

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSR
February 02, 2018
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® 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:	November 30, 2017

Item 1. Reports to Stockholders

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Annual report

Closed-end fund

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2017

The figures in the annual 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.

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Macquarie Investment Management (MIM), a member of Macquarie Group, refers to the companies comprising the asset management division of Macquarie Group Limited (MGL) and its subsidiaries and affiliates worldwide. MGL is a global provider of banking, financial, advisory, investment, and funds management services. For more information, including press releases, please visit delawarefunds.com/closed-end.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2017, and subject to change for events occurring after such date.

The Fund is not FDIC insured and is not guaranteed. It is possible to lose the principal amount invested.

Mutual fund advisory services provided by Delaware Management Company, a series of Macquarie Investment Management Business Trust (MIMBT), which is a US registered investment advisor.

Other than Macquarie Bank Limited (MBL), none of the entities noted are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise. The Fund is governed by US laws and regulations.

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Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

December 12, 2017

Performance preview (for the year ended November 30, 2017)

Delaware Investments Dividend and Income Fund, Inc. @ market price	1-year return	+17.11%
Delaware Investments Dividend and Income Fund, Inc. @ NAV	1-year return	+15.49%
Lipper Closed-end Income and Preferred Stock Funds Average @ market price	1-year return	+20.45%
Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	1-year return	+13.55%

Past performance does not guarantee future results.

For complete, annualized performance for Delaware Investments Dividend and Income Fund, Inc., please see the table on page 3.

Index performance returns do not reflect any management fees, transaction costs, or expenses. Indices are unmanaged and one cannot invest directly in an index.

For the fiscal year ended Nov. 30, 2017, Delaware Investments Dividend and Income Fund, Inc. returned +15.49% at net asset value (NAV) and +17.11% at market price (both figures reflect all distributions reinvested). Complete annualized performance for the Fund is shown in the table on page 3.

A strong economic environment

As the Fund's fiscal year began, investors in US equities found themselves in an increasingly optimistic mood. A strengthening global economy, coupled with the market's expectation for growth-oriented policies coming out of Washington, D.C., after Republicans' electoral victories in November 2016, led to an especially favorable environment for cyclical growth stocks. Value and yield-oriented equities, which make up the majority of the Fund's assets, generally performed well in absolute terms but did not keep pace with the market.

A series of interest rate increases from the US Federal Reserve, which sought to limit potential inflation amid steadily improving economic and employment data, provided a further headwind for the yield segments of the financial markets. Against a strong economic backdrop, the Fed opted to raise its benchmark short-term interest rate by 0.25 percentage points on three separate occasions during the fiscal year. As of period end, the federal funds rate stood at 1.25%, up from 0.50% at the start of December 2016. US gross domestic product (GDP)—a measure of the country's economic output—grew by an annualized 3.1% in the second quarter of 2017 and an estimated 3.3% in the year's third quarter, according to the US Commerce Department. It was the first time since mid-2014 that US GDP expanded by 3% or better in consecutive quarters. Meanwhile, the US unemployment rate stood at 4.1% in November 2017, according to the US Labor Department, a 17-year low.

Gains across asset classes

For the Fund's fiscal year, US equities enjoyed strong results. US large-cap value stocks, as measured by the Russell 1000® Value Index, returned +14.8%. Meanwhile, high yield bonds, as measured by the Bloomberg Barclays US Corporate High-Yield Index, returned +9.2%, as the asset class continued to benefit from a healthy US

economy, a small number of issuer defaults, and narrowing credit spreads meaning investors were willing to accept less yield in exchange for taking on credit risk.

Meanwhile, US real estate investment trusts (REITs) returned +10.4%, as measured by the FTSE NAREIT Equity REITs Index. In this asset class, investors encountered a significant performance dichotomy. Retail REITs, for example, performed relatively poorly, reflecting growth in ecommerce and a corresponding decline in sales at physical stores. In contrast, industrial REITs benefited from increased demand for warehouse space necessary to accommodate a growing economy and an increased emphasis on ecommerce.

Convertible securities, as measured by the BofA Merrill Lynch All US Convertibles Index, returned +15.6%. This asset class benefited from the combination of low marketplace yields and continued historically low interest rates, which contributed to bond performance while providing a tailwind for stocks and these equity-sensitive securities.

Individual contributors and detractors

Within the Fund's large-cap value equity subportfolio, several holdings stood out as notable performance contributors, including **Abbott Laboratories**, a pharmaceutical and medical device company that was helped by investors expectations for higher earnings growth; insurance provider **Allstate**, whose solid financial results helped drive the stock higher during the fiscal year; and **Dollar Tree**, a discount retailer whose shares rose sharply after the company announced stronger-than-expected second quarter financial results.

Significant individual equity detractors this period included pharmaceutical distributor **Cardinal Health**, which has faced challenging conditions owing, in part, to higher-than-usual deflation in generic drug prices; pharmacy benefit manager **Express Scripts Holding** (no longer in the Fund's portfolio), where a contract dispute with its largest customer and the potential entry of Amazon into the pharmaceutical supply chain weighed on its shares; and energy services provider **Halliburton**, whose overseas operations have been challenged by low levels of production growth.

