| Helix Energy Solutions Group 3.25% exercise price \$25.02, expiration date 3/12/32 | 140,000 | 143,237 |
| Vantage Drilling 144A 5.50% exercise price \$2.39, expiration date 7/15/43 #       | 189,000 | 119,897 |
|  |         | 385,827 |

|   |         |         |
|---|---------|---------|
| <b>Financials 0.87%</b>   |         |         |
| Ares Capital 5.75% exercise price \$19.13, expiration date 2/1/16 | 224,000 | 231,000 |

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

|  | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|--|---|----------------------------|
| <b>Convertible Bonds (continued)</b>   |   |                            |
| Financials (continued)   |   |                            |
| BGC Partners 4.50% exercise price \$9.84, expiration date 7/13/16  | 252,000                                 | \$ 277,673                 |
| GAIN Capital Holdings 4.125% exercise price \$12.00, expiration date 11/30/18                                | 139,000                                 | 145,776                    |
| New Mountain Finance 144A 5.00% exercise price \$15.93, expiration date 6/14/19 #                            | 214,000                                 | 219,350                    |
|  |   | 873,799                    |
| Industrials 0.46%  |   |                            |
| Chart Industries 2.00% exercise price \$69.03, expiration date 7/30/18                                       | 207,000                                 | 204,024                    |
| General Cable 4.50% exercise price \$34.47, expiration date 11/15/29 f                                       | 325,000                                 | 263,453                    |
|  |   | 467,477                    |
| REITs 0.81%  |   |                            |
| American Realty Capital Properties 3.75% exercise price \$15.15, expiration date 12/14/20                    | 216,000                                 | 206,686                    |
| Blackstone Mortgage Trust 5.25% exercise price \$28.66, expiration date 12/1/18                              | 326,000                                 | 353,710                    |
| Campus Crest Communities Operating Partnership 144A 4.75% exercise price \$12.56, expiration date 10/11/18 # | 270,000                                 | 259,706                    |
|  |   | 820,102                    |
| Technology 1.79%   |   |                            |
| Blucora 4.25% exercise price \$21.66, expiration date 3/29/19  | 148,000                                 | 145,595                    |
| Cardtronics 1.00% exercise price \$52.35, expiration date 11/27/20   | 254,000                                 | 252,095                    |
| Ciena 144A 3.75% exercise price \$20.17, expiration date 10/15/18 #  | 183,000                                 | 256,086                    |
| Electronics For Imaging 144A 0.75% exercise price \$52.72, expiration date 8/29/19 #                         | 192,000                                 | 201,120                    |
|  |   | <b>Value</b>               |
|  | <b>Principal<br/>amount<sup>o</sup></b> | <b>(U.S. \$)</b>           |

**Convertible Bonds (continued)**

Technology (continued)

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|   |         |    |                  |
|---|---------|----|------------------|
| Intel 3.25% exercise price \$21.47, expiration date 8/1/39                  | 130,000 | \$ | 221,082          |
| j2 Global 3.25% exercise price \$69.37, expiration date 6/14/29             | 197,000 |    | 229,505          |
| PROS Holdings 144A 2.00% exercise price \$33.79, expiration date 11/27/19 # | 262,000 |    | 248,900          |
| SanDisk 1.50% exercise price \$50.94, expiration date 8/11/17               | 56,000  |    | 81,270           |
| SunEdison 144A 2.625% exercise price \$38.65, expiration date 5/30/23 #     | 30,000  |    | 31,106           |
| SunEdison 144A 3.375% exercise price \$38.65, expiration date 5/30/25 #     | 15,000  |    | 15,853           |
| VeriSign 4.136% exercise price \$34.37, expiration date 8/15/37             | 67,000  |    | 126,714          |
|   |         |    | 1,809,326        |
| <b>Total Convertible Bonds</b><br>(cost \$7,638,360)                        |         |    | <b>8,107,015</b> |

**Corporate Bonds 37.92%**

|   |         |  |         |
|---|---------|--|---------|
| <b>Automobiles 0.57%</b>  |         |  |         |
| Gates Global 144A<br>6.00% 7/15/22 #                              | 230,000 |  | 213,325 |
| International Automotive Components Group 144A<br>9.125% 6/1/18 # | 220,000 |  | 227,700 |
| Meritor<br>6.25% 2/15/24  | 20,000  |  | 20,425  |
| 6.75% 6/15/21   | 110,000 |  | 114,675 |
|   |         |  | 576,125 |
| <b>Banking 1.75%</b>  |         |  |         |
| Bank of America<br>6.50% 10/23/49                                 | 205,000 |  | 217,044 |
| Barclays Bank<br>7.625% 11/21/22                                  | 200,000 |  | 232,875 |
| Credit Suisse Group 144A<br>7.50% 12/11/49 #                      | 305,000 |  | 325,206 |
| HSBC Holdings<br>6.375% 12/29/49                                  | 200,000 |  | 205,750 |
| JPMorgan Chase<br>6.75% 8/29/49                                   | 195,000 |  | 212,794 |
| Lloyds Banking Group<br>7.50% 4/30/49                             | 330,000 |  | 351,863 |

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|                                    | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|------------------------------------|---|----------------------------|
| <b>Corporate Bonds (continued)</b> |   |                            |
| Banking (continued)                |   |                            |
| Popular 7.00% 7/1/19               | 215,000                                 | \$ 221,181                 |
|                                    |   | 1,766,713                  |
| Basic Industry 4.16%               |   |                            |
| AK Steel                           |   |                            |
| 7.625% 5/15/20                     | 144,000                                 | 128,160                    |
| 7.625% 10/1/21                     | 100,000                                 | 84,500                     |
| American Tire Distributors         |   |                            |
| 144A 10.25% 3/1/22 #               | 95,000                                  | 100,937                    |
| ArcelorMittal                      |   |                            |
| 5.125% 6/1/20                      | 50,000                                  | 50,875                     |
| 6.125% 6/1/25                      | 50,000                                  | 50,937                     |
| 6.25% 3/1/21                       | 60,000                                  | 63,525                     |
| Builders FirstSource 144A          |   |                            |
| 7.625% 6/1/21 #                    | 207,000                                 | 217,350                    |
| Chemours                           |   |                            |
| 144A 6.625% 5/15/23 #              | 35,000                                  | 35,613                     |
| 144A 7.00% 5/15/25 #               | 178,000                                 | 181,560                    |
| Cliffs Natural Resources           |   |                            |
| 5.95% 1/15/18                      | 75,000                                  | 63,000                     |
| Consolidated Energy Finance        |   |                            |
| 144A 6.75% 10/15/19 #              | 200,000                                 | 207,000                    |
| CPG Merger Sub 144A                |   |                            |
| 8.00% 10/1/21 #                    | 155,000                                 | 163,525                    |
| Evolution Escrow Issuer 144A       |   |                            |
| 7.50% 3/15/22 #                    | 140,000                                 | 139,650                    |
| First Quantum Minerals             |   |                            |
| 144A 6.75% 2/15/20 #               | 52,000                                  | 51,090                     |
| 144A 7.00% 2/15/21 #               | 97,000                                  | 94,454                     |
| FMG Resources August 2006 Pty      |   |                            |

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|                             |         |         |
|-----------------------------|---------|---------|
| 144A 8.25% 11/1/19 #        | 98,000  | 90,037  |
| 144A 9.75% 3/1/22 #         | 115,000 | 121,037 |
| Grace (W.R.) 144A           |         |         |
| 5.625% 10/1/24 #            | 80,000  | 84,500  |
| HD Supply 11.50% 7/15/20    | 170,000 | 199,750 |
| Hexion 144A                 |         |         |
| 10.00% 4/15/20 #            | 100,000 | 106,500 |
| Kissner Milling 144A        |         |         |
| 7.25% 6/1/19 #              | 95,000  | 97,494  |
| LSB Industries 7.75% 8/1/19 | 120,000 | 128,100 |
| Lundin Mining 144A          |         |         |
| 7.875% 11/1/22 #            | 205,000 | 222,298 |
| NCI Building Systems 144A   |         |         |
| 8.25% 1/15/23 #             | 105,000 | 112,613 |
| New Gold 144A               |         |         |
| 6.25% 11/15/22 #            | 156,000 | 156,975 |
| NOVA Chemicals 144A         |         |         |
| 5.00% 5/1/25 #              | 115,000 | 118,163 |

**Principal  
amount<sup>o</sup>**  
**Value  
(U.S. \$)**

**Corporate Bonds (continued)**

Basic Industry (continued)

|  |         |            |
|--|---------|------------|
| Polymer Group 144A                     |         |            |
| 6.875% 6/1/19 #                        | 240,000 | \$ 224,700 |
| Rayonier AM Products 144A              |         |            |
| 5.50% 6/1/24 #                         | 205,000 | 185,013    |
| Ryerson                                |         |            |
| 9.00% 10/15/17                         | 150,000 | 153,000    |
| 11.25% 10/15/18                        | 54,000  | 52,380     |
| Steel Dynamics                         |         |            |
| 5.50% 10/1/24                          | 125,000 | 129,219    |
| TPC Group 144A                         |         |            |
| 8.75% 12/15/20 #                       | 250,000 | 243,125    |
| Wise Metals Group 144A                 |         |            |
| 8.75% 12/15/18 #                       | 80,000  | 85,801     |
| Wise Metals Intermediate Holdings 144A |         |            |
| 9.75% 6/15/19 #                        | 55,000  | 59,881     |

4,202,762

Capital Goods 2.86%

|                              |         |         |
|------------------------------|---------|---------|
| Abengoa Greenfield 144A      |         |         |
| 6.50% 10/1/19 #              | 225,000 | 212,625 |
| Accudyne Industries Borrower |         |         |
| 144A 7.75% 12/15/20 #        | 180,000 | 167,400 |
| Ardagh Packaging Finance     |         |         |
| 144A 6.00% 6/30/21 #         | 200,000 | 202,000 |
| BWAY Holding 144A            |         |         |

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|  |         |           |
|--|---------|-----------|
| 9.125% 8/15/21 #<br>Cemex 144A                 | 340,000 | 354,450   |
| 7.25% 1/15/21 #<br>Consolidated Container 144A | 200,000 | 215,800   |
| 10.125% 7/15/20 #<br>Gardner Denver 144A       | 91,000  | 81,445    |
| 6.875% 8/15/21 #<br>KLX 144A 5.875% 12/1/22 #  | 310,000 | 289,075   |
| 185,000  | 188,006 |           |
| Milacron 144A                                  |         |           |
| 7.75% 2/15/21 #<br>Norbord 144A                | 105,000 | 109,200   |
| 6.25% 4/15/23 #<br>Plastipak Holdings 144A     | 80,000  | 80,800    |
| 6.50% 10/1/21 #<br>Reynolds Group Issuer       | 225,000 | 232,875   |
| 8.25% 2/15/21<br>Signode Industrial Group      | 145,000 | 153,519   |
| 144A 6.375% 5/1/22 #<br>TransDigm              | 175,000 | 175,875   |
| 6.00% 7/15/22                                  | 205,000 | 208,844   |
| 6.50% 7/15/24                                  | 135,000 | 138,375   |
| 144A 6.50% 5/15/25 #                           | 75,000  | 76,875    |
|  |         | 2,887,164 |

