DIVIDEND & INCOME FUND
Form 497
July 01, 2015

BASE PROSPECTUS
DIVIDEND AND INCOME FUND
$150 million
Shares of Beneficial Interest ($0.01 par value per Share)
Subscription Rights for Shares of Beneficial Interest ($0.01 par value per Share)

Dividend and Income Fund (the "Fund") is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed end management investment company. The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities, including dividend paying common stocks, convertible securities, preferred stocks, securities of registered investment companies (including, but not limited to, closed end and open end management investment companies, and business development companies) (collectively, "investment companies"), exchange-traded funds organized as investment companies or otherwise, real estate investment trusts, depositary receipts, and other equity related securities (collectively, "Income Generating Equity Securities"). The Fund may invest in fixed income securities, including bonds issued by domestic and foreign corporate and government issuers. The Fund may also invest in equity securities of other issuers, including investment companies, exchange-traded funds and real estate investment trusts, deemed by Bexil Advisers LLC, the Fund's investment manager (the "Investment Manager"), not to be Income Generating Equity Securities based on the issuer's income generation, objectives, policies, holdings, or similar criteria. Securities in which the Fund may invest include high yield, high risk securities which are rated below investment grade (commonly referred to as "junk" bonds), including the lowest rating categories, or are unrated but are determined by the Investment Manager to be of comparable quality, and are considered speculative and subject to certain risks that may be greater than those of higher rated securities. The Fund has used leverage since its inception and expects to do so in the future; however, there can be no assurance that the Fund will continue to engage in any leveraging techniques. There is no assurance the Fund will achieve its investment objectives.

The Fund may offer, from time to time, in one or more offerings, including through rights offerings, shares of beneficial interest ("Shares"), each having a par value of $0.01 per share. Shares may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each a "Prospectus Supplement"). You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in Shares of the Fund.

Shares may be offered directly to one or more purchasers, including existing shareholders in a rights offering, through agents designated from time to time by the Fund, or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents or underwriters involved in the sale of Fund Shares, and will set forth any applicable purchase price, fee, commission, or discount arrangement between the Fund and its agents or underwriters, or among underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any offering of subscription rights will set forth the number of Shares issuable upon the exercise of each right (or number of rights) and the other terms of such rights offering. The Fund may not sell any of its securities directly or through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering. Shares of the Fund are listed on the New York Stock Exchange ("NYSE") under the symbol "DNI." The last reported sale price of Shares, as reported by the NYSE on May 19, 2015, was $15.16 per Share. The net asset value ("NAV") per Share as of the close of business on May 19, 2015 was $16.95.

Shares of closed end funds often trade at a discount from NAV. This creates a risk of loss for an investor purchasing shares in a public offering at or above NAV.

Investing in Shares of the Fund involves risks. Please see "Special Considerations and Risk Factors" beginning on page 28 of this Prospectus to learn more about the risks you should carefully consider before investing, including the risks of investing in below investment grade securities and the risks of leverage.

Certain of these risks are summarized in "Prospectus Summary—Risks" beginning on page 4 of this Prospectus.
This Prospectus may not be used to consummate sales of Shares by the Fund directly or through agents, underwriters, or dealers unless accompanied by a Prospectus Supplement.
This Prospectus sets forth concisely information you should know before investing. Please read it carefully before investing and keep it for future reference. Additional information about the Fund, including a Statement of Additional Information dated June 30, 2015 ("SAI"), which SAI is hereby incorporated by reference in its entirety into this Prospectus, has been filed with the Securities and Exchange Commission ("SEC"). You can review the table of contents for the SAI on page 55 of this Prospectus. You may obtain additional information about the Fund, including its SAI and annual and semi-annual reports, without charge (i) upon request, by calling 1-855-411-6432; (ii) on the Fund's website at http://www.DividendandIncomeFund.com; and (iii) on the SEC's website at http://www.sec.gov. You may make any other shareholder inquiries by calling the Fund at 1-855-411-6432. The Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.
Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.
June 30, 2015

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this Prospectus and any related Prospectus Supplement. The Fund has not authorized anyone to provide you with different information. Offers to sell, and offers to buy, Shares may only be made and are valid only in jurisdictions where offers and sales are permitted. You should assume that the information in this Prospectus and any Prospectus Supplement is accurate only as of the date on the applicable cover page.

PROSPECTUS SUMMARY

This following information is only a summary. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information contained in the Prospectus and any related Prospectus Supplement and in the SAI before purchasing Shares. In particular, you should consider the information set forth under "Special Considerations and Risk Factors" on page 28 of the Prospectus.

