

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSRS
August 05, 2014

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:	May 31, 2014

Item 1. Reports to Stockholders

Delaware Investments® Dividend

and Income Fund, Inc.

Semiannual report

May 31, 2014

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

Closed-end fund

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

Unless otherwise noted, views expressed herein are current as of May 31, 2014, and subject to change.

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

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

Investments in Delaware Investments® Dividend and Income Fund, Inc. are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 and its holding companies, including their subsidiaries or related companies (Macquarie Group), and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the Fund, the repayment of capital from the Fund, or any particular rate of return.

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Security type / sector allocations and

top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

As of May 31, 2014 (Unaudited)

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

Security type / sector	Percentage of net assets
Common Stock	76.74%

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Consumer Discretionary	4.40%
Consumer Staples	7.57%
Diversified REITs	1.53%
Energy	9.33%
Financials	7.16%
Healthcare	10.92%
Healthcare REITs	0.92%
Hotel REITs	1.05%
Industrial REITs	1.16%
Industrials	5.47%
Information Technology	8.40%
Mall REITs	1.97%
Manufactured Housing REIT	0.38%
Materials	1.92%
Mixed REITs	0.13%
Mortgage REIT	0.32%
Multifamily REITs	1.37%
Office REITs	1.28%
Self-Storage REITs	0.41%
Shopping Center REITs	1.38%
Single Tenant REITs	1.03%
Specialty REITs	2.78%
Telecommunications	3.97%
Utilities	1.89%
Convertible Preferred Stock	2.90%
Convertible Bonds	8.81%
Basic Industry	0.10%
Capital Goods	0.47%
Communications	1.39%
Consumer Cyclical	1.09%
Consumer Non-Cyclical	2.05%
Energy	0.79%
Financials	0.71%
Real Estate Investment Trusts	0.80%
Technology	1.41%
Corporate Bonds	32.31%
Automobiles	0.95%
Banking	0.88%
Basic Industry	4.17%
Capital Goods	1.76%
	Percentage
Security type / sector	of net assets
Communications	3.34%
Consumer Cyclical	2.07%
Consumer Non-Cyclical	0.79%
Energy	5.45%
Financials	0.24%
Healthcare	2.14%
Insurance	0.92%
Media	3.02%

Services	3.19%
Technology	2.32%
Utilities	1.07%
Senior Secured Loans	3.86%
Limited Partnership	1.65%
Preferred Stock	1.03%
Warrant	0.00%
Short-Term Investments	0.33%
Securities Lending Collateral	6.88%
Total Value of Securities	134.51%
Option Written	(0.01%)
Borrowing Under Line of Credit	(27.17%)
Obligation to Return Securities Lending Collateral	(6.88%)
Liabilities Net of Receivables and Other Assets	(0.45%)
Total Net Assets	100.00%

(continues)

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Security type / sector allocations and

top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

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

	Percentage of net assets
Top 10 equity holdings	
ConocoPhillips	2.02%
Intel	1.96%
Halliburton	1.94%
CVS Caremark	1.94%
Xerox	1.94%
duPont (E.I.) deNemours	1.92%
Mondelez International Class A	1.89%
Waste Management	1.88%
Quest Diagnostics	1.86%

Verizon Communications

1.86%

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2014 (Unaudited)

	Number of shares	Value (U.S. \$)
Common Stock 76.74%		
Consumer Discretionary 4.40%		
DIRECTV Class A	1,550	\$ 127,782
General Motors	1,211	41,876
Johnson Controls	38,200	1,847,352
Las Vegas Sands	500	38,260
Lowe s	35,000	1,647,800
Penney (J.C.) ¥	30,000	269,700
Quiksilver	7,635	45,352
Tarkett Class W/I	10,050	420,184
Time Warner Cable	602	84,978
United Rentals	500	50,525
		4,573,809
Consumer Staples 7.57%		
Archer-Daniels-Midland	42,900	1,927,926
CVS Caremark	25,700	2,012,824
Hanesbrands	590	50,050
Kraft Foods Group	32,133	1,910,628
Mondelez International Class A	52,200	1,963,764
		7,865,192
Diversified REITs 1.53%		
Fibra Uno Administracion	129,600	397,871
Fifth Street Finance *	23,143	214,998
Lexington Realty Trust	69,300	786,555
Nieuwe Steen Investments *	269	1,697
Vornado Realty Trust	865	92,624