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

|  | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|--|---|----------------------------|
| <b>Corporate Bonds (continued)</b>                     |   |                            |
| Communications 4.23%                                   |   |                            |
| CenturyLink 6.75% 12/1/23                              | 115,000                                 | \$ 123,194                 |
| Cogent Communications Finance 144A<br>5.625% 4/15/21 # | 185,000                                 | 179,913                    |
| Cogent Communications Group 144A<br>5.375% 3/1/22 #    | 60,000                                  | 60,300                     |
| CommScope Technologies Finance 144A<br>6.00% 6/15/25 # | 115,000                                 | 116,725                    |
| Digicel 144A 6.75% 3/1/23 #                            | 200,000                                 | 199,000                    |
| Digicel Group  |   |                            |
| 144A 7.125% 4/1/22 #                                   | 200,000                                 | 195,000                    |
| 144A 8.25% 9/30/20 #                                   | 221,000                                 | 230,282                    |
| Equinix 5.75% 1/1/25                                   | 130,000                                 | 134,550                    |
| Hughes Satellite Systems                               |   |                            |
| 7.625% 6/15/21   | 160,000                                 | 180,400                    |
| Intelsat Luxembourg                                    |   |                            |
| 8.125% 6/1/23  | 625,000                                 | 559,375                    |
| Level 3 Communications                                 |   |                            |
| 5.75% 12/1/22  | 185,000                                 | 189,394                    |
| Level 3 Financing                                      |   |                            |
| 5.375% 8/15/22   | 40,000                                  | 41,050                     |
| 144A 5.375% 5/1/25 #                                   | 220,000                                 | 219,175                    |
| Sprint   |   |                            |
| 7.125% 6/15/24   | 485,000                                 | 470,450                    |
| 7.25% 9/15/21  | 5,000                                   | 5,044                      |
| 7.875% 9/15/23   | 125,000                                 | 127,425                    |
| T-Mobile USA   |   |                            |
| 6.00% 3/1/23   | 30,000                                  | 31,219                     |
| 6.125% 1/15/22   | 55,000                                  | 57,819                     |
| 6.25% 4/1/21   | 85,000                                  | 89,887                     |
| 6.375% 3/1/25  | 130,000                                 | 136,013                    |
| UPCB Finance IV 144A                                   |   |                            |
| 5.375% 1/15/25 #                                       | 200,000                                 | 201,250                    |
| Wind Acquisition Finance                               |   |                            |
| 144A 7.375% 4/23/21 #                                  | 200,000                                 | 209,000                    |
| Windstream Services                                    |   |                            |

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|                 |         |           |
|-----------------|---------|-----------|
| 7.50% 6/1/22    | 105,000 | 96,206    |
| 7.75% 10/1/21   | 80,000  | 76,000    |
| Zayo Group 144A |         |           |
| 6.00% 4/1/23 #  | 340,000 | 343,227   |
|                 |         | 4,271,898 |

|   |         |         |
|---|---------|---------|
| Consumer Cyclical 1.86%                       |         |         |
| Chinos Intermediate Holdings A 144A PIK 7.75% |         |         |
| 5/1/19 #                                      | 145,000 | 125,063 |
| DBP Holding 144A                              |         |         |
| 7.75% 10/15/20 #                              | 121,000 | 106,177 |

|  | Principal<br>amount <sup>o</sup> | Value<br>(U.S. \$) |
|--|----------------------------------|--------------------|
|--|----------------------------------|--------------------|

**Corporate Bonds (continued)**

|                               |         |            |
|-------------------------------|---------|------------|
| Consumer Cyclical (continued) |         |            |
| Family Tree Escrow 144A       |         |            |
| 5.75% 3/1/23 #                | 150,000 | \$ 159,000 |
| Landry s 144A                 |         |            |
| 9.375% 5/1/20 #               | 380,000 | 410,875    |
| Midas Intermediate Holdco II  |         |            |
| 144A 7.875% 10/1/22 #         | 140,000 | 141,400    |
| Neiman Marcus Group 144A      |         |            |
| PIK 8.75% 10/15/21 #          | 155,000 | 168,175    |
| PF Chang s China Bistro 144A  |         |            |
| 10.25% 6/30/20 #              | 130,000 | 134,550    |
| Rite Aid 144A                 |         |            |
| 6.125% 4/1/23 #               | 215,000 | 224,406    |
| RSI Home Products 144A        |         |            |
| 6.50% 3/15/23 #               | 150,000 | 155,250    |
| Wynn Las Vegas 144A           |         |            |
| 5.50% 3/1/25 #                | 250,000 | 251,250    |
|                               |         | 1,876,146  |

|                             |         |         |
|-----------------------------|---------|---------|
| Consumer Non-Cyclical 1.43% |         |         |
| Cott Beverages              |         |         |
| 144A 5.375% 7/1/22 #        | 60,000  | 58,950  |
| 144A 6.75% 1/1/20 #         | 190,000 | 200,450 |
| JBS Investments 144A        |         |         |
| 7.75% 10/28/20 #            | 200,000 | 222,340 |
| JBS USA 144A                |         |         |
| 5.75% 6/15/25 #             | 185,000 | 187,313 |
| Prestige Brands 144A        |         |         |
| 5.375% 12/15/21 #           | 140,000 | 142,968 |
| Spectrum Brands             |         |         |

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|  |         |           |
|--|---------|-----------|
| 144A 6.125% 12/15/24 #                             | 240,000 | 256,200   |
| 6.625% 11/15/22                                    | 125,000 | 134,687   |
| SUPERVALU 7.75% 11/15/22                           | 225,000 | 242,437   |
|  |         | 1,445,345 |
| Energy 4.91%                                       |         |           |
| Baytex Energy 144A                                 |         |           |
| 5.625% 6/1/24 #                                    | 175,000 | 169,750   |
| California Resources                               |         |           |
| 5.50% 9/15/21                                      | 185,000 | 176,213   |
| 6.00% 11/15/24                                     | 155,000 | 143,375   |
| Calumet Specialty Products Partners 7.625% 1/15/22 | 280,000 | 290,500   |
| Chaparral Energy                                   |         |           |
| 7.625% 11/15/22                                    | 130,000 | 104,650   |
| 8.25% 9/1/21                                       | 115,000 | 93,725    |
| CHC Helicopter                                     |         |           |
| 9.25% 10/15/20                                     | 171,000 | 145,777   |
| Chesapeake Energy                                  |         |           |
| 4.875% 4/15/22                                     | 240,000 | 229,800   |



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|   | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|---|---|----------------------------|
| <b>Corporate Bonds (continued)</b>          |   |                            |
| Energy (continued)                          |   |                            |
| Chesapeake Energy<br>5.75% 3/15/23          | 150,000                                 | \$ 148,875                 |
| Comstock Resources 144A<br>10.00% 3/15/20 # | 235,000                                 | 227,950                    |
| CSI Compressco 144A<br>7.25% 8/15/22 #      | 145,000                                 | 138,475                    |
| Energy Transfer Equity<br>5.50% 6/1/27      | 45,000                                  | 45,337                     |
| 5.875% 1/15/24                              | 86,000                                  | 91,805                     |
| EP Energy 144A<br>6.375% 6/15/23 #          | 100,000                                 | 100,250                    |
| Exterran Partners<br>6.00% 4/1/21           | 100,000                                 | 98,250                     |
| Genesis Energy<br>5.75% 2/15/21             | 215,000                                 | 216,075                    |
| 6.00% 5/15/23                               | 30,000                                  | 30,450                     |
| Halcon Resources<br>144A 8.625% 2/1/20 #    | 20,000                                  | 20,350                     |
| 9.75% 7/15/20                               | 280,000                                 | 203,700                    |
| Laredo Petroleum<br>5.625% 1/15/22          | 120,000                                 | 120,900                    |
| 7.375% 5/1/22                               | 120,000                                 | 128,100                    |
| Linn Energy 6.25% 11/1/19                   | 180,000                                 | 154,800                    |
| MarkWest Energy Partners<br>4.875% 12/1/24  | 180,000                                 | 182,700                    |
| Murphy Oil USA<br>6.00% 8/15/23             | 190,000                                 | 202,825                    |
| Northern Oil & Gas<br>8.00% 6/1/20          | 190,000                                 | 180,500                    |
| NuStar Logistics<br>6.75% 2/1/21            | 115,000                                 | 123,052                    |

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|                           |                           |                  |
|---------------------------|---------------------------|------------------|
| Oasis Petroleum           |                           |                  |
| 6.875% 3/15/22            | 230,000                   | 236,325          |
| Ocean Rig UDW 144A        |                           |                  |
| 7.25% 4/1/19 #            | 98,000                    | 74,480           |
| PBF Logistics 144A        |                           |                  |
| 6.875% 5/15/23 #          | 40,000                    | 40,900           |
| PDC Energy 7.75% 10/15/22 | 185,000                   | 198,875          |
| Pioneer Energy Services   |                           |                  |
| 6.125% 3/15/22            | 210,000                   | 171,150          |
| Rose Rock Midstream 144A  |                           |                  |
| 5.625% 11/15/23 #         | 100,000                   | 98,750           |
| Sabine Pass Liquefaction  |                           |                  |
| 144A 5.625% 3/1/25 #      | 125,000                   | 125,469          |
| Transocean                |                           |                  |
| 4.30% 10/15/22            | 55,000                    | 44,206           |
|                           |                           | <b>Value</b>     |
|                           | <b>Principal</b>          | <b>(U.S. \$)</b> |
|                           | <b>amount<sup>o</sup></b> |                  |

**Corporate Bonds** (continued)

Energy (continued)

|                           |         |           |
|---------------------------|---------|-----------|
| Transocean                |         |           |
| 6.375% 12/15/21           | 95,000  | \$ 89,656 |
| Weatherford International |         |           |
| 4.50% 4/15/22             | 110,000 | 106,695   |
|                           |         | 4,954,690 |

Financials 0.75%

|   |         |         |
|---|---------|---------|
| Ally Financial                          |         |         |
| 4.625% 3/30/25                          | 150,000 | 147,375 |
| Goldman Sachs Group                     |         |         |
| 5.375% 5/10/20                          | 75,000  | 74,906  |
| Infinity Acquisition 144A               |         |         |
| 7.25% 8/1/22 #                          | 125,000 | 118,750 |
| ING Groep                               |         |         |
| 6.50% 12/31/45                          | 200,000 | 200,875 |
| James Hardie International Finance 144A |         |         |
| 5.875% 2/15/23 #                        | 200,000 | 209,000 |
|   |         | 750,906 |

Healthcare 2.49%

|                            |         |         |
|----------------------------|---------|---------|
| 21st Century Oncology 144A |         |         |
| 11.00% 5/1/23 #            | 80,000  | 79,600  |
| Community Health Systems   |         |         |
| 6.875% 2/1/22              | 295,000 | 315,653 |
| DaVita HealthCare Partners |         |         |
| 5.00% 5/1/25               | 65,000  | 64,756  |
| HCA 5.375% 2/1/25          | 185,000 | 191,013 |

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|                                    |         |         |
|------------------------------------|---------|---------|
| HealthSouth 5.75% 11/1/24          | 95,000  | 98,444  |
| IASIS Healthcare                   |         |         |
| 8.375% 5/15/19                     | 155,000 | 162,459 |
| Immucor 11.125% 8/15/19            | 305,000 | 325,587 |
| Kinetic Concepts                   |         |         |
| 10.50% 11/1/18                     | 74,000  | 79,772  |
| 12.50% 11/1/19                     | 85,000  | 93,075  |
| Mallinckrodt International Finance |         |         |
| 4.75% 4/15/23                      | 20,000  | 19,287  |
| 144A 5.50% 4/15/25 #               | 105,000 | 105,997 |
| Par Pharmaceutical                 |         |         |
| 7.375% 10/15/20                    | 220,000 | 235,950 |
| Quintiles Transnational 144A       |         |         |
| 4.875% 5/15/23 #                   | 45,000  | 45,787  |
| Sterigenics-Nordion Holdings       |         |         |
| 144A 6.50% 5/15/23 #               | 205,000 | 207,050 |
| Tenet Healthcare                   |         |         |
| 144A 5.00% 3/1/19 #                | 80,000  | 80,100  |
| 8.125% 4/1/22                      | 215,000 | 234,887 |

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

|                                       | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|---------------------------------------|---|----------------------------|
| <b>Corporate Bonds (continued)</b>    |   |                            |
| Healthcare (continued)                |   |                            |
| Valeant Pharmaceuticals International |   |                            |
| 144A 5.875% 5/15/23 #                 | 45,000                                  | \$ 46,744                  |
| 144A 6.125% 4/15/25 #                 | 125,000                                 | 130,313                    |
|                                       |   | 2,516,474                  |
| Insurance 0.56%                       |   |                            |
| HUB International 144A                |   |                            |
| 7.875% 10/1/21 #                      | 215,000                                 | 222,525                    |
| USI 144A 7.75% 1/15/21 #              | 190,000                                 | 194,750                    |
| XLIT 6.50% 12/29/49                   | 175,000                                 | 151,200                    |
|                                       |   | 568,475                    |
| Media 4.85%                           |   |                            |
| Altice                                |   |                            |
| 144A 7.625% 2/15/25 #                 | 200,000                                 | 198,000                    |
| 144A 7.75% 5/15/22 #                  | 210,000                                 | 212,625                    |
| Altice Financing 144A                 |   |                            |
| 6.625% 2/15/23 #                      | 205,000                                 | 212,944                    |
| CCO Holdings 144A                     |   |                            |
| 5.375% 5/1/25 #                       | 75,000                                  | 75,750                     |
| Columbus International 144A           |   |                            |
| 7.375% 3/30/21 #                      | 200,000                                 | 217,500                    |
| CSC Holdings 144A                     |   |                            |
| 5.25% 6/1/24 #                        | 193,000                                 | 189,381                    |
| DISH DBS 5.875% 11/15/24              | 115,000                                 | 115,575                    |
| Gray Television                       |   |                            |
| 7.50% 10/1/20                         | 310,000                                 | 331,700                    |
| iHeartCommunications                  |   |                            |
| 9.00% 12/15/19                        | 35,000                                  | 34,519                     |
| 9.00% 9/15/22                         | 540,000                                 | 510,165                    |
| LIN Television 144A                   |   |                            |
| 5.875% 11/15/22 #                     | 250,000                                 | 256,875                    |
| MDC Partners 144A                     |   |                            |