The Fund:	The Fund is a non-diversified, closed end management investment company with Shares listed on the NYSE under the symbol "DNI." As of April 30, 2015, the Fund had 8,672,145 Shares outstanding. Registered under the 1940 Act, the Fund was incorporated under the laws of the State of Maryland on April 6, 1998 and commenced investment operations on June 29, 1998 under the name Chartwell Dividend and Income Fund, Inc., which was shortened effective February 1, 2011 to Dividend and Income Fund, Inc. On May 14, 2012, the Fund reorganized into a Delaware statutory trust and changed its name to Dividend and Income Fund. See "The Fund."
The Offering:	The Fund may offer, from time to time, in one or more offerings, including through rights offerings, up to $150 million of Shares. The Shares may be offered at prices and on terms to be set forth in one or more Prospectus Supplements. The offering price per Share will not be less than the NAV per Share at the time of the offering, exclusive of any underwriting commission or discounts, provided that rights offerings may be offered at a price below the then current NAV, subject to certain conditions. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in Shares of the Fund. Shares may be offered directly to one or more purchasers, through agents designated from time to time by us, or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents, underwriters or dealers involved in the sale of Shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between the Fund and its agents or underwriters, or among underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any offering of rights will set forth the number of Shares issuable upon the exercise of each right (or number of rights) and the other terms of such rights offering. The Fund may not sell any of its securities directly or through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering. See "Plan of Distribution." The last reported sale price of Shares, as reported by the NYSE on May 19, 2015, was $15.16 per Share. The NAV per Share as of the close of business on May 19, 2015 was $16.95.
Use of Proceeds:	The Fund will use the net proceeds from the offering to invest in accordance with its investment objectives and policies as appropriate investment opportunities are identified, which is expected to substantially be completed within three months; however, changes in market conditions could result in the Fund's anticipated investment period extending to as long as six months. See "Use of Proceeds."
Investment Objectives and Policies:	The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities, including dividend paying common stocks, convertible securities, preferred stocks, securities of registered investment companies (including, but not limited to, closed end management investment companies ("closed end funds"), open end management investment companies ("open end funds"), and business development companies ("BDCs") (collectively, "investment companies"), exchange-traded funds ("ETFs") organized as investment companies or otherwise, real estate investment trusts ("REITs"), depositary receipts, including American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Global Depositary Receipts ("GDRs"), and other equity related securities (collectively, "Income Generating Equity Securities"). The Fund may invest in fixed income securities ("Debt Securities"), including bonds issued by domestic and foreign corporate and government issuers. The Debt Securities in which the Fund may invest may be structured as fixed rate debt, floating rate debt, and debt that may not pay interest at the time of issuance.

The Fund may also invest in equity securities of other issuers, including investment companies, ETFs and REITs, deemed by the Investment Manager not to be Income Generating Equity Securities based on the issuer's income generation, objectives, policies, holdings, or similar criteria. The Fund may invest in securities of domestic or foreign issuers of any size. There is no assurance the Fund will achieve its investment objectives.

1

The Debt Securities in which the Fund may invest include high yield, high risk securities which are rated below investment grade, including the lowest rating categories, or are unrated but are determined by the Investment Manager to be of comparable quality, and are considered speculative and subject to certain risks that may be greater than those of higher rated securities. Securities rated below investment grade are those rated below "Baa" by Moody's Investors Service, Inc. ("Moody's") or below "BBB" by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("S&P"). The Fund normally will not invest more than 50% of its total assets in below investment grade Debt Securities, commonly known as "junk" bonds. Certain Income Generating Equity Securities in which the Fund may invest, including convertible securities and preferred stocks, may also be rated below investment grade and generally will have characteristics similar to those of lower rated Debt Securities. The Fund will not, however, normally invest in convertible securities rated below "C" by Moody's or "CC" by S&P.

The Fund is permitted to invest in shares of registered investment companies, including money market fund shares, to the extent permitted by the 1940 Act. Investment company shares held by the Fund may be deemed by the Investment Manager to be Income Generating Equity Securities, Debt Securities (such as money market fund shares), or otherwise, depending on the income generation, objectives, policies, holdings, or similar criteria of the investment company. In accordance with the 1940 Act, the Fund normally will be limited in the amount the Fund and its affiliates can invest in any one investment company to 3% of the investment company's total outstanding stock. As a result, the Fund may hold a smaller position in such investment company than if it were not subject to this restriction. To comply with provisions of the 1940 Act, on any matter upon which the Fund is solicited to vote as a shareholder in an investment company in which it invests, the Investment Manager normally seeks to vote such shares in the same general proportion as shares held by other shareholders of that investment company. The Fund does not invest in any investment companies managed by the Investment Manager or its affiliates. Investment companies typically incur advisory fees and other expenses. The Fund, as a shareholder, will indirectly bear its pro rata portion of such fees and expenses in addition to the Fund's direct fees and expenses.

In seeking to enhance returns, the Fund may employ leverage to the extent permitted under the 1940 Act. See "Use of Leverage" below and "Investment Objectives, Policies, and Strategies—Leverage." The Fund may also engage in transactions involving futures, options, and options on futures. The Fund may trade securities actively in pursuit of its investment objectives. The Fund also may lend its portfolio securities to brokers, dealers, and other financial institutions.

The Fund may, from time to time, make temporary investments for defensive purposes that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions, pending investment of the proceeds of sales of portfolio securities, pending investment of the proceeds from Share offerings, or at other times when suitable investments are not otherwise available. To the extent the Fund takes temporary defensive positions, it may not achieve its investment objectives.

See "Investment Objectives, Policies, and Strategies" in this Prospectus and "Additional Information About the Fund's Investment Program" in the Fund's SAI.

Investment Strategy:

When selecting Income Generating Equity Securities for the Fund, the Investment Manager will normally emphasize those with a yield anticipated to be greater than or comparable to that of the average dividend yield of the Standard & Poor's 500 Composite Stock Index ("S&P 500 Index"). After identifying qualifying Income Generating Equity Securities, the Investment Manager will typically apply fundamental investment analysis, which may consider yield, financial strength, profitability, growth potential, and risks, as well as other considerations, such as market, sector, or industry diversification, to select the Fund's specific portfolio securities. The industry sector weightings in the Income Generating Equity Securities portion of the Fund's portfolio are determined based on the Investment Manager's research. Except for securities related to the U.S. government or other issuers not considered to be members of any industry, the Fund will not concentrate its investments in the securities of one or more issuers conducting their principal business activities in the same industry.

