

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-Q
April 29, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

| | |
|---|---|
| Investment Company Act file number: | 811-07460 |
| Exact name of registrant as specified in charter: | Delaware Investments® Dividend and Income Fund, Inc. |
| Address of principal executive offices: | 2005 Market Street Philadelphia, PA 19103 |
| Name and address of agent for service: | David F. Connor, Esq. 2005 Market Street Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | (800) 523-1918 |
| Date of fiscal year end: | November 30 |
| Date of reporting period: | February 28, 2010 |

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Item 1. Schedule of Investments.

Schedule of Investments (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

February 28, 2010

| | Number of Shares | Value |
|--------------------------------|---------------------|-----------|
| Common Stock – 68.38% | | |
| Consumer Discretionary – 3.49% | | |
| P†=Avado Brands | 1,390 | \$ 0 |
| Comcast Class A | 66,200 | 1,088,328 |
| †DIRECTV Class A | 1,550 | 52,468 |
| Lowe's | 51,200 | 1,213,952 |
| | | 2,354,748 |
| Consumer Staples – 10.24% | | |
| Archer-Daniels-Midland | 37,100 | 1,089,256 |
| CVS Caremark | 35,900 | 1,211,625 |
| Heinz (H.J.) | 27,400 | 1,257,659 |
| Kimberly-Clark | 19,300 | 1,172,282 |
| Kraft Foods Class A | 37,000 | 1,051,910 |
| Safeway | 45,400 | 1,131,368 |
| | | 6,914,100 |
| Diversified REITs – 1.04% | | |
| *Investors Real Estate Trust | 10,300 | 92,082 |
| Lexington Realty Trust | 17,900 | 106,505 |
| Vornado Realty Trust | 7,665 | 503,744 |
| | | 702,331 |
| Energy – 5.68% | | |
| Chevron | 12,600 | 910,980 |
| ConocoPhillips | 19,500 | 936,000 |
| Marathon Oil | 32,500 | 940,875 |
| National Oilwell Varco | 24,200 | 1,051,974 |
| | | 3,839,829 |
| Financials – 7.01% | | |
| Allstate | 36,600 | 1,143,749 |
| Bank of New York Mellon | 36,700 | 1,046,684 |
| *Fifth Street Finance | 34,041 | 385,685 |
| *Solar Capital | 44,661 | 826,229 |
| Travelers | 25,400 | 1,335,785 |
| | | 4,738,132 |
| Health Care – 10.46% | | |
| †Alliance HealthCare Services | 7,323 | 36,542 |
| Bristol-Myers Squibb | 42,200 | 1,034,322 |
| Cardinal Health | 39,800 | 1,352,005 |
| Johnson & Johnson | 17,000 | 1,071,000 |
| *Merck | 34,600 | 1,276,048 |
| Pfizer | 76,789 | 1,347,647 |
| Quest Diagnostics | 16,700 | 947,725 |
| | | 7,065,289 |
| Health Care REITs – 2.80% | | |
| Cogdell Spencer | 16,800 | 113,400 |
| *HCP | 15,650 | 450,407 |
| *Health Care REIT | 9,060 | 383,782 |
| LTC Properties | 3,300 | 86,064 |
| Nationwide Health Properties | 8,800 | 292,072 |
| *Omega Healthcare Investors | 7,900 | 149,863 |
| *Ventas | 9,375 | 414,281 |
| | | 1,889,869 |
| Hotel REITs – 0.45% | | |
| †Chesapeake Lodging Trust | 3,100 | 61,938 |
| *Host Hotels & Resorts | 20,588 | 241,085 |
| | | 303,023 |
| Industrial REITs – 0.17% | | |

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| AMB Property | 1,280 | 31,155 |
| DCT Industrial Trust | 17,200 | 84,624 |
| | | 115,779 |
| Industrials – 3.53% | | |
| *†Delta Air Lines | 9 | 116 |
| †Flextronics International | 4,400 | 30,624 |
| †Foster Wheeler | 2 | 49 |
| *†Mobile Mini | 1,651 | 22,437 |
| *Northrop Grumman | 19,900 | 1,219,074 |
| †P=PT Holdings | 350 | 4 |
| *Waste Management | 33,700 | 1,112,774 |
| | | 2,385,078 |