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|                           |                           |                  |
|---------------------------|---------------------------|------------------|
| 6.75% 4/1/20 #            | 80,000                    | 79,700           |
| Nexstar Broadcasting 144A |                           |                  |
| 6.125% 2/15/22 #          | 200,000                   | 209,500          |
| Numericable-SFR 144A      |                           |                  |
| 6.00% 5/15/22 #           | 210,000                   | 212,625          |
| Outfront Media Capital    |                           |                  |
| 5.875% 3/15/25            | 90,000                    | 95,287           |
| RCN Telecom Services 144A |                           |                  |
| 8.50% 8/15/20 #           | 150,000                   | 160,313          |
| Sinclair Television Group |                           |                  |
| 144A 5.625% 8/1/24 #      | 345,000                   | 350,175          |
| Sirius XM Radio 144A      |                           |                  |
| 5.375% 4/15/25 #          | 230,000                   | 230,920          |
| Unitymedia 144A           |                           |                  |
| 6.125% 1/15/25 #          | 230,000                   | 238,625          |
|                           |                           | <b>Value</b>     |
|                           | <b>Principal</b>          | <b>(U.S. \$)</b> |
|                           | <b>amount<sup>o</sup></b> |                  |

**Corporate Bonds** (continued)

Media (continued)

|                          |         |            |
|--------------------------|---------|------------|
| Univision Communications |         |            |
| 144A 5.125% 5/15/23 #    | 115,000 | \$ 115,863 |
| VTR Finance 144A         |         |            |
| 6.875% 1/15/24 #         | 400,000 | 417,500    |
| WideOpenWest Finance     |         |            |
| 10.25% 7/15/19           | 305,000 | 326,731    |
| 13.375% 10/15/19         | 90,000  | 99,000     |
|                          |         | 4,891,273  |

Services 3.79%

|   |         |         |
|---|---------|---------|
| AECOM                                   |         |         |
| 144A 5.75% 10/15/22 #                   | 80,000  | 83,000  |
| 144A 5.875% 10/15/24 #                  | 115,000 | 119,887 |
| Air Medical Merger Sub 144A             |         |         |
| 6.375% 5/15/23 #                        | 195,000 | 188,663 |
| Algeco Scotsman Global Finance          |         |         |
| 144A 8.50% 10/15/18 #                   | 200,000 | 199,750 |
| 144A 10.75% 10/15/19 #                  | 80,000  | 64,600  |
| Avis Budget Car Rental 144A             |         |         |
| 5.25% 3/15/25 #                         | 240,000 | 236,100 |
| BlueLine Rental Finance 144A            |         |         |
| 7.00% 2/1/19 #                          | 100,000 | 103,750 |
| Boyd Gaming                             |         |         |
| 6.875% 5/15/23                          | 95,000  | 97,137  |
| Caesars Growth Properties Holdings 144A |         |         |
| 9.375% 5/1/22 #                         | 135,000 | 111,037 |
| Communications Sales & Leasing 144A     |         |         |
| 8.25% 10/15/23 #                        | 80,000  | 81,800  |

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|                                      |         |         |
|--------------------------------------|---------|---------|
| Covanta Holding                      |         |         |
| 5.875% 3/1/24                        | 200,000 | 207,000 |
| ESH Hospitality 144A                 |         |         |
| 5.25% 5/1/25 #                       | 110,000 | 111,375 |
| ExamWorks Group                      |         |         |
| 5.625% 4/15/23                       | 195,000 | 200,119 |
| GEO Group                            |         |         |
| 5.125% 4/1/23                        | 80,000  | 82,600  |
| 5.875% 10/15/24                      | 135,000 | 144,113 |
| Lennar 4.75% 5/30/25                 | 150,000 | 147,375 |
| Mattamy Group 144A                   |         |         |
| 6.50% 11/15/20 #                     | 235,000 | 229,125 |
| MGM Resorts International            |         |         |
| 6.00% 3/15/23                        | 295,000 | 307,169 |
| Navios South American Logistics 144A |         |         |
| 7.25% 5/1/22 #                       | 180,000 | 174,825 |
| Omnicare 5.00% 12/1/24               | 45,000  | 50,006  |

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|  | Principal<br>amount <sup>o</sup> | Value<br>(U.S. \$) |
|--|----------------------------------|--------------------|
| <b>Corporate Bonds (continued)</b>                     |                                  |                    |
| Services (continued)                                   |                                  |                    |
| Pinnacle Entertainment                                 |                                  |                    |
| 6.375% 8/1/21  | 70,000                           | \$ 75,075          |
| 7.75% 4/1/22   | 120,000                          | 133,200            |
| Sabre GLOBL 144A                                       |                                  |                    |
| 5.375% 4/15/23 #                                       | 100,000                          | 102,250            |
| United Rentals North America                           |                                  |                    |
| 5.75% 11/15/24   | 285,000                          | 291,056            |
| Vander Intermediate Holding II 144A PIK 9.75% 2/1/19 # | 80,000                           | 81,200             |
| West 144A  |                                  |                    |
| 5.375% 7/15/22 #                                       | 210,000                          | 204,487            |
|  |                                  | 3,826,699          |
| Technology 1.55%                                       |                                  |                    |
| Avaya 144A 7.00% 4/1/19 #                              | 40,000                           | 40,200             |
| Blue Coat Holdings 144A                                |                                  |                    |
| 8.375% 6/1/23 #  | 60,000                           | 60,750             |
| CDW 5.50% 12/1/24                                      | 103,000                          | 108,150            |
| CommScope 144A   |                                  |                    |
| 5.50% 6/15/24 #  | 200,000                          | 200,250            |
| Entegris 144A  |                                  |                    |
| 6.00% 4/1/22 #   | 200,000                          | 210,000            |
| First Data   |                                  |                    |
| 11.25% 1/15/21   | 150,000                          | 168,750            |
| 11.75% 8/15/21   | 272,000                          | 311,780            |
| Infor Software Parent 144A PIK 7.125% 5/1/21 #         | 315,000                          | 321,694            |
| Micron Technology                                      |                                  |                    |
| 144A 5.25% 1/15/24 #                                   | 100,000                          | 99,250             |
| 144A 5.625% 1/15/26 #                                  | 40,000                           | 39,400             |
|  |                                  | 1,560,224          |

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|                          |                           |                  |
|--------------------------|---------------------------|------------------|
| Utilities 2.16%          |                           |                  |
| Abengoa Yield 144A       |                           |                  |
| 7.00% 11/15/19 #         | 200,000                   | 208,500          |
| AES 5.50% 4/15/25        | 190,000                   | 187,625          |
| AES Gener 144A           |                           |                  |
| 8.375% 12/18/73 #        | 200,000                   | 219,500          |
| Altice US Finance 144A   |                           |                  |
| 7.75% 7/15/25 #          | 200,000                   | 196,550          |
| Calpine                  |                           |                  |
| 5.375% 1/15/23           | 320,000                   | 323,200          |
| 5.50% 2/1/24             | 100,000                   | 100,250          |
| DPL 144A 6.75% 10/1/19 # | 170,000                   | 183,600          |
| Dynegy                   |                           |                  |
| 5.875% 6/1/23            | 120,000                   | 120,000          |
| 144A 7.375% 11/1/22 #    | 110,000                   | 117,700          |
| 144A 7.625% 11/1/24 #    | 105,000                   | 113,137          |
|                          |                           | <b>Value</b>     |
|                          | <b>Principal</b>          | <b>(U.S. \$)</b> |
|                          | <b>amount<sup>o</sup></b> |                  |

**Corporate Bonds (continued)**

|                       |         |            |
|-----------------------|---------|------------|
| Utilities (continued) |         |            |
| Enel 144A             |         |            |
| 8.75% 9/24/73 #       | 200,000 | \$ 239,000 |
| GenOn Energy          |         |            |
| 9.875% 10/15/20       | 165,000 | 170,775    |
|                       |         | 2,179,837  |

**Total Corporate Bonds**

(cost \$38,480,648) **38,274,731**

**Senior Secured Loans 2.15%<sup>o</sup>**

|   |         |         |
|---|---------|---------|
| 21st Century Oncology Tranche B 1st Lien    |         |         |
| 6.50% 4/28/22                               | 90,000  | 89,875  |
| Applied Systems 2nd Lien                    |         |         |
| 7.50% 1/23/22                               | 198,017 | 199,378 |
| Atkore International 2nd Lien               |         |         |
| 7.75% 10/9/21                               | 110,000 | 103,675 |
| Avaya Tranche B-3                           |         |         |
| 4.68% 10/26/17                              | 128,513 | 128,235 |
| BJ's Wholesale Club 2nd Lien                |         |         |
| 8.50% 3/31/20                               | 210,000 | 212,669 |
| CD&R Millennium Holdco 6 SARL 2nd Lien      |         |         |
| 8.25% 7/31/22                               | 195,000 | 195,000 |
| Drillship Ocean Ventures Tranche B 1st Lien |         |         |
| 5.50% 7/25/21                               | 55,849  | 50,613  |



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|   |         |         |
|---|---------|---------|
| Flint Group 2nd Lien<br>8.25% 9/7/22                          | 195,000 | 193,294 |
| Green Energy Partners (Stonewall) Tranche B<br>6.50% 11/13/21 | 125,000 | 126,953 |
| iHeartCommunications Tranche D 6.94% 1/30/19                  | 115,000 | 108,038 |
| J. Crew Group Tranche B 1st Lien 4.00% 3/5/21                 | 39,899  | 36,472  |
| Marina District Finance Tranche B 1st Lien<br>6.50% 8/15/18   | 156,900 | 158,623 |
| Moxie Patriot Tranche B1<br>6.75% 12/19/20                    | 100,000 | 100,500 |
| Old HB 1st Lien<br>6.75% 3/20/20                              | 198,000 | 202,455 |
| Panda Liberty Tranche B<br>7.50% 8/21/20                      | 105,000 | 105,263 |
| Rite Aid 2nd Lien<br>5.75% 8/21/20                            | 87,000  | 87,911  |