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Washington Real Estate Investment Trust	3,800	98,154
		1,591,899
Energy 9.33%		
Chevron	14,900	1,829,571
ConocoPhillips	26,200	2,094,428
Halcon Resources	570	3,555
Halliburton	31,200	2,016,768
Kodiak Oil & Gas	4,776	60,798
Marathon Oil	49,800	1,825,668
Occidental Petroleum	18,100	1,804,389
Range Resources	589	54,748
		9,689,925
Financials 7.16%		
Allstate	32,900	1,916,754
Bank of New York Mellon	54,200	1,873,152
BB&T	45,600	1,729,152
Marsh & McLennan	38,200	1,920,314
		7,439,372
Healthcare 10.92%		
Akorn	1,915	53,563
		Value
	Number of	(U.S. \$)
	shares	
Common Stock (continued)		
Healthcare (continued)		
Baxter International	25,000	\$ 1,860,250
Cardinal Health	26,300	1,857,569
Johnson & Johnson	18,600	1,887,156
LTC Properties	2,800	111,272
Merck	33,400	1,932,524
Pfizer	56,289	1,667,843
Quest Diagnostics	32,300	1,934,447
Valeant Pharmaceuticals International	296	38,838
		11,343,462
Healthcare REITs 0.92%		
HCP	7,450	311,037
Health Care REIT	5,260	332,590
Healthcare Trust of America Class A	26,000	314,600
		958,227
Hotel REITs 1.05%		
Ashford Hospitality Prime	1,800	29,340

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Ashford Hospitality Trust	9,000	96,300
DiamondRock Hospitality	12,300	152,766
LaSalle Hotel Properties	3,100	102,269
Strategic Hotels & Resorts	30,000	327,000
Summit Hotel Properties	37,600	377,504
		1,085,179
Industrial REITs 1.16%		
First Industrial Realty Trust	26,400	489,456
Prologis	1,080	44,831
STAG Industrial	21,700	519,715
Terreno Realty	8,000	155,200
		1,209,202
Industrials 5.47%		
Northrop Grumman	14,900	1,811,095
Raytheon	19,700	1,922,129
Waste Management	43,700	1,952,516
		5,685,740
Information Technology 8.40%		
Broadcom Class A	58,400	1,861,208
Cisco Systems	77,800	1,915,436
Intel	74,500	2,035,340
Motorola Solutions	13,380	902,080
Xerox	162,800	2,010,580
		8,724,644
Mall REITs 1.97%		
CBL & Associates Properties	11,834	222,716

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

Value

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	Number of shares	(U.S. \$)
Common Stock (continued)		
Mall REITs (continued)		
General Growth Properties	4,429	\$ 105,543
Macerich	1,326	87,569
Rouse Properties	228	3,721
Simon Property Group	9,747	1,622,486
		2,042,035
Manufactured Housing REIT 0.38%		
Sun Communities	8,100	392,202
		392,202
Materials 1.92%		
duPont (E.I.) deNemours	28,800	1,996,128
		1,996,128
Mixed REITs 0.13%		
PS Business Parks	1,600	134,704
		134,704
Mortgage REIT 0.32%		
Starwood Property Trust	13,500	329,265
		329,265
Multifamily REITs 1.37%		
Apartment Investment & Management	12,119	381,506
Camden Property Trust	2,950	207,208
Education Realty Trust	25,000	261,500
Equity Residential	5,600	346,080
Essex Property Trust	1,247	225,657
		1,421,951
Office REITs 1.28%		
Alstria Office REIT	23,400	313,502
Corporate Office Properties Trust	18,300	504,165
Parkway Properties	25,700	513,229
		1,330,896
Self-Storage REITs 0.41%		
Extra Space Storage	8,100	424,035
		424,035

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Shopping Center REITs	1.38%		
Equity One		6,800	156,128
Federal Realty Investment Trust		300	35,856
First Capital Realty		11,881	204,491
Kimco Realty		17,230	394,912
Ramco-Gershenson Properties Trust		12,900	214,140
Washington Prime Group		4,874	96,934
Weingarten Realty Investors		3,000	95,370