When selecting Debt Securities for the Fund, the Investment Manager will usually seek investments that offer a high level of current income consistent with reasonable risk in light of the nature of the investments. Debt Securities under consideration for the Fund's portfolio normally will be analyzed by the Investment Manager based on fundamental factors, including yield, financial and operating strength, and risk, and other considerations, including marketability, relative value characteristics, and general credit trends. The Fund will generally invest in such securities presenting, in the Investment Manager's opinion, the potential for investment returns consistent with the Fund's investment objectives.

The Investment Manager generally considers a variety of factors when determining whether to sell a security in the Fund's portfolio and may sell a security at any time in its discretion. A security is typically sold when its potential to meet the Fund's investment objectives is deemed by the Investment Manager to be limited or exceeded by another potential investment or when an investment no longer appears to meet the Fund's investment objectives.

See "Investment Objectives, Policies, and Strategies – Investment Strategy."

Use of Leverage:

The Fund has utilized leverage since shortly after it began investment operations and expects to continue to use investment leverage; however, there can be no assurance that the Fund will continue to engage in any leveraging techniques. The Fund is currently a party to a committed facility agreement ("CFA") with BNP Paribas Prime Brokerage, Inc. ("BNP") and as of April 30, 2015, had borrowed $25.8 million under the CFA.

The percentage amount of the Fund's leverage outstanding as of April 30, 2015 was 15% of its total assets (including the proceeds of such leverage). The Fund reserves the right to adjust leverage from time to time. Although the Fund's fundamental investment restrictions permit it to borrow money and issue senior securities to the extent permitted under the 1940 Act, the Fund's CFA allows the Fund to adjust its leverage under the CFA up to $45,000,000 while borrowings under the CFA are secured by assets of the Fund that are held with the Fund's custodian in a separate account. The Fund's portfolio securities are normally pledged at least to the extent required under the CFA as collateral. The Fund currently intends to adjust leverage in its portfolio from time to time through the CFA. The Fund may also enter into transactions other than those noted above that may give rise to other forms of leverage including, among others, derivative transactions, loans of portfolio securities, and when-issued, delayed delivery and forward commitment transactions. These other forms of leverage are not included in the Fund's fundamental restriction discussed above. The Fund may also determine to issue preferred shares to add leverage to its portfolio. See "Investment Objectives, Policies, and Strategies – Leverage," "Special

Considerations and Risk Factors – Risks of Investing in the Fund – Leverage and Borrowing Risk," and "Description of the Securities – Preferred Shares."

3

Risks (see generally "Special Considerations and Risk Factors" for more information on these and other risks):	Market Risk. An investment in the Fund is subject to market risk, including the possible loss of the entire principal amount that you invest. Your investment in Shares represents an indirect investment in the securities owned by the Fund. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably, and these fluctuations are likely to have a greater impact on the value of the Shares during periods in which the Fund utilizes leverage.
	Non-Diversified Status Risk. As a non-diversified, closed end management investment company under the 1940 Act, the Fund may invest a greater portion of its assets in a more limited number of issuers than may a diversified fund, and accordingly, an investment in the Fund may, under certain circumstances, present greater risk to an investor than an investment in a diversified company.
	Recent Events. Recent developments in the U.S. and foreign financial markets and other market history suggest that economic, market, and specific investment analysis and forecasting is difficult, often wrong, and that even the assumptions of certain conditions cannot be relied on with any certainty. Assumptions regarding the regulation of these markets and the participants therein may change. The U.S. government and certain foreign governments have and may take unprecedented actions designed to support certain financial institutions or segments of the financial markets. Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the securities in which the Fund invests, or the issuers of such securities in which the Fund invests, in unforeseeable ways that could have a material adverse effect on the Fund's business and operations. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objectives. Furthermore, volatile or adverse financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund.
	Equity Securities Risk. Investing in the Fund involves equity securities risk, which is the risk that the equity securities held by the Fund will fall in market value due to adverse market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds. The general risks associated with equity securities may be greater for equity securities issued by companies with smaller market capitalizations as these companies may have limited product lines, markets, or financial resources or may depend on a few key employees.
	Common Stock Risk. Although common stocks can generate higher average returns than debt and other equity securities, common stocks can also experience more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. Also, the prices of common stocks are sensitive to general movements in the stock market. A drop in the stock market may depress the price of common stocks held by the Fund or to which the Fund has exposure. In the event of a company's liquidation, the holders of its common stock have rights to its assets only after bondholders, other debt holders, and preferred shareholders have been satisfied.

Credit Risk. Investing in the Fund involves credit risk, which is the risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit risk and quality of the issuer. Below investment grade debt securities normally are lower quality and have greater credit risk because the companies that issue them typically are not as financially strong as companies that issue higher quality, investment grade debt securities. Changes in the financial condition of an issuer, general economic conditions, and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, or cause an issuer to fail to make timely payments of interest or principal. The downgrade of a security may further decrease its value, although a grade rating by a rating agency only represents the service's opinion as to the general credit quality of the security being rated and is not an absolute standard of quality or guarantee as to the creditworthiness of an issuer. Lower quality debt securities generally tend to be more sensitive to these changes than higher quality debt securities, but the lowest rating category of investment grade securities may have speculative characteristics as well. See "Additional Risks of Certain Securities—Below Investment Grade Securities Risks" below. Credit risk also applies to securities issued by the U.S. government's agencies and instrumentalities that are not backed by the U.S. government's full faith and credit. Although securities backed by the full faith and credit of the U.S. government are generally considered to present minimal credit risk, credit risk may also apply to these securities.