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Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

Several REITs also detracted in a performance environment that was more challenging for yield-oriented investments. For example, **Brookdale Senior Living**, an operator of senior care facilities, hampered results. Brookdale's shares declined, owing in part to the senior housing industry's cyclical downturn with excess supply, and influenced by what we believe were some management missteps at the company.

Meanwhile, in a difficult business environment for retailers, REITs that focus on retail properties, such as shopping center REITs **Brixmor Property Group** and **Kimco Realty**, both detracted from the Fund's results.

Sticking to our strategy

Throughout the fiscal year, we continued to pursue the same management approach we apply in all market conditions: We continued to look across multiple asset classes for securities that we believed had competitive yield and the potential for dividend growth. In addition, we maintained our emphasis on managing downside risk in the portfolio and seeking to limit potential capital losses.

During the fiscal year, exposure to US large-cap value stocks increased due to market appreciation and investment allocation, finishing at 54% of the portfolio, up modestly from about 50% a year ago. We mostly held steady the Fund's allocation to high yield bonds, which went from 33% at the start of the fiscal year to 32% at its end.

Other notable allocations in the Fund included REITs and convertible securities, which made up 11% and 3% of the Fund's portfolio, respectively, as of Nov. 30, 2017.

During the fiscal period, the Fund used foreign currency exchange contracts to facilitate the purchase and sale of securities in the Fund. The Fund also entered into options contracts to facilitate investments in portfolio securities. These derivative securities did not have a material effect on performance during the fiscal year.

Of final note, the Fund's use of leverage—a portfolio management tool designed to obtain a higher return on the Fund's investments—added to performance in light of the stock market's increase. Leverage has the effect of magnifying the effect of gains and losses. As a result, it added to the Fund's results in a strong market environment.

Positioning the portfolio defensively

As of fiscal year end, we recognized that valuations were at or near all-time highs across multiple asset classes. Even as we believe that equities could continue to do well in the short term, we do see high valuations as a longer-term challenge in the asset class. Another likely headwind is the expectation that China could start slowing its economy, after having engaged in substantial stimulus efforts since early 2016.

Therefore, we think it is prudent to avoid excess risk and continue to manage the Fund defensively. Within the large-cap value subportfolio, for example, the Fund had limited exposure to cyclical sectors such as industrials and materials, and in bank stocks, which were especially strong performers during the fiscal year.

In retrospect, it would have been helpful to have had more cyclical exposure in the portfolio; however, we stuck to our management approach throughout the fiscal year, and plan to continue to do so, because we believe this is in the Fund's shareholders' long-term interest.

Accordingly, we will continue to seek to provide competitive income with a focus on securities that we believe have the potential to provide upside in the event of a rising market, and the prospect of declining less than the market if conditions deteriorate. Moreover, we see a strong argument for seeking companies that, in our view, appear undervalued, have strong cash flows, maintain manageable debt levels, operate diversified businesses, and have a history of delivering consistent dividends.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2017, and subject to change.

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Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Please obtain the most recent performance data by calling 866 437-0252 or visiting our website at delawarefunds.com/closed-end.

Fund performance

Average annual total returns through November 30, 2017

	1 year	5 years	10 years	Lifetime
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At market price (inception date March 26, 1993)	+17.11%	+13.29%	+8.78%	+8.60%
At net asset value (inception date March 26, 1993)	+15.49%	+13.72%	+8.81%	+9.37%

Diversification may not protect against market risk.

Fixed income securities and bond funds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

The Fund may also be subject to prepayment risk, the risk that the principal of a bond that is held by a portfolio will be prepaid prior to maturity, at the time when interest rates are lower than what the bond was paying. A portfolio may then have to reinvest that money at a lower interest rate.

High yielding, non-investment-grade bonds (junk bonds) involve higher risk than investment grade bonds.

Narrowly focused investments may exhibit higher volatility than investments in multiple industry sectors.

REIT investments are subject to many of the risks associated with direct real estate ownership, including changes in economic conditions, credit risk, and interest rate fluctuations.

The Fund may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that an underlying security or securities index moves in the opposite direction from what the portfolio manager anticipated. A derivative transaction depends upon the counterparties' ability to fulfill their contractual obligations.

The Fund may experience portfolio turnover that approaches or exceeds 100%, which could result in higher transaction costs and tax liability.

If and when the Fund invests in forward foreign currency contracts or uses other investments to hedge against other currency risks, the Fund will be subject to special risks, including counterparty risk.

The Fund borrows through a 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 leverage. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments could result in a relatively large

loss. Although the Fund will seek to manage the Fund's risk from the leverage associated with derivative investments by closely monitoring the volatility of such investments, the Fund may not be successful in this respect.

Closed-end funds, unlike open-end funds, are not continuously offered. After being issued during a one-time-only public offering, shares of closed-end funds are sold in the open market through a securities exchange. Net asset value (NAV) is calculated by subtracting total liabilities by total assets, then dividing by the number of shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV, and may be worth more or less than your original investment.