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

|  | <b>Principal<br/>amount<sup>o</sup></b> | <b>Value<br/>(U.S. \$)</b> |
|--|---|----------------------------|
| <b>Senior Secured Loans</b> « (continued)  |   |                            |
| Solenis International 2nd Lien<br>7.75% 7/31/22  | 75,000                                  | \$ 72,937                  |
| <b>Total Senior Secured Loans</b><br>(cost \$2,171,956)                                |   | <b>2,171,891</b>           |
|  | <b>Number of<br/>shares</b>             |                            |
| <b>Limited Partnership 1.76%</b>   |   |                            |
| Ares Management  | 16,900                                  | 329,381                    |
| Brookfield Infrastructure Partners   | 9,400                                   | 406,550                    |
| CrossAmerica Partners  | 31,200                                  | 1,043,016                  |
| <b>Total Limited Partnership</b><br>(cost \$1,209,823)                                 |   | <b>1,778,947</b>           |
| <b>Preferred Stock 0.41%</b>   |   |                            |
| Ally Financial 144A 7.00% #  | 200                                     | 203,000                    |
| GMAC Capital Trust I<br>8.125%   | 8,000                                   | 208,480                    |
| <b>Total Preferred Stock</b><br>(cost \$404,320)                                       |   | <b>411,480</b>             |
| <b>Warrant 0.00%</b>   |   |                            |
| Wheeler Real Estate Investment Trust strike price \$5.50, expiration date<br>4/29/19 @ | 7,872                                   | 787                        |

|   |  |         |                                     |                       |
|---|--|---------|-------------------------------------|-----------------------|
| <b>Total Warrant</b> (cost \$65)  |  |         |                                     | <b>787</b>            |
|   |  |         | <b>Principal amount<sup>o</sup></b> |                       |
| <b>Short-Term Investments</b> 1.98%   |  |         |                                     |                       |
| Discount Notes 0.71%≠   |  |         |                                     |                       |
| Federal Home Loan Bank  |  |         |                                     |                       |
| 0.05% 6/1/15  |  | 144,259 |                                     | 144,259               |
| 0.065% 6/5/15   |  | 63,870  |                                     | 63,870                |
| 0.075% 6/4/15   |  | 36,609  |                                     | 36,609                |
| 0.075% 6/29/15  |  | 36,609  |                                     | 36,608                |
| 0.08% 7/17/15   |  | 158,315 |                                     | 158,309               |
| 0.08% 7/22/15   |  | 211,087 |                                     | 211,078               |
| 0.095% 7/14/15  |  | 69,556  |                                     | 69,554                |
|   |  |         |                                     | 720,287               |
|   |  |         | <b>Principal amount<sup>o</sup></b> | <b>Value</b>          |
|   |  |         |                                     | <b>(U.S. \$)</b>      |
| <b>Short-Term Investments</b> (continued)   |  |         |                                     |                       |
| Repurchase Agreements 1.27%   |  |         |                                     |                       |
| Bank of America Merrill Lynch   |  |         |                                     |                       |
| 0.04%, dated 5/29/15, to be repurchased on 6/1/15, repurchase price \$453,416 (collateralized by U.S. government obligations 0.50% 1.375% 7/31/16 2/29/20; market value \$462,483)  |  | 453,414 | \$                                  | 453,414               |
| Bank of Montreal  |  |         |                                     |                       |
| 0.08%, dated 5/29/15, to be repurchased on 6/1/15, repurchase price \$377,848 (collateralized by U.S. government obligations 0.00% 9.125% 11/12/15 5/15/45; market value \$385,402) |  | 377,845 |                                     | 377,845               |
| BNP Paribas   |  |         |                                     |                       |
| 0.09%, dated 5/29/15, to be repurchased on 6/1/15, repurchase price \$447,744 (collateralized by U.S. government obligations 0.00% 8.75% 7/23/15 5/15/45; market value \$456,695)   |  | 447,741 |                                     | 447,741               |
|   |  |         |                                     | 1,279,000             |
| <b>Total Short-Term Investments</b><br>(cost \$1,999,252)   |  |         |                                     | <b>1,999,287</b>      |
| <b>Total Value of Securities</b> 139.54%<br>(cost \$115,981,951)  |  |         |                                     | <b>\$ 140,839,110</b> |

- # Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At May 31, 2015, the aggregate value of Rule 144A securities was \$24,069,517, which represents 23.85% of the Fund's net assets. See Note 9 in Notes to financial statements.
- @ Illiquid security. At May 31, 2015, the aggregate value of illiquid securities was \$382,201, which represents 0.38% of the Fund's net assets. See Note 9 in Notes to financial statements.  
100% of the income received was in the form of additional cash.
- = Security is being fair valued in accordance with the Fund's fair valuation policy. At May 31, 2015, the aggregate value of fair valued securities was \$35,265, which represents 0.03% of the Fund's net assets. See Note 1 in Notes to financial statements.
- ≠ The rate shown is the effective yield at the time of purchase.

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- Principal amount shown is stated in U.S. dollars unless noted that the security is denominated in another currency.
- Non-income-producing security.
- Variable rate security. The rate shown is the rate as of May 31, 2015. Interest rates reset periodically.
- « Senior secured loans generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates are generally: (i) the prime rate offered by one or more U.S. banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate (LIBOR), and (iii) the certificate of deposit rate. Senior secured loans may be subject to restrictions on resale. Stated rate in effect at May 31, 2015.
- f Step coupon bond. Coupon increases or decreases periodically based on a predetermined schedule. Stated rate in effect at May 31, 2015.

**Unfunded Commitments**

The Fund may invest in floating-rate loans. In connection with these investments, the Fund may also enter into unfunded corporate loan commitments (commitments). Commitments may obligate the Fund to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Fund earns a commitment fee, typically set as a percentage of the commitment amount. The following unfunded loan commitments were outstanding at May 31, 2015:

| Borrower                      | Unfunded<br>Amount | Cost      | Value                   | Unrealized<br>Appreciation<br>(Depreciation) |
|-------------------------------|--------------------|-----------|-------------------------|--|
| Informatica Bridge Loan       | \$195,000          | \$195,000 | \$195,000               | \$   |
| SS&C Technologies Bridge Loan | 200,000            | 200,000   | <u>200,000</u>          | -  |
| <b>Total</b>                  |                    |           | <b><u>\$395,000</u></b> | <b>\$</b>                                    |

**Summary of abbreviations:**

HSBC Hong Kong Shanghai Bank

PIK Pay-in-kind

REIT Real Estate Investment Trust

See accompanying notes, which are an integral part of the financial statements.



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Statement of assets and liabilities

**Delaware Investments® Dividend and Income Fund, Inc.**

May 31, 2015 (Unaudited)

**Assets:**

|   |                    |
|---|--------------------|
| Investments, at value <sup>1</sup>            | \$ 138,839,823     |
| Short-term investments, at value <sup>2</sup> | 1,999,287          |
| Foreign currencies, at value <sup>3</sup>     | 30,382             |
| Dividends and interest receivable             | 986,577            |
| Receivable for securities sold                | 436,326            |
| <b>Total assets</b>                           | <b>142,292,395</b> |

**Liabilities:**

|                                      |                   |
|--------------------------------------|-------------------|
| Borrowing under line of credit       | 40,000,000        |
| Payable for securities purchased     | 745,875           |
| Cash overdraft                       | 400,228           |
| Other accrued expenses               | 102,516           |
| Investment management fees payable   | 65,692            |
| Interest expense payable on leverage | 39,889            |
| Other affiliates payable             | 2,885             |
| Directors' fees and expenses payable | 705               |
| <b>Total liabilities</b>             | <b>41,357,790</b> |

**Total Net Assets** **\$ 100,934,605**

**Net Assets Consist of:**

|   |               |
|---|---------------|
| Common stock, \$0.01 par value, 500,000,000 shares authorized to the Fund | \$ 82,391,665 |
| Distributions in excess of net investment income                          | (992,247)     |
| Accumulated net realized loss on investments                              | (5,320,067)   |
| Net unrealized appreciation of investments and foreign currencies         | 24,855,254    |

**Total Net Assets** **\$ 100,934,605**

**Net Asset Value****Common Shares**

|   |                |
|---|----------------|
| Net assets                                | \$ 100,934,605 |
| Shares of beneficial interest outstanding | 8,967,091      |

|  |                |
|--|----------------|
| Net asset value per share                    | \$ 11.26       |
| <hr/>  |                |
| <sup>1</sup> Investments, at cost            | \$ 113,982,699 |
| <sup>2</sup> Short-term investments, at cost | 1,999,252      |
| <sup>3</sup> Foreign currencies, at cost     | 32,287         |

See accompanying notes, which are an integral part of the financial statements.



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Statement of operations

**Delaware Investments® Dividend and Income Fund, Inc.**

Six months ended May 31, 2015 (Unaudited)

**Investment Income:**

|                           |              |
|---------------------------|--------------|
| Interest                  | \$ 1,918,757 |
| Dividends                 | 1,102,669    |
| Securities lending income | 16,910       |
| Foreign tax withheld      | (1,247)      |
|                           | 3,037,089    |

**Expenses:**

|  |         |
|--|---------|
| Management fees  | 383,573 |
| Interest expense   | 214,300 |
| Reports and statements to shareholders                   | 47,476  |
| Dividend disbursing and transfer agent fees and expenses | 36,322  |
| Accounting and administration expenses                   | 22,206  |
| Audit and tax  | 18,996  |
| Legal fees   | 17,297  |
| Custodian fees   | 4,895   |
| Directors' fees and expenses                             | 2,421   |
| Registration fees  | 380     |
| Other expenses   | 31,917  |
| Total operating expenses                                 | 779,783 |

**Net Investment Income** 2,257,306**Net Realized and Unrealized Gain (Loss):**

|                                     |           |
|-------------------------------------|-----------|
| Net realized gain (loss) on:        |           |
| Investments                         | 1,522,567 |
| Foreign currencies                  | (953)     |
| Foreign currency exchange contracts | 8         |
| Net realized gain                   | 1,521,622 |

**Net change in unrealized appreciation (depreciation) of:**

|                    |        |
|--------------------|--------|
| Investments        | 92,011 |
| Foreign currencies | (977)  |

|   |                     |
|---|---------------------|
| Net change in unrealized appreciation (depreciation)        | 91,034              |
| <b>Net Realized and Unrealized Gain</b>                     | <b>1,612,656</b>    |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 3,869,962</b> |

See accompanying notes, which are an integral part of the financial statements.

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Statements of changes in net assets

**Delaware Investments® Dividend and Income Fund, Inc.**

|   | <b>Six months<br/>ended<br/>5/31/15<br/>(Unaudited)</b> | <b>Year ended<br/>11/30/14</b> |
|---|---|--------------------------------|
| <b>Increase in Net Assets from Operations:</b>                        |   |                                |
| Net investment income   | \$ 2,257,306  | \$ 4,058,519                   |
| Net realized gain   | 1,521,622   | 7,702,092                      |
| Net change in unrealized appreciation (depreciation)                  | 91,034  | 1,282,469                      |
| <b>Net increase in net assets resulting from operations</b>           | <b>3,869,962</b>  | <b>13,043,080</b>              |
| <b>Dividends and Distributions to Shareholders from:</b>              |   |                                |
| Net investment income   | (2,824,633)   | (5,822,709)                    |
|   | (2,824,633)   | (5,822,709)                    |
| <b>Capital Share Transactions:</b>                                    |   |                                |
| Cost of shares repurchased <sup>1</sup>                               |   | (5,205,631)                    |
| <b>Decrease in net assets derived from capital share transactions</b> |   | <b>(5,205,631)</b>             |
| <b>Net Increase in Net Assets</b>                                     | <b>1,045,329</b>  | <b>2,014,740</b>               |
| <b>Net Assets:</b>  |   |                                |
| Beginning of period   | 99,889,276  | 97,874,536                     |
| <b>End of period</b>  | <b>\$ 100,934,605</b>                                   | <b>\$ 99,889,276</b>           |
| Distributions in excess of net investment income                      | \$ (992,247)  | \$ (424,920)                   |

<sup>1</sup>See Note 4 in Notes to financial statements.

See accompanying notes, which are an integral part of the financial statements.

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Statement of cash flows

**Delaware Investments® Dividend and Income Fund, Inc.**

Six months ended May 31, 2015 (Unaudited)

**Net Cash (including Foreign Currency) Provided by (Used for) Operating Activities:**

|  |              |
|--|--------------|
| Net increase in net assets resulting from operations | \$ 3,869,962 |
|--|--------------|

**Adjustments to reconcile net decrease in net assets from operations to cash provided by (used for) operating activities:**

|   |              |
|---|--------------|
| Amortization of premium and accretion of discount on investments, net       | (346,141)    |
| Purchase of investment securities   | (31,368,928) |
| Proceeds from disposition of investment securities                          | 29,114,988   |
| Proceeds from disposition of short-term investment securities, net          | 2,681,792    |
| Net realized gain on investments  | (1,390,684)  |
| Net change in unrealized appreciation (depreciation)                        | (91,034)     |
| Decrease in receivable for securities sold                                  | 110,841      |
| Increase in dividends and interest and securities lending income receivable | (15,128)     |
| Decrease in payable for securities purchased                                | (162,500)    |
| Decrease in securities lending collateral                                   | (5,588,206)  |
| Increase in interest expense payable on leverage                            | 2,200        |
| Increase in investment management fees payable                              | 2,435        |
| Increase in Directors' fees and expenses payable                            | 131          |
| Decrease in other affiliates payable  | (278)        |
| Decrease in other accrued expenses  | (51,417)     |

|                          |                    |
|--------------------------|--------------------|
| <b>Total adjustments</b> | <b>(7,101,929)</b> |
|--------------------------|--------------------|

|   |             |
|---|-------------|
| Net cash provided by operating activities | (3,231,967) |
|---|-------------|

**Cash Flows Provided by (Used for) Financing Activities:**

|  |             |
|--|-------------|
| Cash dividends and distributions paid to shareholders          | (2,824,633) |
| Decrease in obligation to return securities lending collateral | 5,588,206   |

|  |           |
|--|-----------|
| Net cash used for financing activities | 2,763,573 |
|--|-----------|

|                                  |       |
|----------------------------------|-------|
| Effect of exchange rates on cash | (977) |
|----------------------------------|-------|

|                              |           |
|------------------------------|-----------|
| Net decrease in cash         | (469,371) |
| Cash at beginning of period* | 99,525    |

Cash at end of period\* \$ (369,846)

Cash paid for interest expense on leverage \$ 212,100

\*Includes foreign currencies, at value as shown on the Statement of assets and liabilities.