		Number of shares	Value (U.S. \$)
Common Stock (continued)			
Shopping Center REITs (continued)			
Wheeler Real Estate Investment Trust		50,256	\$ 232,183

1,430,014

Single Tenant REITs	1.03%		
Agree Realty		19,600	604,464
American Realty Capital Properties		21,700	269,297
National Retail Properties *		5,700	199,386

1,073,147

Specialty REITs	2.78%		
AMC Entertainment Holdings		16,400	371,788
EPR Properties		5,620	303,030
Gladstone Land		27,600	308,568
Home Loan Servicing Solutions		39,400	878,620
Plum Creek Timber		5,785	260,903
Rayonier		2,500	119,000
Santander Consumer USA Holdings		10,952	215,207
Solar Capital		17,228	359,031
Starwood Waypoint Residential Trust		2,700	73,683

2,889,830

Telecommunications	3.97%		
AT&T		52,500	1,862,175
Century Communications =		500,000	0
CenturyLink		1,242	46,786
Frontier Communications *		33,800	195,702
Orange ADR *		5,100	81,855
Verizon Communications		38,700	1,933,452

4,119,970

Utilities	1.89%		
American Water Works		3,600	174,996
Edison International		32,500	1,792,050
			1,967,046
Total Common Stock			
(cost \$56,517,861)			79,717,874

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		Number of shares	Value (U.S. \$)
Convertible Preferred Stock	2.90%		
ArcelorMittal 6.00% exercise price \$20.36, expiration date 12/21/15		8,575	\$ 201,245
Chesapeake Energy 144A 5.75% exercise price \$27.77, expiration date 12/31/49 #		187	225,686
El Paso Energy Capital Trust I 4.75% exercise price \$34.49, expiration date 3/31/28		5,250	278,355
Halcon Resources 5.75% exercise price \$6.16, expiration date 12/31/49		217	235,578
HealthSouth 6.50% exercise price \$30.01, expiration date 12/31/49		238	305,741
Huntington Bancshares 8.50% exercise price \$11.95, expiration date 12/31/49		182	240,695
Intelsat 5.75% exercise price \$22.05, expiration date 5/1/16		6,910	362,568
Maiden Holdings 7.25% exercise price \$15.47, expiration date 9/15/16		6,000	291,000
SandRidge Energy			
7.00% exercise price \$7.76, expiration date 12/31/49		1,000	106,250
8.50% exercise price \$8.01, expiration date 12/31/49		1,780	196,245
Wells Fargo 7.50% exercise price \$156.71, expiration date 12/31/49		259	319,088
Weyerhaeuser 6.375% exercise price \$33.30, expiration date 7/1/16 *		1,788	104,848
Wheeler Real Estate Investment Trust			
9.00% exercise price \$5.00, expiration date 12/31/49		3,960	106,247
9.00% exercise price \$5.50, expiration date 12/31/49 @=		34	35,513
Total Convertible Preferred Stock			
(cost \$2,713,417)			3,009,059

	Principal amount ^o	Value (U.S. \$)
Convertible Bonds 8.81%		
Basic Industry 0.10%		
Peabody Energy 4.75% exercise price \$57.62, expiration date 12/15/41 *	135,000	\$ 105,722
		105,722
Capital Goods 0.47%		
General Cable 4.50% exercise price \$35.88, expiration date 11/15/29 f	242,000	242,303
Titan Machinery 3.75% exercise price \$43.17, expiration date 4/30/19 *	277,000	243,933
		486,236
Communications 1.39%		
Alaska Communications Systems Group 144A 6.25% exercise price \$10.28, expiration date 4/27/18 #	253,000	210,623
Blucora 144A 4.25% exercise price \$21.66, expiration date 3 /29/19 #	148,000	164,095
Clearwire Communications 144A 8.25% exercise price \$7.08, expiration date 11/30/40 #	213,000	247,879
Equinix 4.75% exercise price \$84.32, expiration date 6/13/16	17,000	41,257
Liberty Interactive 0.75% exercise price \$1,000.00, expiration date 3/30/43	205,000	267,141
144A 1.00% exercise price \$74.31, expiration date 9/28/43 #	364,000	374,920
SBA Communications 4.00% exercise price \$30.38, expiration date 9/29/14	41,000	136,248
		1,442,163
Consumer Cyclical 1.09%		
ArvinMeritor 4.00% exercise price \$26.73, expiration date 2/12/27 f	394,000	419,364
Iconix Brand Group 2.50% exercise price \$30.75, expiration date 5/31/16	164,000	235,135