The Fund may make extraordinary distributions of ordinary income and capital gains at calendar year end for tax and regulatory purposes. Those distributions may temporarily cause higher yields. There is no assurance that a Fund will repeat that higher yield in the future. Subsequent monthly distributions will likely be lower than these extraordinary, calendar year end distributions.

The Fund performance table and the Performance of a \$10,000 investment graph do not reflect the deduction of taxes the shareholder would pay on Fund distributions or redemptions of Fund shares.

Returns reflect the reinvestment of all distributions. Dividends and distributions, if any, are assumed, for the purpose of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment policy. Shares of the Fund were initially offered with a sales charge of 6%. Performance since inception does not include the sales charge or any other brokerage commission for purchases made since inception.

Past performance is not a guarantee of future results.

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Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

Fund basics

As of November 30, 2017

Fund objectives	Fund start date
The Fund's primary investment objective is to seek high current income; capital appreciation is a secondary objective.	March 26, 1993

Total Fund net assets	NYSE symbol
\$93 million	DDF

Number of holdings
294

Market price versus net asset value (see notes below and on next page)

November 30, 2016, through November 30, 2017

	Starting value (Nov. 30, 2016)	Ending value (Nov. 30, 2017)
Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$10.96	\$12.09
Delaware Investments Dividend and Income Fund, Inc. @ market price	\$9.70	\$10.85

Past performance is not a guarantee of future results.

Table of Contents**Performance of a \$10,000 investment**

Average annual total returns from November 30, 2007, through November 30, 2017

	Starting value (Nov. 30, 2007)	Ending value (Nov. 30, 2017)
Lipper Closed-end Income and Preferred Stock Funds Average @ market price	\$10,000	\$26,328
Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$10,000	\$23,254
Delaware Investments Dividend and Income Fund, Inc. @ market price	\$10,000	\$23,199
Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	\$10,000	\$22,552

The Performance of a \$10,000 investment graph assumes \$10,000 invested in the Fund on Nov. 30, 2007, and includes the reinvestment of all distributions at market value. The graph assumes \$10,000 in the Lipper Closed-end Income and Preferred Stock Funds Average at market price and at NAV. Performance of the Fund and the Lipper class at market value is based on market performance during the period. Performance of the Fund and Lipper class at NAV is based on the fluctuations in NAV during the period. Delaware Investments Dividend and Income Fund, Inc. was initially offered with a sales charge of 6%. For market price, performance shown in both graphs above does not include fees, the initial sales charge, or any brokerage commissions for purchases. For NAV, performance shown in both graphs above includes fees, but does not include the initial sales charge or any brokerage commissions for purchases. Investments in the Fund are not available at NAV.

The Lipper Closed-end Income and Preferred Stock Funds Average represents the average return of closed-end funds that normally seek a high level of current income through investing in income-producing stocks, bonds, and money market instruments, or funds that invest primarily in preferred securities, often considering tax code implications (source: Lipper).

The Russell 1000 Value Index, mentioned on page 1, measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted

growth values.

Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

The Bloomberg Barclays US Corporate High-Yield Index, mentioned on page 1, is composed of US dollar denominated, noninvestment grade corporate bonds for which the middle rating among Moody's Investors Service, Inc., Fitch, Inc., and Standard & Poor's is Ba1/BB+/BB+ or below.

The FTSE NAREIT Equity REITs Index, mentioned on page 1, measures the performance of all publicly traded equity real estate investment trusts (REITs) traded on US exchanges, excluding timber and infrastructure REITs.

The BofA Merrill Lynch All US Convertibles Index, mentioned on page 1, tracks the performance of domestic corporate convertible bonds and convertible preferred stock issues of all qualities that have a market value of \$50 million or more at issuance.

Market price is the price an investor would pay for shares of the Fund on the secondary market.

NAV is the total value of one fund share, generally equal to a fund's net assets divided by the number of shares outstanding.

Past performance is not a guarantee of future results.

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Security type / sector allocations and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

As of November 30, 2017 (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.

Security type / sector	Percentage of net assets
Common Stock	89.37%
Consumer Discretionary	5.10%
Consumer Staples	8.29%
Diversified REITs	0.62%
Energy	10.25%
Financials	9.63%
Healthcare	16.31%
Healthcare REITs	0.55%
Hotel REITs	1.27%
Industrial REITs	0.43%
Industrials	7.35%
Information Technology	10.01%
Information Technology REIT	0.34%
Mall REITs	0.90%
Manufactured Housing REIT	0.14%
Materials	2.83%
Multifamily REITs	4.37%
Office REITs	2.00%
Shopping Center REITs	1.67%
Telecommunications	4.76%
Utilities	2.55%
Convertible Preferred Stock	1.34%
Convertible Bonds	6.92%
Capital Goods	0.87%
Communications	0.70%
Consumer Cyclical	0.15%
Consumer Non-Cyclical	1.43%
Energy	0.38%
Financials	0.83%
Industrials	0.07%
REITs	0.99%
Technology	1.50%
Security type / sector	Percentage of net assets
Corporate Bonds	36.00%