See accompanying notes, which are an integral part of the financial statements.

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Financial highlights

**Delaware Investments® Dividend and Income Fund, Inc.**

Selected data for each share of the Fund outstanding throughout each period were as follows:

|  | Six<br>months<br>ended<br>5/31/15 <sup>1</sup><br>(Unaudited) | 11/30/14         | 11/30/13         | Year ended      |                 |                 |
|--|---|------------------|------------------|-----------------|-----------------|-----------------|
|  |   |                  |                  | 11/30/12        | 11/30/11        | 11/30/10        |
| <b>Net asset value, beginning of period</b>            | \$ 11.140   | \$ 10.370        | \$ 8.660         | \$ 7.670        | \$ 7.680        | \$ 7.040        |
| <b>Income from investment operations:</b>              |   |                  |                  |                 |                 |                 |
| Net investment income <sup>2</sup>                     | 0.252   | 0.439            | 0.437            | 0.439           | 0.432           | 0.423           |
| Net realized and unrealized gain                       | 0.183   | 0.961            | 1.903            | 1.226           | 0.248           | 0.907           |
| <b>Total from investment operations</b>                | <b>0.435</b>  | <b>1.400</b>     | <b>2.340</b>     | <b>1.665</b>    | <b>0.680</b>    | <b>1.330</b>    |
| <b>Less dividends and distributions from:</b>          |   |                  |                  |                 |                 |                 |
| Net investment income                                  | (0.315)   | (0.630)          | (0.630)          | (0.581)         | (0.690)         | (0.690)         |
| Return of capital                                      |   |                  |                  | (0.094)         |                 |                 |
| <b>Total dividends and distributions</b>               | <b>(0.315)</b>  | <b>(0.630)</b>   | <b>(0.630)</b>   | <b>(0.675)</b>  | <b>(0.690)</b>  | <b>(0.690)</b>  |
| <b>Net asset value, end of period</b>                  | <b>\$ 11.260</b>  | <b>\$ 11.140</b> | <b>\$ 10.370</b> | <b>\$ 8.660</b> | <b>\$ 7.670</b> | <b>\$ 7.680</b> |
| <b>Market value, end of period</b>                     | <b>\$ 10.320</b>  | <b>\$ 10.050</b> | <b>\$ 9.410</b>  | <b>\$ 7.920</b> | <b>\$ 6.890</b> | <b>\$ 7.560</b> |
| <b>Total return based on<sup>3</sup>:</b>              |   |                  |                  |                 |                 |                 |
| Net asset value  | 4.28%   | 14.51%           | 28.51%           | 22.88%          | 9.30%           | 19.61%          |
| Market value   | 5.94%   | 13.85%           | 27.51%           | 25.10%          | (0.26%)         | 25.59%          |
| <b>Ratios and supplemental data:</b>                   |   |                  |                  |                 |                 |                 |
| Net assets, end of period (000 omitted)                | \$ 100,935  | \$ 99,889        | \$ 97,875        | \$ 81,723       | \$ 72,386       | \$ 72,470       |
| Ratio of expenses to average net assets <sup>4,5</sup> | 1.57%   | 1.55%            | 1.43%            | 1.60%           | 1.51%           | 1.65%           |
| Ratio of net investment income to                      | 4.53%   | 4.06%            | 4.51%            | 5.26%           | 5.35%           | 5.75%           |

average net assets<sup>6</sup>

|                    |     |     |     |     |     |     |
|--------------------|-----|-----|-----|-----|-----|-----|
| Portfolio turnover | 26% | 48% | 45% | 39% | 45% | 62% |
|--------------------|-----|-----|-----|-----|-----|-----|

**Leverage analysis:**

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Debt outstanding at end of period at par (000 omitted)          | \$ 40,000 | \$ 40,000 | \$ 28,225 | \$ 28,225 | \$ 20,225 | \$ 20,225 |
| Asset coverage per \$1,000 of debt outstanding at end of period | \$ 3,523  | \$ 3,497  | \$ 4,468  | \$ 3,895  | \$ 4,579  | \$ 4,583  |

<sup>1</sup> Ratios have been annualized and total return and portfolio turnover have not been annualized.

<sup>2</sup> The average shares outstanding method has been applied for per share information.

<sup>3</sup> Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

<sup>4</sup> The ratio of interest expense to adjusted average net assets (excluding debt outstanding) for the six months ended May 31, 2015, and the years ended Nov. 30, 2014, 2013, 2012, 2011, and 2010 were 0.31%, 0.26%, 0.26%, 0.36%, 0.28%, and 0.33%, respectively.

<sup>5</sup> The ratio of expenses before interest expense to adjusted average net assets (excluding debt outstanding) for the six months ended May 31, 2015, and the years ended Nov. 30, 2014, 2013, 2012, 2011, and 2010 were 0.81%, 0.90%, 0.84%, 0.85%, 0.91%, and 0.95%, respectively.

<sup>6</sup> The ratio of net investment income to adjusted average net assets (excluding debt outstanding) for the six months ended May 31, 2015, and the years ended Nov. 30, 2014, 2013, 2012, 2011, and 2010 were 3.24%, 3.05%, 3.44%, 3.97%, 4.23%, and 4.45%, respectively.

See accompanying notes, which are an integral part of the financial statements.

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Notes to financial statements

### **Delaware Investments® Dividend and Income Fund, Inc.**

May 31, 2015 (Unaudited)

Delaware Investments Dividend and Income Fund, Inc. (Fund) is organized as a Maryland corporation and is a diversified closed-end management investment company under the Investment Company Act of 1940, as amended. The Fund's shares trade on the New York Stock Exchange (NYSE) under the symbol DDF.

The investment objective of the Fund is to seek high current income. Capital appreciation is a secondary objective.

#### **1. Significant Accounting Policies**

The following accounting policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and are consistently followed by the Fund.

**Security Valuation** Equity securities and exchange-traded funds (ETFs), except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the NYSE on the valuation date. Securities and ETFs traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last sales price. If, on a particular day, an equity security or ETF does not trade, the mean between the bid and ask prices will be used, which approximates fair value. Securities listed on a foreign exchange are normally valued at the last quoted sales price on the valuation date. U.S. government and agency securities are valued at the mean between the bid and ask prices, which approximates fair value. Other debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. Open-end investment company securities are valued at net asset value per share, as reported by the underlying investment company. Foreign currency exchange contracts and foreign cross currency exchange contracts are valued at the mean between the bid and ask prices, which approximates fair value. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Trustees (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The Fund may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities, generally as of 4:00 p.m. Eastern time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading, or news events may have occurred in the interim. Whenever such a significant event occurs, the Fund may value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing).

**Federal and Foreign Income Taxes** No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates



tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken for all open federal income tax years (Nov. 30, 2011 - Nov. 30, 2014), and has concluded that no provision for federal income tax is required in the Fund's financial statements. In regard to foreign taxes only, the Fund has open tax years in certain foreign countries in which it invests that may date back to the inception of the Fund.

**Repurchase Agreements** The Fund may purchase certain U.S. government securities subject to the counterparty's agreement to repurchase them at an agreed upon date and price. The counterparty will be required on a daily basis to maintain the value of the collateral subject to the agreement at not less than the repurchase price (including accrued interest). The agreements are conditioned upon the collateral being deposited under the Federal Reserve book-entry system with the Fund's custodian or a third-party sub-custodian. In the event of default or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings. All open repurchase agreements as of the date of this report were entered into on May 29, 2015.

**Distributions** The Fund has implemented a managed distribution policy. Under the policy, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come from long-term capital gains to the extent permitted, and if necessary, a return of capital. Even though the Fund may realize current year capital gains, such gains may be offset, in whole or in part, by the Fund's capital loss carryovers from prior years. For federal income tax purposes, the

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

**1. Significant Accounting Policies (continued)**

effect of such capital loss carryovers may be to convert (to the extent of such current year gains) what would otherwise be non-taxable returns of capital into distributions taxable as ordinary income. The use of such capital loss carryovers in this circumstance will produce no tax benefit for shareholders, and the capital loss carryovers available to offset future capital gains of the Fund will be reduced. Under the Regulated Investment Company Modernization Act of 2010 (Act), this tax effect attributable to the Fund's capital loss carryovers (the conversion of returns of capital into distributions taxable as ordinary income) no longer applies to net capital losses of the Fund arising in Fund tax years beginning after Nov. 30, 2011. The actual determination of the source of the Fund's distributions can be made only at year end. Shareholders should receive written notification regarding the actual components and tax treatments of all Fund distributions for the calendar year 2015 in early 2016.

**Foreign Currency Transactions** Transactions denominated in foreign currencies are recorded at the prevailing exchange rates on the valuation date in accordance with the Fund's prospectus. The value of all assets and liabilities denominated in foreign currencies is translated daily into U.S. dollars at the exchange rate of such currencies against the U.S. dollar. Transaction gains or losses resulting from changes in exchange rates during the reporting period or upon settlement of the foreign currency transaction are reported in operations for the current period. The Fund generally bifurcates that portion of realized gains and losses on investments in debt securities which is due to changes in foreign exchange rates from that which is due to changes in market prices of debt securities. That portion of gains (losses) is included on the Statement of operations under Net realized gain (loss) on foreign currencies. For foreign equity securities, these changes are included on the Statement of operations under Net realized and unrealized gain (loss) on investments. The Fund reports certain foreign currency related transactions as components of realized gains (losses) for financial reporting purposes, whereas such components are treated as ordinary income (loss) for federal income tax purposes.

**Use of Estimates** The Fund is an investment company in conformity with U.S. GAAP. Therefore, the Fund follows the accounting and reporting guidelines for investment companies. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of investments, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

**Other** Expenses directly attributable to the Fund are charged directly to the Fund. Other expenses common to various funds within the Delaware Investments Family of Funds are generally allocated among such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Discounts and premiums on debt securities are accreted or amortized to interest income, respectively over the lives of the respective securities using the effective interest method. Distributions received from investments in Real Estate Investment Trusts (REITs)

are recorded as dividend income on the ex-dividend date, subject to reclassification upon notice of the character of such distributions by the issuer. Foreign dividends are also recorded on the ex-dividend date or as soon after the ex-dividend date that the Fund is aware of such dividends, net of all tax withholdings, a portion of which may be reclaimable. Withholding taxes and reclaims on foreign dividends have been recorded in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Subject to seeking best execution, the Fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the Fund in cash. In general, best execution refers to many factors, including the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order, and other factors affecting the overall benefit obtained by the Fund on the transaction. There were no commission rebates for the six months ended May 31, 2015. Delaware Management Company (DMC), a series of Delaware Management Business Trust, and its affiliates have previously acted and may in the future act as an investment advisor to mutual funds or separate accounts affiliated with the administrator of the commission recapture program described above. In addition, affiliates of the administrator act as consultants in helping institutional clients choose investment advisors and may also participate in other types of business and provide other services in the investment management industry.

The Fund may receive earnings credits from its custodian when positive cash balances are maintained, which may be used to offset custody fees. There were no such earnings credits for the six months ended May 31, 2015.

**Table of Contents****2. Investment Management, Administration Agreements, and Other Transactions with Affiliates**

In accordance with the terms of its investment management agreement, the Fund pays DMC and the investment manager, an annual fee of 0.55% of the adjusted average weekly net assets of the Fund. For purposes of the calculation of investment management fees, adjusted average weekly net assets exclude the line of credit liability.

Delaware Investments Fund Services Company (DIFSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Fund. For these services, DIFSC fees are calculated based on the aggregate daily net assets (excluding the line of credit liability) of the Delaware Investments® Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$50 billion. The fees payable to DIFSC under the service agreement described above are allocated among all Funds in the Delaware Investments Family of Funds on a relative net asset value basis. For the six months ended May 31, 2015, the Fund was charged \$3,296 for these services. This amount is included on the Statement of operations under Accounting and administration expenses.