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

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	Principal amount ^o	Value (U.S. \$)
Convertible Bonds (continued)		
Consumer Cyclical (continued)		
Live Nation Entertainment		
144A 2.50% exercise price \$34.68, expiration date 5/15/19 #	41,000	\$ 42,640
2.875% exercise price \$27.14, expiration date 7/14/27	434,000	436,713
		1,133,852
Consumer Non-Cyclical 2.05%		
Alere 3.00% exercise price \$43.98, expiration date 5/15/16	228,000	252,225
BioMarin Pharmaceutical 1.50% exercise price \$94.15, expiration date 10/13/20	122,000	125,889
Cardtronics 144A 1.00% exercise price \$52.35, expiration date 11/27/20 #	293,000	256,743
Dendreon 2.875% exercise price \$51.24, expiration date 1/13/16 *	145,000	108,025
Hologic		
2.00% exercise price \$38.59, expiration date 12/15/43	227,000	248,423
2.00% exercise price \$31.17, expiration date 2/27/42 *f	214,000	236,470
NuVasive 2.75% exercise price \$42.13, expiration date 6/30/17	380,000	427,975
Salix Pharmaceuticals 1.50% exercise price \$65.81, expiration date 3/15/19	45,000	82,828
Spectrum Pharmaceuticals 144A 2.75% exercise price \$10.53, expiration date 12/13/18 #	85,000	87,444
Vector Group		
1.75% exercise price \$27.16, expiration date 4/15/20	168,000	174,405
2.50% exercise price \$17.62, expiration date 1/14/19 *	97,000	129,512
		2,129,939
	Principal amount ^o	Value (U.S. \$)
Convertible Bonds (continued)		
Energy 0.79%		
Chesapeake Energy 2.50% exercise price \$50.90, expiration date 5/15/37	126,000	\$ 133,324
Energy XXI Bermuda 144A 3.00% exercise price \$40.40, expiration date 12/13/18 #	316,000	307,507
Helix Energy Solutions Group 3.25% exercise price \$25.02, expiration date 3/12/32 *	140,000	178,937
Vantage Drilling 144A 5.50% exercise price \$2.39, expiration date 7/15/43 #	189,000	198,214
		817,982
Financials 0.71%		
Ares Capital 5.75% exercise price \$19.13, expiration date 2/1/16	189,000	202,939
BGC Partners 4.50% exercise price \$9.84, expiration date 7/13/16	287,000	307,628
Gain Capital Holdings 144A 4.125% exercise price \$12.00, expiration date 11/30/18 #	120,000	118,275
New Mountain Finance 144A 5.00% exercise price \$15.93, expiration date 6/15/19 #	114,000	114,885
		743,727

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Real Estate Investment Trusts	0.80%		
Blackstone Mortgage Trust	5.25% exercise price \$28.66, expiration date 12/1/18	255,000	287,353
Campus Crest Communities Operating Partnership 144A	4.75% exercise price \$12.56, expiration date 10/11/18 #	224,000	221,200
Forest City Enterprises 144A	3.625% exercise price \$24.21, expiration date 8/14/20 #	140,000	146,037
Lexington Realty Trust 144A	6.00% exercise price \$6.76, expiration date 1/11/30 #	106,000	178,080
			832,670

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	Principal amount ^o	Value (U.S. \$)
Convertible Bonds (continued)		
Technology	1.41%	
Ciena 144A	3.75% exercise price \$20.17, expiration date 10/15/18 #	179,000 \$ 231,581
Intel	3.25% exercise price \$21.71, expiration date 8/1/39 *	155,000 221,651
Nuance Communications	2.75% exercise price \$32.30, expiration date 11/1/31	160,000 161,400
SanDisk	1.50% exercise price \$51.69, expiration date 8/11/17	153,000 293,377
TIBCO Software	2.25% exercise price \$50.57, expiration date 4/30/32	304,000 307,610
VeriSign	3.25% exercise price \$34.37, expiration date 8/15/37	158,000 245,690
		1,461,309
Total Convertible Bonds (cost \$8,168,351)		9,153,600