Interest Rate Risk. Generally, when market interest rates rise, the prices of debt obligations fall, and vice versa. Interest rate risk is the risk that debt obligations and other instruments in the Fund's portfolio will decline in value because of increases in market interest rates. This risk may be particularly acute because market interest rates are currently near historically low levels. The prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations as interest rates change. The Fund's use of leverage will tend to increase interest rate risk.

Prepayment and Extension Risk. If interest rates fall, the principal on the debt securities held by the Fund may be paid earlier than expected. If this happens, the proceeds from a prepaid security may be reinvested by the Fund in securities bearing lower interest rates, resulting in a possible decline in the Fund's income and distributions to shareholders. Alternatively, the Fund is subject to the risk that an issuer will exercise its right to pay principal on an obligation held by that Fund later than expected. This may happen when there is a rise in interest rates. These events may lengthen the duration (i.e., interest rate sensitivity) and potentially reduce the value of these securities.

Corporate Bonds Risk. The Fund's investments in corporate bonds are subject to a number of the risks described in this Prospectus, including credit risk, interest rate risk, prepayment and extension risk, inflation/deflation risk, below investment grade securities risk, foreign securities risk, illiquid and restricted securities risk, management risk, and valuation risk.

Leverage and Borrowing Risk. Borrowing for investment purposes creates an opportunity for increased return, but at the same time, involves special risk considerations. Borrowing increases the likelihood of greater volatility of the NAV and market price of the Shares. If the return that the Fund earns on the additional securities purchased fails to cover the interest and fees incurred on the monies borrowed, the NAV of the Fund (and the return of the Fund) would be lower than if borrowing had not been incurred. In addition, when the Fund borrows at a variable interest rate, there is a risk that fluctuations in the interest rate may adversely affect the return to the Fund's shareholders. Interest payments and fees incurred in connection with such borrowings will reduce the amount of net income available for distribution to shareholders. There is no assurance that a borrowing strategy will be successful during any period in which it is employed. Borrowing on a secured basis results in certain additional risks. Should securities that are pledged as collateral to secure the loan decline in value, the Fund may be required to pledge additional assets in the form of cash or securities to the lender to avoid liquidation of the pledged assets. In the event of a steep drop in the value of pledged securities, it might not be possible to liquidate assets quickly enough and this could result in mandatory liquidation of the pledged assets in a declining market at relatively low prices. Furthermore, the Investment Manager's ability to sell the pledged securities is limited by the terms of the CFA and a lending agreement ("Lending Agreement") with BNP, which may reduce the Fund's investment flexibility over the pledged securities. The rights of the lender to receive payments of interest on and repayments of principal will be senior to the rights of the Fund's shareholders.

Inflation/Deflation Risk. Inflation risk is the risk that the value of assets or income from the Fund's investments will be worth less in the future as inflation decreases the present value of fixed payments at future dates. Deflation risk is the risk that prices throughout the economy may decline over time —the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

Below Investment Grade Securities Risk. Below investment grade securities are commonly referred to as "junk bonds." Below investment grade securities are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. The risks associated with acquiring the securities of such issuers generally are greater than is the case with higher rated securities. For example, during an economic downturn or a sustained period of rising interest rates, issuers of below investment grade securities may be more likely to experience financial stress, especially if such issuers are highly leveraged. During periods of economic downturn, such issuers may not have sufficient revenues to meet their interest payment obligations. The issuer's ability to service its debt obligations also may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Therefore, there can be no assurance that in the future there will not exist a higher default rate relative to the rates currently existing in the market for below investment grade securities. The risk of loss due to default by the issuer is significantly greater for the holders of below investment grade securities because such securities may be unsecured and may be subordinate to other creditors of the issuer. Below investment grade securities have been in the past, and may again in the future be, more volatile and less liquid than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of below investment grade securities than on higher rated fixed income securities.

Options Risks. There are several risks associated with transactions in options on securities, as follows:

·There are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives.

·As the writer of a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline.

·The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it may not be able to effect a closing purchase transaction in order to terminate its obligation under the option and must then deliver the underlying security at the exercise price.

·There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. If the Fund were unable to close out a covered call option that it had written on a security, it would not be able to sell the underlying security unless the option expired without exercise.

·The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets.

·The value of call options will be affected by changes in the value and dividend rates of the underlying common stocks, an increase in interest rates, changes in the actual or perceived volatility of the stock market and the underlying common stocks and the remaining time to the options' expiration. Additionally, the exercise price of an option may be adjusted downward before the option's expiration as a result of the occurrence of events affecting the underlying equity security. A reduction in the exercise price of an option would reduce the Fund's capital appreciation potential on the underlying security.

·If a put option purchased by the Fund is not sold when it has remaining value, and if the market price of the underlying security remains equal to or greater than the exercise price, the Fund will lose its entire investment in the option.