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|-------------------------------------|---------|-----------|
| Information Technology – 6.99% | | |
| Intel | 63,100 | 1,295,443 |
| International Business Machines | 10,400 | 1,322,464 |
| †Motorola | 124,800 | 843,648 |
| Xerox | 134,200 | 1,257,454 |
| | | 4,719,009 |
| Mall REITs – 1.76% | | |
| †General Growth Properties | 6 | 79 |
| *Macerich | 8,410 | 299,732 |
| *Simon Property Group | 11,347 | 888,357 |
| | | 1,188,168 |
| Materials – 1.60% | | |
| duPont (E.I.) deNemours | 32,100 | 1,082,412 |
| | | 1,082,412 |
| Mortgage REITs – 0.49% | | |
| Annaly Capital Management | 2,300 | 42,274 |
| Chimera Investment | 23,800 | 95,200 |
| Cypress Sharpridge Investments | 14,800 | 195,804 |
| | | 333,278 |
| Multifamily REITs – 1.52% | | |
| Apartment Investment & Management | 7,968 | 132,986 |
| *BRE Properties | 4,600 | 155,066 |
| Camden Property Trust | 3,450 | 138,173 |
| Equity Residential | 16,600 | 598,927 |
| | | 1,025,152 |
| Office REITs – 1.28% | | |
| *Alexandria Real Estate Equities | 3,090 | 190,406 |
| Boston Properties | 3,000 | 203,790 |
| Brandywine Realty Trust | 11,500 | 128,915 |
| Government Properties Income Trust | 4,800 | 113,040 |
| *Highwoods Properties | 2,900 | 84,245 |
| Mack-Cali Realty | 4,250 | 142,545 |
| | | 862,941 |
| Office/Industrial REITs – 0.55% | | |
| *Digital Realty Trust | 5,550 | 286,269 |
| Liberty Property Trust | 2,700 | 83,511 |
| | | 369,780 |
| Real Estate Operating REITs – 0.44% | | |
| Starwood Property Trust | 16,000 | 299,360 |
| | | 299,360 |
| Self-Storage REITs – 0.63% | | |
| Public Storage | 5,150 | 423,279 |
| | | 423,279 |
| Shopping Center REITs – 0.83% | | |
| †Cedar Shopping Centers | 5,700 | 37,563 |
| *Federal Realty Investment Trust | 300 | 20,688 |
| *Kimco Realty | 20,430 | 283,773 |
| Ramco-Gershenson Properties Trust | 14,300 | 143,286 |
| *Weingarten Realty Investors | 3,600 | 74,124 |
| | | 559,434 |
| Single Tenant REITs – 0.30% | | |
| National Retail Properties | 9,600 | 203,712 |
| | | 203,712 |
| Specialty REITs – 0.96% | | |
| *Entertainment Properties Trust | 6,320 | 241,550 |
| *Plum Creek Timber | 6,885 | 246,001 |
| *Potlatch | 4,825 | 159,322 |
| | | 646,873 |
| Telecommunications – 2.83% | | |
| AT&T | 33,200 | 823,692 |
| =†Century Communications | 500,000 | 0 |
| *Frontier Communications | 24,400 | 190,076 |
| †GeoEye | 550 | 13,101 |
| Verizon Communications | 30,700 | 888,151 |
| | | 1,915,020 |
| Utilities – 3.33% | | |
| American Water Works | 4,300 | 95,718 |

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| Edison International | 33,900 | 1,106,157 |
| †Mirant | 189 | 2,378 |
| NorthWestern | 3,300 | 82,665 |
| Progress Energy | 25,100 | 961,079 |
| | | 2,247,997 |
| Total Common Stock (cost \$48,991,575) | | 46,184,593 |

Convertible Preferred Stock – 2.40%

Banking, Finance & Insurance – 0.74%

| | | |
|--|-------|---------|
| Aspen Insurance Holdings 5.625% exercise price \$29.28, expiration date 12/31/49 | 8,800 | 492,250 |
|--|-------|---------|