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Automotive	0.12%
Banking	1.93%
Basic Industry	7.08%
Capital Goods	1.35%
Consumer Cyclical	1.96%
Consumer Non-Cyclical	1.19%
Energy	5.55%
Financials	0.44%
Healthcare	2.77%
Insurance	0.56%
Media	3.68%
REIT	0.10%
Services	4.33%
Technology & Electronics	1.53%
Telecommunications	1.92%
Transportation	0.42%
Utilities	1.07%
Loan Agreements	0.42%
Master Limited Partnership	0.75%
Preferred Stock	0.72%
Warrant	0.00%
Short-Term Investments	6.73%
Total Value of Securities	142.25%
Borrowing Under Line of Credit	(43.05%)
Receivables and Other Assets Net of Liabilities	0.80%
Total Net Assets	100.00%

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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.

	Percentage of
Top 10 Equity Holdings	net assets
Halliburton	3.64%
CVS Health	3.27%
Cardinal Health	3.17%
Intel	2.84%
Dollar Tree	2.79%
Archer-Daniels-Midland	2.67%
Northrop Grumman	2.58%
Cisco Systems	2.55%
DowDuPont	2.55%
Abbott Laboratories	2.54%

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2017

	Number of shares	Value (US \$)
Common Stock 89.37%		
Consumer Discretionary 5.10%		
Dollar Tree	25,200	\$ 2,589,552
Lowe's	25,800	2,150,946
		4,740,498
Consumer Staples 8.29%		
Archer-Daniels-Midland	62,200	2,480,536
CVS Health	39,700	3,041,020
Mondelez International	50,800	2,181,352
		7,702,908
Diversified REITs 0.62%		
Fibra Uno Administracion	88,100	137,763
Lexington Realty Trust	23,000	240,580
Vornado Realty Trust	2,565	199,095
		577,438
Energy 10.25%		
Chevron	18,400	2,189,416
ConocoPhillips	19,000	966,720
Halliburton	81,000	3,384,180
Marathon Oil	43,400	644,056
Occidental Petroleum	33,200	2,340,600
		9,524,972
Financials 9.63%		
Allstate	22,800	2,340,648
Bank of New York Mellon	40,700	2,227,918
BB&T	44,600	2,204,132
Marsh & McLennan	25,900	2,173,787

		8,946,485
Healthcare	16.31%	
Abbott Laboratories	41,900	2,361,903
Brookdale Senior Living	102,500	1,095,725
Cardinal Health	49,800	2,947,662
Johnson & Johnson	15,300	2,131,749
Merck & Co.	39,000	2,155,530
Pfizer	60,689	2,200,583
Quest Diagnostics	23,000	2,264,580
		15,157,732
Healthcare REITs	0.55%	
HCP	9,800	259,112
Healthcare Realty Trust	3,800	124,526
Welltower	1,900	128,174
		511,812
	Number of shares	Value (US \$)
Common Stock (continued)		
Hotel REITs	1.27%	
Hospitality Properties Trust	4,700	\$ 140,953
MGM Growth Properties	22,100	647,088
Summit Hotel Properties	25,600	386,816
		1,174,857
Industrial REITs	0.43%	
Terreno Realty	10,600	398,560
		398,560
Industrials	7.35%	
Northrop Grumman	7,800	2,397,720
Raytheon	11,400	2,179,110
Waste Management	27,400	2,253,650
		6,830,480
Information Technology	10.01%	
CA	65,186	2,155,701
Cisco Systems	63,500	2,368,550
Intel	58,900	2,641,075
Oracle	43,500	2,134,110

9,299,436

Information Technology REIT 0.34%

Crown Castle International	2,800	316,400
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316,400

Mall REITs 0.90%

GGP	12,571	295,419
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Simon Property Group	3,347	541,377
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836,796

Manufactured Housing REIT 0.14%

Sun Communities	1,400	130,284
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130,284

Materials 2.83%

DowDuPont	32,888	2,366,620
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Tarkett	6,827	266,762
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2,633,382

Multifamily REITs 4.37%

ADO Properties 144A #	9,989	516,420
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American Homes 4 Rent	6,980	149,930
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Equity Residential	34,357	2,295,735
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Gecina	765	127,476
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Grainger	34,262	130,015
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Invitation Homes	12,200	287,310
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Safety Income and Growth	23,600	431,880
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Vonovia	2,481	116,909
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4,055,675

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	Number of shares	Value (US \$)
Common Stock (continued)		
Office REITs 2.00%		
alstria office REIT	15,891	\$ 239,647
Brandywine Realty Trust	14,800	255,004
Easterly Government Properties	45,400	962,026
Equity Commonwealth	13,400	402,804
		1,859,481
Shopping Center REITs 1.67%		
Brixmor Property Group	19,600	354,172
First Capital Realty	7,981	130,156
Kimco Realty	10,630	196,868
Kite Realty Group Trust	14,100	271,143
Retail Properties of America	4,800	62,688
Urban Edge Properties	10,432	266,538
Westfield	41,834	266,287
		1,547,852
Telecommunications 4.76%		
AT&T	61,300	2,230,094
Century Communications =	500,000	0
Verizon Communications	43,000	2,188,270
		4,418,364
Utilities 2.55%		
American Water Works	2,400	219,744
Edison International	26,500	2,153,655