Real Estate Investment Trusts Risks. REITs are financial vehicles that pool investors' capital to purchase or finance real estate. The market value of REIT shares and the ability of REITs to distribute income may be adversely affected by numerous factors, including rising interest rates, changes in the national, state and local economic climate and real estate conditions, perceptions of prospective tenants of the safety, convenience, and attractiveness of the properties, the ability of the owners to provide adequate management, maintenance, and insurance, the cost of complying with the Americans with Disabilities Act, increasing competition and compliance with environmental laws, changes in real estate taxes and other operating expenses, adverse changes in governmental rules and fiscal policies, adverse changes in zoning laws, and other factors beyond the control of the issuers. In addition, distributions received by the Fund from REITs may be attributable to net investment income, net realized capital gains, and/or returns of capital. Dividends paid by REITs generally do not qualify for the reduced federal income tax rates applicable to "qualified dividend income" under the Internal Revenue Code of 1986, as amended (the "Code"). See "Tax Considerations" in the SAI. REITs are subject to interest rate risk and prepayment risk. Changes in prevailing interest rates affect not only the value of REIT shares but may impact the market value of the REIT's holdings of real estate and real estate related securities. Investing in REITs also involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon the skills of their managers and are not diversified by industry. REITs are generally dependent upon maintaining cash flows to repay borrowings and to make distributions to shareholders and are subject to the risk of default by lessees or borrowers. REITs may have limited financial resources and may trade less frequently and in a more limited volume, and may be subject to more abrupt or erratic price movements than larger company securities.

Securities of Other Investment Companies Risks. An investment in shares of other investment companies involves substantially the same risks as investing directly in the underlying instruments that such investment companies hold and the risk that the price of the shares of the investment company can fluctuate up or down. There can be no assurance that the investment objective of any investment company in which the Fund invests will be achieved. Consequently, the Fund could lose money investing in another investment company if the prices of the securities owned by the investment company decline in value.

In addition, closed end funds, ETFs, and BDCs in which the Fund may invest are subject to the following risks that do not apply to open end funds: (i) market price of shares may trade above or below their NAV; (ii) an active trading market for shares may not develop or be maintained; and (iii) trading of shares may be halted. In the case of leveraged closed end funds, their share price and NAV may fluctuate to a greater extent and be more volatile than un-leveraged closed end funds. All investment companies incur advisory fees and other expenses. The Fund, as a shareholder, will indirectly bear its pro rata portion of such fees and expenses in addition to the Fund's direct fees and expenses, so shareholders of the Fund will be subject to duplication of fees on investments by the Fund in other investment companies.

BDC Risk. Because BDCs typically invest in small and medium-sized companies, a BDC's portfolio is subject to the risks inherent in investing in smaller companies, including that portfolio companies may be dependent on a small number of products or services and may be more adversely affected by poor economic or market conditions. Some BDCs invest substantially, or even exclusively, in one sector or industry group and therefore the BDC may be susceptible to adverse conditions and economic or regulatory occurrences affecting the sector or industry group, which tends to increase volatility and result in higher risk. Investments in BDCs are also subject to management risk, including management's ability to meet the BDC's investment objective, and to manage the BDC's portfolio during periods of market turmoil and as investor's perceptions regarding a BDC or its underlying investments change.

Securities of Small and Mid-Capitalization Companies Risks. The Fund may invest in companies with small or mid-sized capital structures (generally a market capitalization of $5 billion or less). Accordingly, the Fund may be subject to the additional risks associated with investment in these companies. The market prices of the securities of such companies tend to be more volatile than those of larger companies. Further, these securities tend to trade at a lower volume than those of larger companies. If the Fund is heavily invested in these securities and the value of these securities declines, the Fund will be susceptible to significant losses.

Preferred Stock Risks. In addition to equity securities risk and possibly below investment grade securities risk, investment in preferred stocks involves certain other risks. Certain preferred stocks contain provisions that allow an issuer under certain conditions to skip or defer distributions. Preferred stocks often are subject to legal provisions that allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt securities. Preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks and debt securities of corporate and government issuers.

Foreign Securities Risks. The Fund may invest in securities of issuers domiciled outside the United States. Investing in the securities of foreign issuers may involve additional risks and considerations that are not typically associated with investing in the securities of U.S. issuers. Since the securities of foreign issuers are normally denominated in foreign currencies, the Fund may be affected favorably or unfavorably by changes in currency rates and in exchange control regulations, and may incur costs in connection with conversions between various currencies. As foreign issuers are not generally subject to uniform accounting, auditing, and financial reporting standards and practices comparable to those applicable to U.S. issuers, comparable information may not be readily available about certain foreign issuers. Some securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. In addition, in certain foreign countries, there is the possibility of expropriation or confiscatory taxation, political, or social instability, or diplomatic developments that could affect U.S. investments in the securities of issuers domiciled in those countries.

U.S. Government Securities Risks. Historically, U.S. government securities have not been perceived to involve the general credit risks associated with investments in other types of debt securities and, as a result, the yields available from U.S. government securities are generally lower than the yields available from other debt securities. Like other debt securities, however, the values of U.S. government securities change as interest rates fluctuate. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's NAV.