As provided in the investment management agreement, the Fund bears a portion of cost of resources shared with DMC, including the cost of internal personnel of DMC and/or its affiliates that provide legal, tax, and regulatory reporting services to the Fund. For the six months ended May 31, 2015, the Fund was charged \$9,098 for internal legal, tax, and regulatory reporting services provided by DMC and/or its affiliates employees. This amount is included on the Statement of operations under Legal fees.

Directors fees include expenses accrued by the Fund for each Director s retainer and meeting fees. Certain officers of DMC and DIFSC are officers and/or Directors of the Fund. These officers and Directors are paid no compensation by the Fund.

**3. Investments**

For the six months ended May 31, 2015, the Fund made purchases and sales of investment securities other than short-term investments as follows:

|           |               |
|-----------|---------------|
| Purchases | \$ 31,368,928 |
| Sales     | 29,114,988    |

At May 31, 2015, the cost of investments for federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At May 31, 2015, the cost of investments and unrealized appreciation (depreciation) were as follows:

|                                   |                |
|-----------------------------------|----------------|
| Cost of investments               | \$ 115,675,910 |
| Aggregate unrealized appreciation | \$ 27,582,963  |
| Aggregate unrealized depreciation | (2,419,763)    |
| Net unrealized appreciation       | \$ 25,163,200  |

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at Nov. 30, 2014 will expire as follows: \$6,704,656 expires in 2017.

On Dec. 22, 2010, the Act was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes were generally effective for taxable years beginning after the date of enactment. Under the Act, the Fund is permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation. At Nov. 30, 2014, there were no capital loss carryforwards incurred that will be carried forward under the Act.

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three-level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-level hierarchy of inputs is summarized below.

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Delaware Investments® Dividend and Income Fund, Inc.

**3. Investments (continued)**

Level 1 Inputs are quoted prices in active markets for identical investments. (Examples: equity securities, open-end investment companies, futures contracts, exchange-traded options contracts)

Level 2 Other observable inputs, including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs. (Examples: debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities)

Level 3 Significant unobservable inputs, including the Fund's own assumptions used to determine the fair value of investments. (Examples: broker-quoted securities, fair valued securities)

Level 3 investments are valued using significant unobservable inputs. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Valuations may also be based upon current market prices of securities that are comparable in coupon, rating, maturity, and industry. The derived value of a Level 3 investment may not represent the value which is received upon disposition and this could impact the results of operations.

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The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of May 31, 2015:

|  | Level 1              | Level 2              | Level 3          | Total                 |
|--|----------------------|----------------------|------------------|-----------------------|
| Common Stock                             |                      |                      |                  |                       |
| Consumer Discretionary                   | 4,543,312            |                      |                  | 4,543,312             |
| Consumer Staples                         | 8,786,178            |                      |                  | 8,786,178             |
| Diversified REITs                        | 1,503,690            |                      |                  | 1,503,690             |
| Energy                                   | 9,367,030            |                      |                  | 9,367,030             |
| Financials                               | 9,064,571            |                      |                  | 9,064,571             |
| Healthcare                               | 13,142,879           |                      |                  | 13,142,879            |
| Healthcare REITs                         | 890,955              |                      |                  | 890,955               |
| Hotel REITs                              | 1,118,248            |                      |                  | 1,118,248             |
| Industrial REITs                         | 814,864              |                      |                  | 814,864               |
| Industrials                              | 6,591,000            |                      |                  | 6,591,000             |
| Information Technology                   | 11,335,173           |                      |                  | 11,335,173            |
| Mall REITs                               | 1,885,542            |                      |                  | 1,885,542             |
| Materials                                | 2,087,694            | 233,644              |                  | 2,321,338             |
| Mixed REITs                              | 305,641              |                      |                  | 305,641               |
| Mortgage REIT                            | 291,458              |                      |                  | 291,458               |
| Multifamily REITs                        | 1,591,792            |                      |                  | 1,591,792             |
| Office REITs                             | 2,193,219            | 272,629              |                  | 2,465,848             |
| Self-Storage REITs                       | 646,123              |                      |                  | 646,123               |
| Shopping Center REITs                    | 1,889,068            |                      |                  | 1,889,068             |
| Single Tenant REIT                       | 224,432              |                      |                  | 224,432               |
| Specialty REITs                          | 396,928              |                      |                  | 396,928               |
| Telecommunications                       | 4,246,540            |                      |                  | 4,246,540             |
| Utilities                                | 2,408,444            |                      |                  | 2,408,444             |
| Convertible Preferred Stock <sup>1</sup> | 2,043,579            | 185,074              | 35,265           | 2,263,918             |
| Corporate Debt                           |                      | 46,381,746           |                  | 46,381,746            |
| Senior Secured Loans                     |                      | 2,171,891            |                  | 2,171,891             |
| Limited Partnership                      | 1,778,947            |                      |                  | 1,778,947             |
| Preferred Stock <sup>1</sup>             | 208,480              | 203,000              |                  | 411,480               |
| Warrant                                  | 787                  |                      |                  | 787                   |
| Short-Term Investments                   |                      | 1,999,287            |                  | 1,999,287             |
| <b>Total</b>                             | <b>\$ 89,356,574</b> | <b>\$ 51,447,271</b> | <b>\$ 35,265</b> | <b>\$ 140,839,110</b> |

The securities that have been deemed worthless on the Schedule of investments are considered to be Level 3 securities in this table.

<sup>1</sup>Security type is valued across multiple levels. Level 1 investments represent exchange-traded investments, Level 2 investments represent investments with observable inputs or matrix-price investments, and Level 3 investments represent investments without observable inputs. The amounts attributed to Level 1 investments, Level 2 investments, and Level 3 investments represent the following percentages of the total market value of these security types:

|                             | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|-----------------------------|----------------|----------------|----------------|--------------|
| Convertible Preferred Stock | 90.27%         | 8.17%          | 1.56%          | 100.00%      |
| Preferred Stock             | 50.67%         | 49.33%         |                | 100.00%      |

During the six months ended May 31, 2015, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a significant impact to the Fund. This does not include transfers between Level 1 investments and Level 2 investments due to the Fund utilizing international fair value pricing during the period. In accordance with the fair valuation procedures described in Note 1, international fair value pricing of securities in the Fund occurs when market volatility exceeds an established rolling threshold. If the threshold is exceeded on a given date, then prices of international securities (those that traded on exchanges that close at a different time than the time that the Fund's net asset value is determined) are established using a separate pricing feed from a third party vendor designed to establish a price for each such

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

### **3. Investments (continued)**

security as of the time that the Fund's net asset value is determined. Further, international fair value pricing uses other observable market-based inputs in place of the closing exchange price due to the events occurring after the close of the exchange or market on which the investment is principally traded, causing a change in classification between levels. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period.

A reconciliation of Level 3 investments is presented when the Fund has a significant amount of Level 3 investments at the beginning, interim, or end of the period in relation to the Fund's net assets. Management has determined not to provide additional disclosure on Level 3 inputs since the Level 3 investments are not considered significant to the Fund's net assets at the end of the period.

### **4. Capital Stock**

Shares obtained under the Fund's dividend reinvestment plan are purchased by the Fund's transfer agent, Computershare, Inc., in the open market. There were no shares issued under the Fund's dividend reinvestment plan for the six months ended May 31, 2015 and the year ended Nov. 30, 2014.

On May 22, 2014, the Fund's Board approved a tender offer for shares of the Fund's common stock. The tender offer authorized the Fund to purchase up to 5% of its issued and outstanding shares at a price equal to 98% of the Fund's net asset value at the close of business on the NYSE on July 2, 2014, the first business day following the expiration of the offer. The tender offer commenced on June 2, 2014, and expired on June 27, 2014.

In connection with the tender offer, the Fund purchased 471,952 shares of capital stock at a total cost of \$5,205,631. The tender offer was oversubscribed and all tenders of shares were subject to pro-ration (at a ratio of approximately 31.8804%) in accordance with the terms of the tender offer.

The Fund did not repurchase shares under the Share Repurchase Program during the six months ended May 31, 2015 and the year ended Nov. 30, 2014.

### **5. Line of Credit**

For the six months ended May 31, 2015, the Fund borrowed a portion of the money available to it pursuant to a \$40,000,000 Credit Agreement with The Bank of New York Mellon (BNY Mellon) that was scheduled to expire on June 24, 2015. Effective June 19, 2015, the Fund entered into a new Credit Agreement that is scheduled to terminate on June 17, 2016. The terms of the new Credit Agreement are substantially the same as the terms in the expiring agreement. Depending on market conditions, the amount borrowed by the Fund pursuant to the Credit Agreement may be reduced or possibly increased in the future.

At May 31, 2015, the par value of loans outstanding was \$40,000,000, at a variable interest rate of 1.03%. During the six months ended May 31, 2015, the average daily balance of loans outstanding was \$40,000,000, at a weighted average interest rate of approximately 1.06%. Interest on borrowing is based on a variable short-term rate plus an applicable margin. The commitment fee under both the new and expiring Credit Agreements is computed at a rate of 0.10% per annum on the unused balance. The loan is collateralized by the Fund's portfolio.

## **6. Derivatives**

U.S. GAAP requires disclosures that enable investors to understand: (1) how and why an entity uses derivatives; (2) how they are accounted for; and (3) how they affect an entity's results of operations and financial position.

**Foreign Currency Exchange Contracts** The Fund may enter into foreign currency exchange contracts and foreign cross currency exchange contracts as a way of managing foreign exchange rate risk. The Fund may enter into these contracts to fix the U.S. dollar value of a security that it has agreed to buy or sell for the period between the date the trade was entered into and the date the security is delivered and paid for. The Fund may also use these contracts to hedge the U.S. dollar value of securities it already owns that are denominated in foreign currencies. In addition, the Fund may enter into these contracts to facilitate or expedite the settlement of portfolio transactions. The change in value is recorded as an unrealized gain or loss. When the contract is closed, a realized gain or loss is recorded equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

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The use of foreign currency exchange contracts and foreign cross currency exchange contracts does not eliminate fluctuations in the underlying prices of the securities, but does establish a rate of exchange that can be achieved in the future. Although foreign currency exchange contracts and foreign cross currency exchange contracts limit the risk of loss due to an unfavorable change in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency change favorably. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. The Fund's maximum risk of loss from counterparty credit risk is the value of its currency exchanged with the counterparty. The risk is generally mitigated by having a netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty. No foreign currency exchange contracts were outstanding at May 31, 2015.

During the six months ended May 31, 2015, the Fund used foreign currency exchange contracts to hedge the U.S. dollar value of securities it already owned that were denominated in foreign currencies.

**Derivatives Generally.** The table below summarizes the average balance of derivative holdings by the Fund during the six months ended May 31, 2015.

|  | <b>Long<br/>Derivatives<br/>Volume</b> | <b>Short<br/>Derivatives<br/>Volume</b> |
|--|--|---|
| Foreign currency exchange contracts (average cost) | USD                                    | USD 53                                  |

**7. Offsetting**

In December 2011, the Financial Accounting Standards Board (FASB) issued guidance that expanded disclosure requirements on the offsetting of certain assets and liabilities. The disclosures are required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset on the Statement of assets and liabilities and require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarified which investments and transactions are subject to the offsetting disclosure requirements. The scope of the disclosure requirements for offsetting is limited to derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing. The guidance is effective for financial statements with fiscal years beginning on or after Jan. 1, 2013, and interim periods within those fiscal years.

In order to better define its contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund entered into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) or a similar agreement with certain of its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs certain over-the-counter (OTC) derivatives and foreign exchange contracts and typically contains, among other things, collateral posting items and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments payables and/or receivables

with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default (close-out), including the bankruptcy or insolvency of the counterparty. However, bankruptcy, or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency, or other events.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements on the Statement of assets and liabilities.