2,373,399

Total Common Stock

(cost \$59,555,175) 83,036,811

Convertible Preferred Stock 1.34%

A Schulman 6.00% exercise price \$52.33 y	145	136,567
AMG Capital Trust II 5.15% exercise price \$200.00, maturity date 10/15/37	2,953	188,069
Bank of America 7.25% exercise price \$50.00 y	155	204,290
El Paso Energy Capital Trust I 4.75% exercise price \$50.00, maturity date 3/31/28	5,250	252,105
Huntington Bancshares		
8.50% exercise price \$11.95 y	68	96,560
Wells Fargo & Co. 7.50% exercise price \$156.71 y	159	213,219

Value
Number of
shares **(US \$)**

Convertible Preferred Stock (continued)

Welltower 6.50% exercise price \$57.42 y	2,550	\$ 158,635
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Total Convertible Preferred Stock

(cost \$1,074,001) 1,249,445

Principal
amount^o

Convertible Bonds 6.92%**Capital Goods 0.87%**

Aerojet Rocketdyne Holdings 144A 2.25% exercise price \$26.00, maturity date 12/15/23 #	51,000	70,667
Cemex 3.72% exercise price \$11.01, maturity date 3/15/20	94,000	97,995
Chart Industries 144A 1.00% exercise price \$58.73, maturity date 11/15/24 #	133,000	141,728
Kaman 144A 3.25% exercise price \$65.26, maturity date 5/1/24 #	177,000	198,793
SolarCity 1.625% exercise price \$759.35, maturity date 11/1/19	326,000	301,753

810,936

Communications 0.70%

Alaska Communications Systems Group 6.25% exercise price \$10.28, maturity date 5/1/18	100,000	101,750
DISH Network 144A 2.375% exercise price \$82.22, maturity date 3/15/24 #	181,000	177,041
3.375% exercise price \$65.18, maturity date 8/15/26	115,000	128,728
Liberty Interactive 144A 1.75% exercise price \$341.10, maturity date 9/30/46 #	173,000	195,274
Liberty Media 2.25% exercise price \$104.55, maturity date 9/30/46	49,000	51,297

654,090

Consumer Cyclical 0.15%

Huron Consulting Group 1.25% exercise price \$79.89, maturity date 10/1/19	151,000	143,639
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143,639

Consumer Non-Cyclical	1.43%		
Brookdale Senior Living	2.75% exercise price \$29.33, maturity date 6/15/18	312,000	311,610
Hologic	2.00% exercise price \$31.18, maturity date 3/1/42 f	101,000	138,623

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount^o	Value (US \$)
Convertible Bonds (continued)		
Consumer Non-Cyclical (continued)		
Insulet 144A 1.375% exercise price \$93.18, maturity date 11/15/24 #	54,000	\$ 55,451
Neurocrine Biosciences 144A 2.25% exercise price \$75.92, maturity date 5/15/24 #	131,000	160,966
Pacira Pharmaceuticals 144A 2.375% exercise price \$66.89, maturity date 4/1/22 #	161,000	169,151
Spectrum Pharmaceuticals 2.75% exercise price \$10.53, maturity date 12/15/18	40,000	77,175
Vector Group		
1.75% exercise price \$22.35, maturity date 4/15/20	262,000	301,627
2.50% exercise price \$14.50, maturity date 1/15/19	72,000	113,040
		1,327,643
Energy 0.38%		
Helix Energy Solutions Group 4.25% exercise price \$13.89, maturity date 5/1/22	218,000	212,005
PDC Energy 1.125% exercise price \$85.39, maturity date 9/15/21	142,000	137,474
		349,479
Financials 0.83%		
Ares Capital 144A 3.75% exercise price \$19.39, maturity date 2/1/22 #	119,000	121,901
Blackhawk Network Holdings 1.50% exercise price \$49.83, maturity date 1/15/22	201,000	208,914
GAIN Capital Holdings 144A 5.00% exercise price \$8.20, maturity date 8/15/22 #	195,000	219,741
New Mountain Finance 5.00% exercise price \$15.80, maturity date 6/15/19	212,000	218,890
		769,446
Industrials 0.07%		
General Cable 4.50% exercise price \$30.70, maturity date 11/15/29 f	69,000	66,973
		66,973
REITs 0.99%		
Blackstone Mortgage Trust		
4.375% exercise price \$35.67, maturity date 5/5/22	124,000	126,480
5.25% exercise price \$27.67, maturity date 12/1/18	196,000	231,280