Illiquid and Restricted Securities Risks. Liquidity relates to the ability of the Fund to sell a security in a timely manner at a price which reflects the value of the security. The relative illiquidity of some of the Fund's portfolio securities may adversely affect the ability of the Fund to dispose of such securities in a timely manner and at a fair price at times when it might be necessary or advantageous for the Fund to liquidate portfolio securities. The market for less liquid securities tends to be more volatile than the market for more liquid securities and market values of relatively illiquid securities may be more susceptible to change as a result of adverse publicity and investor perceptions than are the market values of more liquid securities. Restricted securities have contractual restrictions on their public resale, which may make it more difficult to value them, limit the Fund's ability to dispose of them, and lower the amount the Fund could realize upon their sale.

Counterparty Risk. The Fund will be subject to credit and performance risk with respect to the counterparties to an options contract, repurchase agreement, loan of portfolio securities, or other future obligation. While the Fund does not employ specific creditworthiness standards when selecting counterparties, it seeks to engage in transactions with creditworthy and otherwise dependable counterparties. Certain entities that have served as counterparties have incurred significant losses and financial hardships, including bankruptcy, which may reduce their creditworthiness and willingness or ability to perform their counterparty obligations. There can be no assurance that the Fund's counterparties will not experience similar difficulties, possibly resulting in losses to the Fund. The Fund has no limit on the amount of assets it may subject to any one counterparty.

Market Discount from Net Asset Value. Shares of closed end funds frequently trade at a discount from their NAV. This characteristic is a risk separate and distinct from the risk that the Fund's NAV could decrease as a result of its investment activities. Neither the Investment Manager nor the Fund can predict whether Shares will trade at, below or above NAV. The risk of holding Shares that might trade at a discount is more pronounced for investors expecting to sell their Shares in a relatively short period of time after acquiring them because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. The Shares are designed primarily for long term investors and should not be considered a vehicle for trading purposes. The NAV of the Shares will fluctuate with price changes of the Fund's portfolio securities, and these fluctuations are likely to be greater in the case of a fund which uses leverage, such as the Fund.

Distribution Policy Risk. The Fund currently seeks to make distributions to shareholders on a regular basis. Such distributions are not tied to the Fund's investment income and capital gains and do not represent yield or investment return on the Fund's portfolio. To the extent that the amount distributed in cash exceeds the total net investment income of the Fund, the assets of the Fund will decline. A decline in Fund assets may result in an increase in the Fund's expense ratio. In addition, the maintenance of the Fund's distribution policy may cause the Fund's assets to be less fully invested than would otherwise be the case, which could reduce the Fund's total investment return. Furthermore, the Fund may need to raise additional capital in order to maintain the distribution policy.

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. If the Fund's distributions exceed its then-current and accumulated earnings and profits, all or a portion of such distributions may be characterized as a return of capital to shareholders. A return of capital will generally not be taxable, but will reduce each shareholder's cost basis in Fund shares (but not below zero) and will result in a higher reported capital gain or lower reported capital loss when those shares on which the distributions were received are ultimately redeemed. Any return of capital in excess of a shareholder's basis, however, is taxable as a capital gain. A substantial portion of the Fund's annual distributions have historically consisted of returns 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 effect of using capital loss carryovers arising from Fund tax years beginning before December 1, 2011 is to convert (to the extent of such current year gains) what would otherwise be nontaxable 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, this tax effect attributable to the Fund's capital loss carryovers (the conversion of nontaxable returns of capital into distributions taxable as ordinary income) will no longer apply to net capital losses of the Fund arising in Fund tax years beginning after November 30, 2011 which are carried forward to future tax years. Rather, any net capital losses arising in such tax years will be carried forward to reduce capital gains realized by the Fund in future taxable years, and the use of such capital loss carryforwards will not give rise to distributions being taxable as ordinary income. As of December 31, 2014, the Fund had capital loss carryforwards of $45,474,186, all of which are attributable to Fund tax years beginning before December 1, 2011, and of which $44,031,921 and $1,442,265 will expire in 2016 and 2018, respectively. Net capital losses arising in Fund tax years beginning after November 30, 2011 may be carried forward without expiration until used in full. 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.

Securities Lending Risk. Securities lending involves possible delay in recovery or loss of the lent securities or possible loss of rights in the lent securities or collateral or both should the borrower fail to perform due to financial inability or otherwise. As a result, the value of the Shares may fall. The value of the Shares could also fall if a loan is called and the Fund is required to liquidate collateral at a loss or if the Investment Manager is unable to invest cash collateral at rates which exceed the costs involved.

Management Risk. The Fund is subject to management risk because it is an actively managed investment portfolio. The Investment Manager will seek to achieve the investment objectives of the Fund, but there can be no guarantee that it will be successful. Moreover, the Fund may, from time to time, make temporary investments for defensive purposes that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions, pending investment of the proceeds of sales of portfolio securities, pending investment of the proceeds from Share offerings, or at other times when suitable investments are not otherwise available. To the extent the Fund takes temporary defensive positions, it may not achieve its investment objectives.

Valuation Risk. The Fund may invest in securities and other assets for which market quotations are not readily available or reliable. For example, unlike most publicly traded common stocks which trade on national exchanges, bonds generally do not trade on national exchanges but rather trade in the "over-the-counter" markets. These markets often may not provide readily available or reliable market quotations and consequently the valuation of bonds may carry more risk than that of publicly traded common stock. Securities for which market quotations are not readily available or reliable and other assets may be valued as determined in good faith by the Investment Manager under the direction of or pursuant to procedures approved by the Fund's Board of Trustees. Certain debt securities may be priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities or according to prices quoted by a securities dealer that offers pricing services. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency, and inconsistency of valuation models and processes may lead to inaccurate asset pricing. Due to the inherent uncertainty of valuation, such fair value pricing values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. A security's valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the NAV of its shares to differ from the NAV that would be calculated using market prices. A fair value price is an estimate and there is no assurance that such price will be at or close to the price at which a security is next quoted or next trades.