Corporate Bonds 32.31%		
Automobiles	0.95%	
American Axle & Manufacturing	7.75% 11/15/19	103,000 119,094
Chassix 144A	9.25% 8/1/18 #	105,000 114,187
General Motors 144A	6.25% 10/2/43 #	115,000 131,244
General Motors Financial	6.75% 6/1/18	180,000 205,875
International Automotive Components Group 144A	9.125% 6/1/18 #	220,000 235,400

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Meritor		
6.25% 2/15/24	65,000	66,463
6.75% 6/15/21	110,000	117,975
		990,238
Banking 0.88%		
Barclays Bank		
7.625% 11/21/22	200,000	230,250
JPMorgan Chase		
6.75% 1/29/49	120,000	130,200
Lloyds Banking Group 7.50% 4/30/49	330,000	354,337
		Value
	Principal	(U.S. \$)
	amount^o	
Corporate Bonds (continued)		
Banking (continued)		
RBS Capital Trust I 2.099% 12/29/49	205,000	\$ 199,875
		914,662
Basic Industry 4.17%		
AK Steel 7.625%		
5/15/20 *	204,000	206,550
ArcelorMittal 6.125% 6/1/18	280,000	308,000
Arch Coal 144A 8.00% 1/15/19 #*	175,000	172,375
Axalta Coating System 144A 7.375% 5/1/21 #	150,000	165,000
Builders FirstSource 144A 7.625% 6/1/21 #	197,000	211,283
Cemex Finance 144A 6.00% 4/1/24 #	200,000	205,750
CPG Merger Sub 144A 8.00% 10/1/21 #	185,000	196,563
Essar Steel Minnesota 144A 11.50% 5/15/20 #	55,000	56,719
First Quantum Minerals		
144A 6.75% 2/15/20 #	97,000	99,425
144A 7.00% 2/15/21 #	97,000	99,425
FMG Resources August 2006 144A 6.875% 4/1/22 #*	212,000	224,455
HD Supply 11.50% 7/15/20	170,000	204,425
INEOS Group Holdings 144A 5.875% 2/15/19 #	200,000	204,250
JMC Steel Group 144A 8.25% 3/15/18 #	145,000	149,350
Kissner Milling 144A 7.25% 6/1/19 #	155,000	159,263
LSB Industries 144A 7.75% 8/1/19 #	140,000	150,150
Masonite International 144A 8.25% 4/15/21 #	205,000	224,475
New Gold 144A 6.25% 11/15/22 #	190,000	197,125
Nortek 8.50% 4/15/21	129,000	142,867
Perstorp Holding 144A 8.75% 5/15/17 #	200,000	216,000
Ryerson		
9.00% 10/15/17	120,000	129,150
11.25% 10/15/18	50,000	56,250
Signode Industrial Group 144A 6.375% 5/1/22 #	175,000	177,187
TPC Group 144A 8.75% 12/15/20 #	210,000	232,575
Wise Metals Group 144A 8.75% 12/15/18 #	80,000	85,600

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (U.S. \$)
Corporate Bonds (continued)		
Basic Industry (continued)		
Wise Metals Intermediate Holdings 144A 9.75% 6/15/19 #	55,000	\$ 54,931
		4,329,143
Capital Goods 1.76%		
Accudyne Industries 7.75% 12/15/20 *	180,000	194,850
B/E Aerospace 5.25% 4/1/22	90,000	96,075
BOE Intermediate Holding 144A PIK 9.00% 11/1/17 #	113,459	118,636
BOE Merger 144A PIK 9.50% 11/1/17 #T	182,000	192,010
Consolidated Container 144A 10.125% 7/15/20 #	171,000	175,703
Gardner Denver 144A 6.875% 8/15/21 #*	90,000	94,275
Milacron 144A 7.75% 2/15/21 #	180,000	198,900
Plastipak Holdings 144A 6.50% 10/1/21 #	145,000	152,975
Reynolds Group Issuer 8.25% 2/15/21 *	145,000	154,969
TransDigm		
144A 6.00%		
7/15/22 #	80,000	80,700
144A 6.50%		
7/15/24 #	180,000	182,925
7.50% 7/15/21 *	95,000	105,213
Vander Intermediate Holding II 144A PIK 9.75% 2/1/19 #T	75,000	79,687
		1,826,918
Communications 3.34%		
Altice 144A 7.75% 5/15/22 #	210,000	221,287
CenturyLink 6.75% 12/1/23	115,000	125,925
Cogent Communications Finance 144A 5.625% 4/15/21 #	185,000	182,687
CommScope 144A 5.50% 6/15/24 #*	200,000	202,000
Digicel Group		
	200,000	206,500