	Principal amount ^o	Value (US \$)
Convertible Bonds (continued)		
REITs (continued)		
Spirit Realty Capital 3.75% exercise price \$12.96, maturity date 5/15/21	246,000	\$ 253,535
VEREIT 3.75% exercise price \$14.99, maturity date 12/15/20	295,000	305,510
		916,805
Technology 1.50%		
Cardtronics 1.00% exercise price \$52.35, maturity date 12/1/20	254,000	228,124
Ciena 3.75% exercise price \$20.17, maturity date 10/15/18	126,000	150,885
Electronics For Imaging 0.75% exercise price \$52.72, maturity date 9/1/19	102,000	99,641
Knowles 3.25% exercise price \$18.43, maturity date 11/1/21	136,000	156,400
NXP Semiconductors 1.00% exercise price \$102.84, maturity date 12/1/19	98,000	119,193
PROS Holdings 2.00% exercise price \$33.79, maturity date 12/1/19	177,000	181,204
Synaptics 144A 0.50% exercise price \$73.02, maturity date 6/15/22 #	174,000	158,666
Verint Systems 1.50% exercise price \$64.46, maturity date 6/1/21	302,000	299,169
		1,393,282
Total Convertible Bonds (cost \$6,086,808)		6,432,293

Corporate Bonds 36.00%

Automotive 0.12%		
American Tire Distributors 144A 10.25% 3/1/22 #	105,000	107,887
		107,887
Banking 1.93%		
Ally Financial 5.75% 11/20/25	240,000	263,998
Credit Suisse Group 144A 6.25% #µy	200,000	217,583
Lloyds Banking Group 7.50% µy	330,000	374,550
Popular 7.00% 7/1/19	255,000	262,650
Royal Bank of Scotland Group 8.625% µy	400,000	452,000
UBS Group 6.875% µy	200,000	221,953
		1,792,734

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	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Basic Industry 7.08%		
Beacon Escrow 144A 4.875% 11/1/25 #	355,000	\$ 362,766
BMC East 144A 5.50% 10/1/24 #	115,000	119,025
Boise Cascade 144A 5.625% 9/1/24 #	400,000	423,000
Builders FirstSource		
144A 5.625% 9/1/24 #	95,000	99,394
144A 10.75% 8/15/23 #	175,000	197,750
Cemex 144A 7.75% 4/16/26 #	200,000	226,960
Chemours 5.375% 5/15/27	190,000	198,550
FMG Resources August 2006 144A 4.75% 5/15/22 #	105,000	107,099
144A 5.125% 5/15/24 #	100,000	103,000
Freeport-McMoRan 6.875% 2/15/23	320,000	349,600
Hudbay Minerals 144A		
7.25% 1/15/23 #	20,000	21,476
144A 7.625% 1/15/25 #	160,000	177,400
James Hardie International Finance 144A 5.875% 2/15/23 #	200,000	211,250
Joseph T Ryerson & Son 144A 11.00% 5/15/22 #	80,000	90,360
Koppers 144A 6.00% 2/15/25 #	285,000	306,817
Kraton Polymers		
144A 7.00% 4/15/25 #	150,000	162,375
144A 10.50% 4/15/23 #	175,000	199,063
Lennar		
4.50% 4/30/24	195,000	201,581
4.75% 5/30/25	95,000	98,444
M/I Homes 6.75% 1/15/21	185,000	192,863
NCI Building Systems		
144A 8.25% 1/15/23 #	155,000	165,075
New Gold 144A 6.25% 11/15/22 #	66,000	68,310
NOVA Chemicals	130,000	131,300

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144A 5.00% 5/1/25 #		
144A 5.25% 6/1/27 #	160,000	161,600
Novelis 144A 6.25% 8/15/24 #	305,000	322,537
Olin 5.125% 9/15/27	195,000	205,237
PQ 144A 6.75% 11/15/22 #	125,000	135,156
PulteGroup 5.00% 1/15/27	100,000	105,605
Standard Industries		
144A 5.00% 2/15/27 #	195,000	203,287
Steel Dynamics 5.00% 12/15/26	190,000	201,282
Summit Materials		
6.125% 7/15/23	195,000	204,809
8.50% 4/15/22	60,000	66,975
US Concrete 6.375% 6/1/24	260,000	280,150
WR Grace & Co.-Conn 144A 5.625% 10/1/24 #	90,000	97,537
	Principal amount^o	Value (US \$)

Corporate Bonds (continued)

Basic Industry (continued)		
Zekelman Industries 144A 9.875% 6/15/23 #	335,000	\$ 376,037
		6,573,670

Capital Goods 1.35%		
Ardagh Packaging Finance 144A 6.00% 2/15/25 #	240,000	255,624
BWAY Holding		
144A 5.50% 4/15/24 #	245,000	256,025
144A 7.25% 4/15/25 #	145,000	150,619
Flex Acquisition 144A 6.875% 1/15/25 #	190,000	196,056
KLX 144A 5.875% 12/1/22 #	140,000	146,825
StandardAero Aviation Holdings 144A 10.00% 7/15/23 #	85,000	93,500
TransDigm 6.375% 6/15/26	150,000	152,625
		1,251,274