Cybersecurity Risk. The Fund is subject to risks associated with the use of computer systems, networks and devices to carry out routine business operations. These systems, networks and devices employ a variety of protections that are designed to prevent cyberattacks. Despite the various cyber protections utilized by the Fund, the Investment Manager, and the Fund's other service providers, their systems, networks, or devices could potentially be breached, which could have a negative impact on the Fund, its shareholders, and the Investment Manager.

Anti-Takeover Provisions. The Fund has certain provisions in its Amended and Restated Agreement and Declaration of Trust ("Declaration of Trust") and Bylaws (together with the Declaration of Trust, the "Governing Documents") that may be regarded as "anti-takeover" provisions. These provisions could have the effect of limiting (i) the ability of other entities or persons to acquire control of the Fund; (ii) the Fund's freedom to engage in certain transactions; (iii) the ability of the Fund's Board of Trustees (the "Board") or shareholders to amend the Governing Documents or effectuate changes in the Fund's management; or (iv) the ability of the Fund's shareholders to make derivative claims against the Fund. The overall effect of these provisions is to render more difficult the accomplishment of a merger with, or the assumption of control by, a shareholder, or the conversion of the Fund to open end status. These provisions may have the effect of depriving Fund shareholders of an opportunity to sell their Shares at a premium above the prevailing market price by discouraging a third party from seeking to obtain control of the Fund. See "Description of the Securities–Certain Anti-Takeover Provisions in the Governing Documents."

Status as a Regulated Investment Company:	The Fund intends to continue to qualify for treatment as a "regulated investment company" (as defined in section 851(a) of the Code) ("RIC") under the Code. Qualification requires, among other things, compliance by the Fund with certain distribution requirements. See "Tax Considerations" in the SAI.
Investment Manager:	Bexil Advisers LLC acts as the Fund's Investment Manager pursuant to an investment management agreement (the "Investment Management Agreement") between the Investment Manager and the Fund. Under the terms of the Investment Management Agreement, the Fund pays the Investment Manager a fee at an annual rate of 0.95% of the Fund's managed assets and reimburses the Investment Manager for certain costs. Because the Investment Manager receives a fee based on the Fund's assets, the Investment Manager will benefit from any increase in assets that results from the offering of Shares. From February 1, 2011 through February 28, 2014, the daily portfolio management of the Fund was provided by the Investment Policy Committee of the Investment Manager, comprised of: Thomas B. Winmill, Chairman; John F. Ramírez, Director of Fixed Income; Heidi Keating, Vice President-Trading; and Mark C. Winmill, Chief Investment Strategist. Effective March 1, 2014, Thomas Winmill assumed sole portfolio management responsibility for the Fund. Mr. Winmill currently serves as President, Chief Executive Officer, and a Trustee or Director of the Fund, Foxby Corp., and Midas Series Trust. He is President, Chief Executive Officer, and General Counsel of the Investment Manager and Midas Management Corporation (registered investment advisers), Bexil Securities LLC and Midas Securities Group, Inc. (registered broker-dealers), Bexil Corporation, and Winmill & Co. Incorporated. He is a Director and Vice President of Self Storage Group, Inc., a Director of Bexil American Mortgage Inc. and Castle Mortgage Corporation, and Vice President of Tuxis Corporation. He is Chairman of the Investment Policy Committee of each of the Advisers, which currently manage Foxby Corp., Midas Magic, and Midas Perpetual Portfolio, and he is the sole portfolio manager of Midas Fund. Pursuant to the Investment Management Agreement, the Fund reimburses the Investment Manager for providing at cost certain administrative services comprised of compliance and accounting services. See "Management of the Fund – The Investment Manager."

Share Repurchases and Tender Offers:	If Shares publicly trade for a substantial period of time at a substantial discount from the Fund's then current NAV per share, the Board may consider, from time to time, authorizing various actions designed to reduce the discount, which may include periodic repurchases of, or tender offers for, the Shares. No assurance can be given that the Board will undertake any such action or if undertaken, the Shares will thereafter trade at a price that is at less of a discount. Under certain circumstances, a shareholder vote may be required to authorize such actions. See "Description of the Securities – Share Repurchases and Tender Offers."
Distribution Policy:	The Fund has a managed distribution policy to provide shareholders with a relatively stable cash flow and to attempt to reduce or eliminate the Fund's market price discount to its NAV per share. The policy may be changed or discontinued without notice. The distributions are paid from net investment income (including excess gains taxable as ordinary income) and any net capital gains, with the balance representing return of capital. Net capital gains recognized in the current year are distributable as ordinary income in accordance with tax regulations so long as the Fund has a capital loss carryforward and are referred to as excess gains. If, for any distribution, the sum of previously undistributed net investment income and net realized capital gains is less than the amount of the distribution, the difference, i.e., the return of capital, will be charged against the Fund's capital. The Fund's distributions are not tied to its net investment income and net realized capital gains and do not represent yield or investment return. The Fund's final distribution for each calendar year may include remaining net investment income and net capital gains otherwise undistributed during the year. See "Tax Considerations" in the SAI. If, for any taxable year of the Fund (which ends on December 31), the total distributions exceed the sum of the Fund's net investment income and net realized short and long term capital gains, the excess will generally be treated first as ordinary dividend income (up to the amount, if any, of the Fund's current and accumulated earnings and profits, which takes into account taxable distributions) and then as a return of capital (tax-free for a shareholder up to the amount of its tax basis in its Shares). The amount treated as a tax-free return of capital will reduce a shareholder's adjusted basis in its Shares, thereby increasing the shareholder's potential gain or reducing its potential loss on the subsequent sale of those Shares. A substantial portion of the Fund's annual distributions have historically consisted of returns of capital. This distribution policy may, under certain circumstances, have certain adverse consequences to the Fund and its shareholders. Distributions to the Fund's shareholders will only be payable after the payment of any interest on the Fund's outstanding debt. See "Distribution Policy" in this Prospectus and "Tax Considerations" in the SAI.
Dividend Reinvestment Plan:	The Fund has a Dividend Reinvestment Plan. Under the plan, all dividends and other distributions are automatically reinvested in additional Shares unless a shareholder elects to receive them in cash. See "Dividend Reinvestment Plan."
Custodian and Transfer Agent:	State Street Bank and Trust Company acts as custodian of the Fund's investments and may appoint one or more sub-custodians. The custodian is responsible for the safekeeping of Fund assets and, with its affiliates, may act as a securities lending and borrowing agent and a securities broker for portfolio transactions by the Fund. American Stock Transfer & Trust Company, LLC acts as the Fund's transfer and dividend disbursing agent.