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144A 7.125%		
4/1/22 #		
144A 8.25%		
9/30/20 #	221,000	239,233
Hughes Satellite Systems 7.625% 6/15/21	160,000	183,200
Intelsat Luxembourg 8.125% 6/1/23	480,000	517,800
Level 3 Financing 144A 6.125% 1/15/21 #	45,000	47,756
		Value
	Principal	(U.S. \$)
	amount^o	
Corporate Bonds (continued)		
Communications (continued)		
Sprint		
144A 7.125% 6/15/24 #	230,000	\$ 248,400
144A 7.25% 9/15/21 #	95,000	105,569
144A 7.875% 9/15/23 #	125,000	141,563
Sprint Capital 6.90% 5/1/19	125,000	138,750
T-Mobile USA		
6.125% 1/15/22	55,000	58,506
6.25% 4/1/21	85,000	90,631
6.50% 1/15/24	35,000	37,275
6.731% 4/28/22	60,000	65,025
Wind Acquisition Finance 144A 7.375% 4/23/21 #	200,000	207,500
Windstream		
7.50% 6/1/22	105,000	113,400
7.75% 10/1/21	115,000	125,350
Zayo Group 10.125% 7/1/20	182,000	210,893
		3,469,250
Consumer Cyclical 2.07%		
BI-LO 144A PIK 8.625% 9/15/18 #T	130,000	132,925
Dave & Buster s Entertainment 144A 10.004% 2/15/16 #^	245,000	209,475
DBP Holding 144A 7.75% 10/15/20 #	121,000	104,060
Group 1 Automotive 144A 5.00% 6/1/22 #	85,000	85,850
Landry s 144A 9.375% 5/1/20 #	220,000	243,925
Michaels Stores 144A 5.875% 12/15/20 #	145,000	148,263
Pantry 8.375% 8/1/20	195,000	211,331
Party City Holdings 8.875% 8/1/20	210,000	234,150
PF Chang s China Bistro 144A 10.25% 6/30/20 #	195,000	201,337
Quiksilver 144A 7.875% 8/1/18 #	210,000	228,900
Rite Aid 6.75% 6/15/21 *	115,000	125,063
Roundy s Supermarkets 144A 10.25%		
12/15/20 #	70,000	74,200
Tempur-Pedic International 6.875% 12/15/20	140,000	154,000
		2,153,479
Consumer Non-Cyclical 0.79%		
Crestview DS Merger Sub II 144A 10.00% 9/1/21 #	125,000	139,375

	Principal amount ^o	Value (U.S. \$)
Corporate Bonds (continued)		
Consumer Non-Cyclical (continued)		
JBS Investments 144A 7.75% 10/28/20 #	200,000	\$ 215,690
Post Holdings		
144A 6.00% 12/15/22 #	90,000	90,900
144A 6.75% 12/1/21 #	35,000	37,187
Smithfield Foods 6.625% 8/15/22	135,000	148,669
Spectrum Brands		
6.375% 11/15/20	35,000	38,106
6.625% 11/15/22	135,000	148,500
		818,427
Energy 5.45%		
Athlon Holdings 144A 6.00% 5/1/22 #*	165,000	169,125
Baytex Energy		
144A 5.125% 6/1/21 #	40,000	40,550
144A 5.625% 6/1/24 #	110,000	110,825
Calumet Specialty Products Partners 7.625% 1/15/22	280,000	297,850
Chaparral Energy		
7.625% 11/15/22	90,000	96,300
8.25% 9/1/21	105,000	115,237
CHC Helicopter 9.375% 6/1/21 *	200,000	212,000
Chesapeake Energy 4.875% 4/15/22 *	345,000	357,937
Energy Transfer Equity 144A 5.875% 1/15/24 #	86,000	89,440
Energy XXI Gulf Coast 144A 6.875% 3/15/24 #	190,000	191,900
Exterran Partners 6.00% 4/1/21	195,000	198,900
FTS International 144A 6.25% 5/1/22 #	200,000	205,000
Genesis Energy 5.75% 2/15/21	215,000	223,600
Halcon Resources		
8.875% 5/15/21	50,000	53,500
9.75% 7/15/20	205,000	225,500
Hercules Offshore		
144A 6.75% 4/1/22 #*	50,000	48,687