Consumer Cyclical 1.96%		
AMC Entertainment Holdings 6.125% 5/15/27	185,000	184,306
Boyd Gaming 6.375% 4/1/26	395,000	431,537
GLP Capital 5.375% 4/15/26	155,000	167,690
JC Penney 8.125% 10/1/19	62,000	62,930
MGM Resorts International 4.625% 9/1/26	200,000	205,000
Mohegan Gaming & Entertainment 144A 7.875% 10/15/24 #	275,000	290,813
Penn National Gaming 144A 5.625% 1/15/27 #	195,000	202,800
Penske Automotive Group 5.50% 5/15/26	270,000	275,400
		1,820,476

Consumer Non-Cyclical	1.19%		
Cott Holdings 144A 5.50% 4/1/25 #		320,000	330,560
JBS USA 144A 5.75% 6/15/25 #		195,000	191,344
Live Nation Entertainment 144A 4.875% 11/1/24 #		183,000	188,947
Post Holdings			
144A 5.00% 8/15/26 #		100,000	99,375
144A 5.75% 3/1/27 #		99,000	101,723
Tempur Sealy International 5.50% 6/15/26		190,000	194,987
			1,106,936
Energy	5.55%		
Alta Mesa Holdings 7.875% 12/15/24		190,000	210,425
AmeriGas Partners 5.875% 8/20/26		240,000	250,200

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount°	Value (US \$)
Corporate Bonds (continued)		
Energy (continued)		
Andeavor Logistics 5.25% 1/15/25	190,000	\$ 200,687
Antero Resources 5.625% 6/1/23	117,000	122,557
Cheniere Corpus Christi Holdings 144A 5.125% 6/30/27 #	40,000	41,450
5.875% 3/31/25	80,000	87,000
7.00% 6/30/24	100,000	114,000
Chesapeake Energy 144A 8.00% 12/15/22 #	44,000	47,025
144A 8.00% 1/15/25 #	60,000	59,775
Crestwood Midstream Partners 5.75% 4/1/25	190,000	196,413
Diamondback Energy 4.75% 11/1/24	190,000	193,087
Energy Transfer Equity 5.50% 6/1/27	115,000	120,463
Genesis Energy 6.75% 8/1/22	294,000	305,304
Gulfport Energy 6.625% 5/1/23	200,000	205,500
Hilcorp Energy I 144A 5.00% 12/1/24 #	97,000	97,727
144A 5.75% 10/1/25 #	71,000	73,506
Holly Energy Partners 144A 6.00% 8/1/24 #	105,000	109,987
Laredo Petroleum 6.25% 3/15/23	205,000	211,663
Murphy Oil 6.875% 8/15/24	360,000	388,350
Murphy Oil USA 5.625% 5/1/27	385,000	405,213
Newfield Exploration 5.375% 1/1/26	275,000	294,250
NuStar Logistics 5.625% 4/28/27	160,000	162,000
Oasis Petroleum 6.875% 3/15/22	105,000	107,231
QEP Resources 5.625% 3/1/26	85,000	86,584
Southwestern Energy 4.10% 3/15/22	100,000	98,750
6.70% 1/23/25	195,000	203,287
Targa Resources Partners 5.375% 2/1/27	280,000	288,050
Transocean 144A 9.00% 7/15/23 #	170,000	184,237
Transocean Proteus 144A 6.25% 12/1/24 #	85,500	90,309
WildHorse Resource Development 6.875% 2/1/25	200,000	204,522

5,159,552

Financials 0.44%

AerCap Global Aviation Trust 144A 6.50% 6/15/45 #μ	200,000	219,000
E*TRADE Financial 5.875% μy	180,000	191,925

410,925

Principal
amount^o

Value
(US \$)

Corporate Bonds (continued)**Healthcare 2.77%**

Air Medical Group Holdings 144A 6.375% 5/15/23 #	280,000	\$ 273,700
Change Healthcare Holdings 144A 5.75% 3/1/25 #	200,000	203,250
DaVita 5.00% 5/1/25	180,000	180,675
HCA		
5.375% 2/1/25	375,000	390,000
5.875% 2/15/26	100,000	106,625
7.58% 9/15/25	80,000	91,800
HealthSouth		
5.75% 11/1/24	285,000	292,837
5.75% 9/15/25	90,000	93,825
Hill-Rom Holdings		
144A 5.00% 2/15/25 #	160,000	163,600
144A 5.75% 9/1/23 #	100,000	105,250
inVentiv Group Holdings 144A 7.50% 10/1/24 #	79,000	87,097
MPH Acquisition Holdings 144A 7.125% 6/1/24 #	162,000	174,353
Team Health Holdings 144A 6.375% 2/1/25 #	145,000	131,950
Tenet Healthcare		
144A 5.125% 5/1/25 #	165,000	159,844
8.125% 4/1/22	115,000	114,281

2,569,087

Insurance 0.56%

HUB International 144A 7.875% 10/1/21 #	215,000	223,869
USIS Merger Sub 144A 6.875% 5/1/25 #	295,000	299,425