FEES AND EXPENSES

Shareholder Transaction Expenses	
Sales Load (as a percentage of offering price)[(1)]	N/A
Offering Expenses (as a percentage of offering price)[(2)]	0.20%
Dividend Reinvestment Plan Fees[(3)]	None
Annual Expenses (as a percentage of net assets attributable to Shares)	
Management Fees[(4)]	1.02%
Interest Payments on Borrowed Funds[(5)]	0.07%
Other Expenses[(6)]	0.32%
Total Annual Fund Operating Expenses	1.41%

(1) Not available at this time. Should a sales load apply with respect to a particular offering of Shares, the applicable Prospectus Supplement will disclose the amount of any such sales load.

(2) Estimated maximum amount based on offering $150 million in Shares ($150 million in Shares is used here because this is the total value of Shares being registered under the registration statement of which this Prospectus is a part). The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

(3) See "Dividend Reinvestment Plan."

(4) The Fund pays a management fee to the Investment Manager at an annual rate of 0.95% of the Fund's "managed assets." "Managed assets" means the average weekly value of the Fund's net assets plus any assets attributable to financial leverage. In accordance with the requirements of the SEC, the table above shows the Fund's management fee as a percentage of average net assets. In calculating the management fee rate based on net assets, the Fund derived the amount of management fees based upon outstanding financial leverage of 7% of the Fund's managed assets (which is the average level of financial leverage employed during the Fund's fiscal year ended December 31, 2014). If financial leverage of more than 7% is used, the management fee shown would be higher.

(5) Based upon the Fund's outstanding borrowings as of December 31, 2014 of approximately $17.3 million and a borrowing rate under the CFA and Lending Agreement as of December 31, 2014 of 1.11%.

(6) "Other Expenses" are based upon those expenses incurred during the fiscal year ended December 31, 2014.

Example

The following example illustrates the expenses that you would pay on a $1,000 investment in Shares, assuming (1) a 5% annual return, (2) total annual operating expenses of 1.41%, (3) offering expenses of 0.20%, and (4) reinvestment of all dividends and other distributions at NAV. The actual expenses in connection with any offering will be set forth in the Prospectus Supplement if applicable.

1 Year	3 Years	5 Years	10 Years
$16	$47	$79	$171

The purpose of the table and example above is to help you understand the various costs and expenses that an investor in the Fund may bear directly or indirectly. The example should not be considered a representation of future expenses. The Fund's actual expenses may be more or less than those shown and the Fund's actual rate of return will vary and may be higher or lower than the hypothetical 5% annual return used to calculate the example.

FINANCIAL HIGHLIGHTS

The table below sets forth certain specified information for a Share outstanding throughout each period presented. This information is derived from the financial and accounting records of the Fund. The financial highlights for the fiscal years ended December 31, 2012 through December 31, 2014, the one month ended December 31, 2011, and the year ended November 30, 2011 have been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm. The prior financial highlights for the fiscal years ended November 30, 2005 through November 30, 2010 were audited by other independent registered public accounting firms, whose reports with respect to those periods were unqualified. The information below should be read in conjunction with the Fund's audited financial statements and the accompanying notes thereto for the fiscal year ended December 31, 2014, which, together with the report of the Fund's independent registered public accounting firm, have been incorporated by reference in the SAI. The Annual and Semi-Annual Reports are available without charge by calling toll-free at 1-855-411-6432.

Bexil Advisers LLC became the Fund's Investment Manager effective February 1, 2011.

Per share data, including the proportionate impact to market price, has been restated to reflect the effects of a 1-for-4 reverse stock split effective as of the start of trading on the NYSE on December 10, 2012.

	For the Years Ended December 31,				For the Years Ended November 30,							
Per Share Operating Performance (for a share outstanding throughout each period)	2014	2013	2012	One Month Ended Dec. 31, 2011[1]	2011	2010	2009	2008	2007	2006	2005
Net asset value, beginning of period	17.20										