At May 31, 2015, the Fund had the following assets and liabilities subject to offsetting provisions:

**Master Repurchase Agreements**

|                               | <b>Fair Value of</b>         |   |                                     |                                 |
|-------------------------------|------------------------------|---|-------------------------------------|---------------------------------|
|                               | <b>Repurchase Agreements</b> | <b>Non-Cash<br/>Collateral Received</b> | <b>Cash Collateral<br/>Received</b> | <b>Net Amount<sup>(a)</sup></b> |
| Bank of America Merrill Lynch | \$ 453,414                   | \$ (453,414)                            | \$                                  | \$                              |
| Bank of Montreal              | 377,845                      | (377,845)                               |                                     |                                 |
| BNP Paribas                   | <u>447,741</u>               | <u>(447,741)</u>                        | -                                   | -                               |
| Total                         | <u>\$1,279,000</u>           | <u>\$(1,279,000)</u>                    | <u>\$</u>                           | <u>\$</u>                       |

<sup>(a)</sup>Net amount represents the receivable/(payable) that would be due from/(to) the counterparty in the event of default.

(continues)

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

### **8. Securities Lending**

The Fund, along with other funds in the Delaware Investments Family of Funds, may lend its securities pursuant to a security lending agreement (Lending Agreement) with BNY Mellon. At the time a security is loaned, the borrower must post collateral equal to the required percentage of the market value of the loaned security, including any accrued interest. The required percentage is: (1) 102% with respect to U.S. securities and foreign securities that are denominated and payable in U.S. dollars; and (2) 105% with respect to foreign securities. With respect to each loan, if on any business day the aggregate market value of securities collateral plus cash collateral held is less than the aggregate market value of the securities which are the subject of such loan, the borrower will be notified to provide additional collateral by the end of the following business day which, together with the collateral already held, will be not less than the applicable initial collateral requirements for such security loan. If the aggregate market value of securities collateral and cash collateral held with respect to a security loan exceeds the applicable initial collateral requirement, upon request of the borrower, BNY Mellon must return enough collateral to the borrower by the end of the following business day to reduce the value of the remaining collateral to the applicable initial collateral requirement for such security loan. As a result of the foregoing, the value of the collateral held with respect to a loaned security on any particular day may be more or less than the value of the security on loan.

Cash collateral received is generally invested in the Delaware Investments Collateral Fund No. 1 (Collective Trust) established by BNY Mellon for the purpose of investment on behalf of funds managed by DMC that participate in BNY Mellon's securities lending program. The Collective Trust may invest in U.S. government securities and high-quality corporate debt, asset-backed and other money market securities, and in repurchase agreements collateralized by such securities, provided that the Collective Trust will generally have a dollar-weighted average portfolio maturity of 60 days or less. The Fund can also accept U.S. government securities and letters of credit (non-cash collateral) in connection with securities loans. In the event of default or bankruptcy by the lending agent, realization and/or retention of the collateral may be subject to legal proceedings. In the event the borrower fails to return loaned securities and the collateral received is insufficient to cover the value of the loaned securities and provided such collateral shortfall is not the result of investment losses, the lending agent has agreed to pay the amount of the shortfall to the Fund or, at the discretion of the lending agent, replace the loaned securities. The Fund continues to record dividends or interest, as applicable, on the securities loaned and is subject to changes in value of the securities loaned that may occur during the term of the loan. The Fund has the right under the Lending Agreement to recover the securities from the borrower on demand. With respect to security loans collateralized by non-cash collateral, the Fund receives loan premiums paid by the borrower. With respect to security loans collateralized by cash collateral, the earnings from the collateral investments are shared among the Fund, the security lending agent and the borrower. The Fund records security lending income net of allocations to the security lending agent and the borrower.

The Collective Trust used for the investment of cash collateral received from borrowers of securities seeks to maintain a net asset value per unit of \$1.00, but there can be no assurance that it will always be able to do so. The Fund may incur investment losses as a result of investing securities lending collateral in the Collective Trust. This could occur if

an investment in the Collective Trust defaulted or if it were necessary to liquidate assets in the Collective Trust to meet returns on outstanding security loans at a time when the Collective Trust's net asset value per unit was less than \$1.00. Under those circumstances, the Fund may not receive an amount from the Collective Trust that is equal in amount to the collateral the Fund would be required to return to the borrower of the securities and the Fund would be required to make up for this shortfall.

At May 31, 2015, the Fund had no securities on loan.

## **9. Credit and Market Risk**

The Fund borrows through its line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's net asset value could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to the leverage.

Some countries in which the Fund may invest require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad.

The securities exchanges of certain foreign markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. Consequently, acquisition and disposition of securities by the Fund may be inhibited. In addition, a significant portion of the aggregate market value of equity securities listed on the major securities exchanges in emerging markets is held by a smaller number of investors. This may limit the number of shares available for acquisition or disposition by the Fund.



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The Fund invests a portion of its assets in high yield fixed income securities, which are securities rated BB or lower by Standard & Poor's Financial Services LLC and Ba or lower by Moody's Investors Service Inc., or similarly rated by another nationally recognized statistical rating organization. Investments in these higher yielding securities are generally accompanied by a greater degree of credit risk than higher rated securities. Additionally, lower rated securities may be more susceptible to adverse economic and competitive industry conditions than investment grade securities.

The Fund invests in certain obligations that may have liquidity protection designed to ensure that the receipt of payments due on the underlying security is timely. Such protection may be provided through guarantees, insurance policies, or letters of credit obtained by the issuer or sponsor through third parties, through various means of structuring the transaction or through a combination of such approaches. The Fund will not pay any additional fees for such credit support, although the existence of credit support may increase the price of a security.

The Fund invests in REITs and is subject to the risks associated with that industry. If the Fund holds real estate directly as a result of defaults or receives rental income directly from real estate holdings, its tax status as a regulated investment company may be jeopardized. There were no direct real estate holdings during the six months ended May 31, 2015. The Fund's REIT holdings are also affected by interest rate changes, particularly if the REITs it holds use floating-rate debt to finance their ongoing operations.

The Fund invests in bank loans and other securities that may subject it to direct indebtedness risk, the risk that the Fund will not receive payment of principal, interest, and other amounts due in connection with these investments and will depend primarily on the financial condition of the borrower. Loans that are fully secured offer the Fund more protection than unsecured loans in the event of nonpayment of scheduled interest or principal, although there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation, or that the collateral can be liquidated. Some loans or claims may be in default at the time of purchase. Certain of the loans and the other direct indebtedness acquired by the Fund may involve revolving credit facilities or other standby financing commitments that obligate the Fund to pay additional cash on a certain date or on demand. These commitments may require the Fund to increase its investment in a company at a time when the Fund might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). To the extent that the Fund is committed to advance additional funds, it will at all times hold and maintain cash or other high grade debt obligations in an amount sufficient to meet such commitments.

As the Fund may be required to rely upon another lending institution to collect and pass on to the Fund amounts payable with respect to the loan and to enforce the Fund's rights under the loan and other direct indebtedness, an insolvency, bankruptcy, or reorganization of the lending institution may delay or prevent the Fund from receiving such amounts. The highly leveraged nature of many loans may make them especially vulnerable to adverse changes in economic or market conditions. Investments in such loans and other direct indebtedness may involve additional risk to the Fund.

The Fund may invest up to 10% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the

Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Fund's Board has delegated to DMC, the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid securities. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Fund's 10% limit on investments in illiquid securities. Rule 144A and illiquid securities have been identified on the Schedule of investments.

## **10. Contractual Obligations**

The Fund enters into contracts in the normal course of business that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

## **11. Recent Accounting Pronouncements**

In June 2014, the FASB issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance includes expanded disclosure requirements for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings. The guidance is effective for financial statements with fiscal years beginning on or after Dec. 15, 2014 and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Fund's financial statements.

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

**12. Subsequent Events**

On May 21, 2015, the Fund's Board approved a tender offer for shares of the Fund's common stock. The tender offer authorized the Fund to purchase up to 5% of its issued and outstanding shares at a price equal to 98% of the Fund's net asset value at the close of business on the NYSE on June 29, 2015, the first business day following the expiration of the offer. The tender offer commenced on June 1, 2015, and expired on June 26, 2015. In connection with the tender offer, the Fund purchased 448,355 shares of capital stock at a total cost of \$4,703,244. The tender offer was oversubscribed and all tenders of shares were subject to pro-ration (at a ratio of approximately 30.7266%) in accordance with the terms of the tender offer.

Management has determined that no other material events or transactions occurred subsequent to May 31, 2015 that would require recognition or disclosure in the Fund's financial statements.

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Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

**Fund management**

**Babak Bob Zenouzi**

*Senior Vice President, Chief Investment Officer – Real Estate Securities and Income Solutions (RESIS)*

Bob Zenouzi is the lead manager for the real estate securities and income solutions (RESIS) group at Delaware Investments, which includes the team, its process, and its institutional and retail products, which he created during his prior time with the firm. He also focuses on opportunities in Japan, Singapore, and Malaysia for the firm's global REIT product. Additionally, he serves as lead portfolio manager for the firm's Dividend Income products, which he helped to create in the 1990s. He is also a member of the firm's asset allocation committee, which is responsible for building and managing multi-asset class portfolios. He rejoined Delaware Investments in May 2006 as senior portfolio manager and head of real estate securities. In his first term with the firm, he spent seven years as an analyst and portfolio manager, leaving in 1999 to work at Chartwell Investment Partners, where from 1999 to 2006 he was a partner and senior portfolio manager on Chartwell's Small-Cap Value portfolio. He began his career with The Boston Company, where he held several positions in accounting and financial analysis. Zenouzi earned a master's degree in finance from Boston College and a bachelor's degree in finance from Babson College. He is a member of the National Association of Real Estate Investment Trusts and the Urban Land Institute.

Mr. Zenouzi has been a co-portfolio manager of the Fund since May 2006.

**Anthony A. Lombardi, CFA**

*Vice President, Senior Portfolio Manager*

Anthony A. Lombardi is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining the firm in 2004 in his current role, Lombardi was a director at Merrill Lynch Investment Managers. He joined Merrill Lynch Investment Managers' Capital Management Group in 1998 and last worked as a director and portfolio manager for the U.S. Active Large-Cap Value team, managing mutual funds and separate accounts for institutions and private clients. From 1990 to 1997, he worked at Dean Witter Reynolds as a sell-side equity research analyst, last serving as a vice president. He began his career as an investment analyst with Crossland Savings. Lombardi graduated from Hofstra University, receiving a bachelor's degree in finance and an MBA in finance with a concentration in portfolio management. He is a member of the New York Society of Security Analysts and the CFA Institute.

Mr. Lombardi has been a co-portfolio manager of the Fund since March 2005.

**D. Tysen Nutt Jr.**

*Senior Vice President, Senior Portfolio Manager, Team Leader*

D. Tysen Nutt Jr. is senior portfolio manager and team leader for the firm's Large-Cap Value team. Before joining Delaware Investments in 2004 as senior vice president and senior portfolio manager, Nutt led the U.S. Active

Large-Cap Value team within Merrill Lynch Investment Managers, where he managed mutual funds and separate accounts for institutions and private clients. He departed Merrill Lynch Investment Managers as a managing director. Prior to joining Merrill Lynch Investment Managers in 1994, Nutt was with Van Deventer & Hoch where he managed large-cap value portfolios for institutions and private clients. He began his investment career at Dean Witter Reynolds, where he eventually became vice president, investments. Nutt earned his bachelor's degree from Dartmouth College, and he is a member of the New York Society of Security Analysts and the CFA Institute.

Mr. Nutt has been a co-portfolio manager of the Fund since March 2005.

**Damon J. Andres, CFA**

*Vice President, Senior Portfolio Manager*

Damon J. Andres, who joined Delaware Investments in 1994 as an analyst, currently serves as a portfolio manager for the firm's real estate securities and income solutions (RESIS) group. He also serves as a portfolio manager for the firm's Dividend Income products. From 1991 to 1994, he performed investment-consulting services as a consulting associate with Cambridge Associates. Andres earned a bachelor's degree in business administration with an emphasis in finance and accounting from the University of Richmond.

Mr. Andres has been a co-portfolio manager of the Fund since January 2001.

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Other Fund information (Unaudited)

**Fund management (continued)**

**Kristen E. Bartholdson**

*Vice President, Senior Portfolio Manager*

Kristen E. Bartholdson is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining the firm in 2006 as an associate portfolio manager, she worked at Susquehanna International Group from 2004 to 2006, where she was an equity research salesperson. From 2000 to 2004, she worked in equity research at Credit Suisse, most recently as an associate analyst in investment strategy. Bartholdson earned her bachelor's degree in economics from Princeton University.

Ms. Bartholdson has been a co-portfolio manager of the Fund since December 2008.