523,294

Media 3.68%

CCO Holdings		
144A 5.50% 5/1/26 #	30,000	30,676
144A 5.75% 2/15/26 #	120,000	124,800
144A 5.875% 5/1/27 #	220,000	229,306
Cequel Communications Holdings I 144A 7.75% 7/15/25 #	200,000	214,000
CSC Holdings 144A 10.875% 10/15/25 #	200,000	237,192

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Gray Television 144A 5.875% 7/15/26 #	270,000	274,725
Lamar Media 5.75% 2/1/26	167,000	179,943
Nexstar Broadcasting 144A 5.625% 8/1/24 #	265,000	271,625
Nielsen Co. Luxembourg 144A 5.00% 2/1/25 #	385,000	401,363
Radiate Holdco 144A 6.625% 2/15/25 #	195,000	187,200

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	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Media (continued)		
SFR Group 144A 7.375% 5/1/26 #	200,000	\$ 202,250
Sinclair Television Group 144A 5.125% 2/15/27 #	195,000	191,100
Sirius XM Radio		
144A 5.00% 8/1/27 #	100,000	101,625
144A 5.375% 4/15/25 #	175,000	184,459
Tribune Media 5.875% 7/15/22	170,000	174,250
Virgin Media Secured Finance 144A 5.25% 1/15/26 #	200,000	207,000
VTR Finance 144A 6.875% 1/15/24 #	200,000	212,000
		3,423,514
REIT 0.10%		
Starwood Property Trust 144A 4.75% 3/15/25 #	90,000	90,000
		90,000
Services 4.33%		
Advanced Disposal Services 144A 5.625% 11/15/24 #	195,000	201,825
Ashtead Capital 144A 4.375% 8/15/27 #	330,000	336,805
Avis Budget Car Rental 144A 6.375% 4/1/24 #	105,000	108,413
Covanta Holding 5.875% 7/1/25	190,000	190,475
ESH Hospitality 144A 5.25% 5/1/25 #	265,000	270,300
GEO Group		
5.875% 1/15/22	500,000	518,125
5.875% 10/15/24	100,000	104,000
6.00% 4/15/26	130,000	135,525
Herc Rentals 144A 7.75% 6/1/24 #	186,000	204,619

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Iron Mountain US Holdings 144A 5.375% 6/1/26 #	195,000	205,237
KAR Auction Services 144A 5.125% 6/1/25 #	95,000	98,444
Prime Security Services Borrower 144A 9.25% 5/15/23 #	645,000	713,531
Scientific Games International 10.00% 12/1/22	320,000	353,600
United Rentals North America 5.50% 5/15/27	545,000	579,063

4,019,962

Technology & Electronics 1.53%		
CDK Global 5.00% 10/15/24	175,000	183,297
CDW Finance 5.00% 9/1/25	95,000	99,750
CommScope Technologies 144A 5.00% 3/15/27 #	195,000	196,948

Value
Principal
amount^o **(US \$)**

Corporate Bonds (continued)

Technology & Electronics (continued)		
CommScope Technologies 144A 6.00% 6/15/25 #	115,000	\$ 123,625
First Data 144A 5.75% 1/15/24 #	185,000	192,631
Infor US 6.50% 5/15/22	165,000	170,775
Sensata Technologies UK Financing 144A 6.25% 2/15/26 #	200,000	218,500
Solera 144A 10.50% 3/1/24 #	120,000	135,600
Symantec 144A 5.00% 4/15/25 #	95,000	99,750

1,420,876

Telecommunications 1.92%		
CenturyLink 6.75% 12/1/23	170,000	164,424
Cincinnati Bell 144A 7.00% 7/15/24 #	107,000	104,057
CyrusOne Finance 144A 5.375% 3/15/27 #	170,000	178,500
Level 3 Financing 5.375% 5/1/25	180,000	180,954

Sprint

7.125% 6/15/24	200,000	207,875
7.875% 9/15/23	125,000	135,000
Sprint Communications 7.00% 8/15/20	136,000	145,520

T-Mobile USA

6.375% 3/1/25	75,000	80,696
6.50% 1/15/26	210,000	230,670

Zayo Group

144A 5.75% 1/15/27 #	75,000	77,437
6.375% 5/15/25	265,000	281,231

1,786,364

Transportation 0.42%

XPO Logistics 144A 6.125% 9/1/23 #	370,000	392,200
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392,200

Utilities 1.07%

AES

5.50% 4/15/25 160,000 169,400

6.00% 5/15/26 25,000 27,250

Calpine

5.50% 2/1/24 100,000 97,000

5.75% 1/15/25 100,000 96,750

Dynegy

7.375% 11/1/22 100,000 107,125

144A 8.00% 1/15/25 # 45,000 49,726

Emera 6.75% 6/15/76 μ 180,000 203,400

Enel 144A 8.75% 9/24/73 #μ 200,000 247,750

998,401

Total Corporate Bonds(cost \$32,151,955) **33,447,152**