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| @Fannie Mae 8.75% exercise price \$32.45, expiration date 5/13/11 | 3,500 | 5,355 |
| | | 497,605 |
| Cable, Media & Publishing – 0.40% | | |
| #Interpublic Group 144A 5.25% exercise price \$13.66, expiration date 12/31/49 | 360 | 269,640 |
| | | 269,640 |
| Energy – 0.50% | | |
| El Paso Energy Capital Trust I 4.75% exercise price \$41.59, expiration date 3/31/28 | 5,250 | 193,725 |
| Whiting Petroleum 6.25% exercise price \$43.42, expiration date 12/31/49 | 800 | 146,400 |
| | | 340,125 |
| Health Care & Pharmaceuticals – 0.42% | | |
| Merck 6.00% exercise price \$52.85, expiration date 8/13/10 | 15 | 3,780 |
| Mylan 6.50% exercise price \$17.08, expiration date 11/15/10 | 220 | 283,580 |
| | | 287,360 |
| Telecommunications – 0.34% | | |
| Lucent Technologies Capital Trust I 7.75% exercise price \$24.80, expiration date 3/15/17 | 305 | 229,589 |
| | | 229,589 |
| Total Convertible Preferred Stock (cost \$1,777,264) | | 1,624,319 |
| | Principal Amount | |
| Convertible Bonds – 13.54% | | |
| Aerospace & Defense – 0.79% | | |
| #AAR 144A 1.75% exercise price \$29.43, expiration date 1/1/26 | \$ 260,000 | 258,050 |
| *#L-3 Communications Holdings 144A 3.00% exercise price \$100.14, expiration date 8/1/35 | 265,000 | 277,919 |
| | | 535,969 |
| Auto Parts & Equipment – 0.27% | | |
| ArvinMeritor 4.00% exercise price \$26.73, expiration date 2/15/27 | 235,000 | 184,475 |
| | | 184,475 |
| Banking, Finance & Insurance – 0.17% | | |
| *Jefferies Group 3.875% exercise price \$39.20, expiration date 11/1/29 | 115,000 | 114,713 |
| | | 114,713 |
| Basic Materials – 1.03% | | |
| Century Aluminum 1.75% exercise price \$30.54, expiration date 8/1/24 | 20,000 | 17,875 |
| Rayonier TRS Holdings 3.75% exercise price \$54.81, expiration date 10/15/12 | 345,000 | 365,269 |
| #Sino-Forest 144A 5.00% exercise price \$20.29, expiration date 8/1/13 | 255,000 | 312,056 |
| | | 695,200 |
| Buildings & Materials – 0.08% | | |
| Beazer Homes USA 4.625% exercise price \$49.64, expiration date 6/15/24 | 55,000 | 53,350 |
| | | 53,350 |
| Cable, Media & Publishing – 0.31% | | |
| VeriSign 3.25% exercise price \$34.37, expiration date 8/15/37 | 235,000 | 209,150 |
| | | 209,150 |
| Computers & Technology – 2.03% | | |
| #Advanced Micro Devices 144A 6.00% exercise price \$28.08, expiration date 5/1/15 | 450,000 | 417,937 |
| Euronet Worldwide 3.50% exercise price \$40.48, expiration date 10/15/25 | 435,000 | 400,744 |
| *Hutchinson Technology 3.25% exercise price \$36.43, expiration date 1/15/26 | 150,000 | 124,500 |
| *#Intel 144A 3.25% exercise price \$22.68, expiration date 8/1/39 | 70,000 | 79,013 |
| Linear Technology 3.00% exercise price \$46.12, expiration date 5/1/27 | 120,000 | 116,250 |
| SanDisk 1.00% exercise price \$82.35, expiration date 5/15/13 | 280,000 | 233,100 |
| | | 1,371,544 |
| Electronics & Electrical Equipment – 0.12% | | |
| Flextronics International 1.00% exercise price \$15.53, expiration date 8/1/10 | 85,000 | 84,469 |
| | | 84,469 |
| Energy – 0.56% | | |
| Chesapeake Energy 2.25% exercise price \$85.89, expiration date 12/15/38 | 220,000 | 164,450 |
| Peabody Energy 4.75% exercise price 58.44, expiration date 12/15/41 | 205,000 | 211,150 |
| | | 375,600 |