**Nikhil G. Lalvani, CFA**

*Vice President, Senior Portfolio Manager*

Nikhil G. Lalvani is a senior portfolio manager for the firm's Large-Cap Value team. At Delaware Investments, Lalvani has worked as both a fundamental and quantitative analyst. Prior to joining the firm in 1997 as an account analyst, he was a research associate with Bloomberg. Lalvani holds a bachelor's degree in finance from The Pennsylvania State University. He is a member of the CFA Institute and the CFA Society of Philadelphia.

Mr. Lalvani has been a co-portfolio manager of the Fund since October 2006.

**Robert A. Vogel Jr., CFA**

*Vice President, Senior Portfolio Manager*

Robert A. Vogel Jr. is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining Delaware Investments in 2004 as vice president and senior portfolio manager, he worked at Merrill Lynch Investment Managers for more than seven years, where he rose to the position of director and portfolio manager within the U.S. Active Large-Cap Value team. He began his career in 1992 as a financial consultant at Merrill Lynch. Vogel graduated from Loyola University Maryland, earning both bachelor's and master's degrees in finance. He also earned an MBA with a concentration in finance from The Wharton School of the University of Pennsylvania. Vogel is a member of the New York Society of Security Analysts, the CFA Institute, and the CFA Society of Philadelphia.

Mr. Vogel has been a co-portfolio manager of the Fund since March 2005.

**Roger A. Early, CPA, CFA**

*Managing Director, Head of Fixed Income Investments, Executive Vice President, Co-Chief Investment Officer  
Total Return Fixed Income Strategy*

*President and Chief Executive Officer Delaware Investments® Family of Funds*

Roger A. Early rejoined Delaware Investments in March 2007 as a member of the firm's taxable fixed income portfolio management team, with primary responsibility for portfolio construction and strategic asset allocation. He became head of fixed income investments in February 2015 and president and CEO of the Delaware Investments Family of Funds in May 2015. During his previous time at the firm, from 1994 to 2001, he was a senior portfolio manager in the same area, and he left Delaware Investments as head of its U.S. investment grade fixed income group. In recent years, Early was a senior portfolio manager at Chartwell Investment Partners and Rittenhouse Financial and was the chief investment officer for fixed income at Turner Investments. Prior to joining Delaware Investments in 1994, he worked for more than 10 years at Federated Investors where he managed more than \$25 billion in mutual fund and institutional portfolios in the short-term and investment grade markets. He left the firm as head of institutional fixed income management. Earlier in his career, he held management positions with the Federal Reserve Bank, PNC Financial, Touche Ross, and Rockwell International. Early earned his bachelor's degree in economics from The Wharton School of the University of Pennsylvania and an MBA with concentrations in finance and accounting from the University of Pittsburgh. He is a member of the CFA Society of Philadelphia.

Mr. Early has been a co-portfolio manager of the Fund since January 2008.

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**Wayne A. Anglace, CFA**

*Vice President, Senior Portfolio Manager*

Wayne A. Anglace currently serves as a senior portfolio manager for the firm's convertible bond strategies. Prior to joining the firm in March 2007 as a research analyst and trader, he spent more than two years as a research analyst at Gartmore Global Investments for its convertible bond strategy. From 2000 to 2004, Anglace worked in private client research at Deutsche Bank Alex. Brown in Baltimore where he focused on equity research, and he started his financial services career with Ashbridge Investment Management in 1999. Prior to moving to the financial industry, Anglace worked as a professional civil engineer. He earned his bachelor's degree in civil engineering from Villanova University and an MBA with a concentration in finance from Saint Joseph's University, and he is a member of the CFA Society of Philadelphia.

Mr. Anglace has been a co-portfolio manager of the Fund since March 2010.

**Paul A. Matlack, CFA**

*Senior Vice President, Senior Portfolio Manager, Fixed Income Strategist*

Paul A. Matlack is a strategist and senior portfolio manager for the firm's fixed income team. Matlack rejoined the firm in May 2010. During his previous time at Delaware Investments, from September 1989 to October 2000, he was senior credit analyst, senior portfolio manager, and left the firm as co-head of the high yield group. Most recently, he worked at Chartwell Investment Partners from September 2003 to April 2010 as senior portfolio manager in fixed income, where he managed core, core plus, and high yield strategies. Prior to that, Matlack held senior roles at Turner Investment Partners, PNC Bank, and Mellon Bank. He earned a bachelor's degree in international relations from the University of Pennsylvania and an MBA with a concentration in finance from George Washington University.

Mr. Matlack has been a co-portfolio manager of the Fund since December 2012.

**Craig C. Dembek, CFA**

*Senior Vice President, Co-Head of Credit Research, Senior Research Analyst*

Craig C. Dembek is co-head of credit research and senior research analyst on the firm's taxable fixed income team with primary responsibility for banks, brokers, insurance companies, and real estate investment trusts (REITs), as well as oversight for other sectors. He rejoined the firm in March 2007. During his previous time at Delaware Investments, from April 1999 to January 2001, he was a senior investment grade credit analyst. Most recently, he spent four years at Chartwell Investment Partners as a senior fixed income analyst and Turner Investment Partners as a senior fixed



income analyst and portfolio manager. Dembek also spent two years at Stein, Roe & Farnham as a senior fixed income analyst. Earlier in his career, he worked for two years as a lead bank analyst at the Federal Reserve Bank of Boston. Dembek earned a bachelor's degree in finance from Michigan State University and an MBA with a concentration in finance from the University of Vermont.

Mr. Dembek has been a co-portfolio manager of the Fund since December 2012.

**John P. McCarthy, CFA**

*Senior Vice President, Co-Head of Credit Research, Senior Research Analyst*

John P. McCarthy is co-head of credit research and senior research analyst on the firm's taxable fixed income team, responsible for steel, metals, and mining. He rejoined Delaware Investments in March 2007 after he worked in the firm's fixed income area from 1990 to 2000 as a senior high yield analyst and high yield trader, and from 2001 to 2002 as a municipal bond trader. Most recently, he was a senior high yield analyst/ trader at Chartwell Investment Partners. McCarthy earned a bachelor's degree in business administration from Babson College, and he is a member of the CFA Society of Philadelphia.

Mr. McCarthy has been a co-portfolio manager of the Fund since December 2012.

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Other Fund information (Unaudited)

**Fund management (continued)**

**Christopher M. Testa, CFA**

*Senior Vice President, Senior Portfolio Manager*

Christopher M. Testa joined Delaware Investments in January 2014 as a senior portfolio manager in the firm's corporate credit portfolio management group. He primarily manages high yield assets. Prior to joining the firm, Testa worked as a portfolio manager who focused on high yield credit at S. Goldman Asset Management from 2009 to 2012 and Princeton Advisory Group from 2012 to 2013. Previously, he served as head of U.S. credit at Drake Management, and prior to that he was head of credit research and a high yield portfolio manager at Goldman Sachs Asset Management. Testa has more than 20 years of experience analyzing and investing in high yield and distressed credit. He earned his bachelor's degree in economics, with a minor in government, from Hamilton College, and an MBA in finance with a concentration in investments from The Wharton School of the University of Pennsylvania.

Mr. Testa has been a co-portfolio manager of the Fund since June 2014.

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About the organization

This semiannual report is for the information of Delaware Investments® Dividend and Income Fund, Inc. shareholders. The figures in this report represent past results that are not a guarantee of future results. The return and principal value of an investment in the Fund will fluctuate so that shares, when sold, may be worth more or less than their original cost.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may, from time to time, purchase shares of its common stock on the open market at market prices. Your Fund's Board of Directors approved a share repurchase program in 1994 that authorizes the Fund to purchase up to 10% of its outstanding shares on the floor of the New York Stock Exchange.

**Board of Directors**

**Thomas L. Bennett**

Chairman of the Board  
 Delaware Investments Family of Funds  
 Private Investor  
 Rosemont, PA

**Ann D. Borowiec**

Former Chief Executive Officer  
 Private Wealth Management  
 J.P. Morgan Chase & Co.  
 New York, NY

**Joseph W. Chow**

Former Executive Vice President  
 State Street Corporation

**Affiliated officers**

**Roger A. Early**

President and  
 Chief Executive Officer  
 Delaware Investments Family of  
 Funds  
 Philadelphia, PA

**David F. Connor**

Senior Vice President,  
 General Counsel, and Secretary  
 Delaware Investments Family of  
 Funds  
 Philadelphia, PA

**Daniel V. Geatens**

Vice President and Treasurer

**Investment manager**

Delaware Management Company a  
 series of Delaware Management  
 Business Trust

Philadelphia, PA

**Principal office of the Fund**

2005 Market Street

Philadelphia, PA 19103-7094

**Independent registered public  
 accounting firm**

PricewaterhouseCoopers LLP

2001 Market Street

Philadelphia, PA 19103-7042

**Registrar and stock transfer agent**

Brookline, MA

Delaware Investments Family of Funds

Computershare, Inc.

480 Washington Blvd.

Philadelphia, PA

Jersey City, NJ 07310

**John A. Fry**

President

866 437-0252

Drexel University

**Richard Salus**

Senior Vice President and

Philadelphia, PA

Chief Financial Officer

**Website**

delawareinvestments.com

**Lucinda S. Landreth**

Delaware Investments Family of Funds

Former Chief Investment Officer

Philadelphia, PA

Assurant, Inc.

*Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.*

New York, NY

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q, as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies (if any) relating to portfolio securities are available without charge (i) upon request, by calling 866 437-0252; and (ii) on the SEC's website at sec.gov. In addition, a description of the policies and procedures that the Fund uses to determine how to vote proxies (if any) relating to portfolio securities and the Schedule of Investments including the Fund's most recent Form N-Q are available without charge on the Fund's website at delawareinvestments.com. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 800 SEC-0330.

**Frances A. Sevilla-Sacasa**

Chief Executive Officer

**Your reinvestment options**

Banco Itaú International

Delaware Investments Dividend and

Miami, FL

Income Fund, Inc. offers an automatic

**Thomas K. Whitford**

Former Vice Chairman

dividend reinvestment program. If you

PNC Financial Services Group

would like to reinvest dividends, and shares are registered in your name, contact Computershare, Inc. at 866 437-0252. You will be asked to put your request in writing. If you have shares registered in street name, contact the broker/dealer holding the shares or your financial advisor.

Pittsburgh, PA

**Janet L. Yeomans**

Former Vice President and Treasurer

3M Corporation

If you choose to receive your dividends in cash, you may now elect to receive them by ACH

St. Paul, MN

|                        |  |   |
|------------------------|--|---|
| Audit committee member | Information (if any) regarding how the Fund voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the Fund's website at <a href="http://delawareinvestments.com">delawareinvestments.com</a> ; and (ii) on the SEC's website at <a href="http://sec.gov">sec.gov</a> . | transfer. Contact Computershare at the number above for more information. |
|------------------------|--|---|

Item 2. Code of Ethics

Not applicable.

Item 3. Audit Committee Financial Expert

Not applicable.

Item 4. Principal Accountant Fees and Services

Not applicable.

Item 5. Audit Committee of Listed Registrants

Not applicable.

Item 6. Investments

(a) Included as part of report to shareholders filed under Item 1 of this Form N-CSR.

(b) Divestment of securities in accordance with Section 13(c) of the Investment Company Act of 1940.

Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies

Not applicable.

Item 8. Portfolio Managers of Closed-End Management Investment Companies

Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Companies and Affiliated Purchasers

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 11. Controls and Procedures

The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of the filing of this report and have concluded that they are effective in providing reasonable assurance that the information required to be disclosed by the registrant in its reports or statements filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

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There were no significant changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by the report to stockholders included herein (i.e., the registrant's second fiscal quarter) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits

(a) (1) Code of Ethics

Not applicable.

(2) Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Rule 30a-2 under the Investment Company Act of 1940 are attached hereto as Exhibit 99.CERT.

(3) Written solicitations to purchase securities pursuant to Rule 23c-1 under the Securities Exchange Act of 1934.

Not applicable.

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are furnished herewith as Exhibit 99.906CERT.

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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.

**DELAWARE INVESTMENTS<sup>®</sup> DIVIDEND AND INCOME FUND, INC.**

/s/ ROGER A. EARLY

By: Roger A. Early

Title: Chief Executive Officer

Date: August 3, 2015

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.

/s/ ROGER A. EARLY

By: Roger A. Early

Title: Chief Executive Officer

Date: August 3, 2015

/s/ RICHARD SALUS

By: Richard Salus

Title: Chief Financial Officer

Date: August 3, 2015

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