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	Principal amount ^o	Value (U.S. \$)
144A 7.50% 10/1/21 #*	95,000	96,187
144A 8.75% 7/15/21 #	55,000	59,125
Key Energy Services 6.75% 3/1/21	175,000	183,750
Laredo Petroleum		
5.625% 1/15/22	85,000	87,550
7.375% 5/1/22	45,000	50,063
		Value
		(U.S. \$)
Corporate Bonds (continued)		
Energy (continued)		
Linn Energy		
6.50% 5/15/19	17,000	\$ 17,977
8.625% 4/15/20	41,000	44,639
Midstates Petroleum 9.25% 6/1/21 *	260,000	280,800
Murphy Oil USA 144A 6.00% 8/15/23 #	140,000	146,300
Northern Blizzard Resources 144A 7.25% 2/1/22 #	190,000	196,413
Northern Oil & Gas 8.00% 6/1/20	175,000	186,813
NuStar Logistics 6.75% 2/1/21	115,000	127,075
Oasis Petroleum 144A 6.875% 3/15/22 #	135,000	147,487
Ocean Rig UDW 144A 7.25% 4/1/19 #	230,000	228,850
Offshore Group Investment 7.125% 4/1/23	90,000	91,350
PDC Energy 7.75% 10/15/22	185,000	205,350
Pioneer Energy Services 144A 6.125% 3/15/22 #	190,000	195,700
Regency Energy Partners 5.875% 3/1/22	190,000	202,350
Samson Investment 144A 10.75% 2/15/20 #	201,000	211,050
SandRidge Energy 8.125% 10/15/22	243,000	264,870
		5,660,050
Financials 0.24%		
Nuveen Investments 144A 9.50% 10/15/20 #	205,000	244,463
		244,463
Healthcare 2.14%		
Air Medical Group Holdings 9.25% 11/1/18	109,000	117,447
Community Health Systems		
144A 6.875% 2/1/22 #	135,000	142,763
7.125% 7/15/20	50,000	54,313
8.00% 11/15/19	9,000	9,900
Crimson Merger Sub 144A 6.625% 5/15/22 #	185,000	183,844
Immucor 11.125% 8/15/19	155,000	174,375
Kinetic Concepts		
10.50% 11/1/18	124,000	140,999
12.50% 11/1/19	85,000	98,387
Mallinckrodt International Finance 4.75% 4/15/23	105,000	102,113

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (U.S. \$)
Corporate Bonds (continued)		
Healthcare (continued)		
MPH Acquisition Holdings 144A 6.625% 4/1/22 #	90,000	\$ 93,600
Par Pharmaceutical 7.375% 10/15/20	380,000	414,200
Salix Pharmaceuticals 144A 6.00% 1/15/21 #	225,000	241,875
Tenet Healthcare		
6.00% 10/1/20	85,000	91,587
8.125% 4/1/22	115,000	131,100
Valeant Pharmaceuticals International		
144A 5.625% 12/1/21 #	130,000	135,200
144A 6.375% 10/15/20 #	85,000	91,269
		2,222,972
Insurance 0.92%		
American International Group 8.175%		
5/15/58	170,000	230,775
Hockey Merger Sub 2 144A 7.875% 10/1/21 #	210,000	226,275
Onex USI Acquisition 144A 7.75% 1/15/21 #	190,000	196,650
XL Group 6.50%		
12/29/49	305,000	303,856
		957,556
Media 3.02%		
CCO Holdings 5.25% 9/30/22	230,000	234,887
CCU Escrow 144A 10.00% 1/15/18 #*	90,000	86,400
Cequel Communications Holdings I 144A 6.375% 9/15/20 #	145,000	154,425
Clear Channel Communications PIK 14.00% 2/1/21 *	105,000	107,363
Columbus International 144A 7.375% 3/30/21 #	200,000	212,500
CSC Holdings		
144A 5.25% 6/1/24 #*	230,000	230,575
6.75% 11/15/21	70,000	78,400
DISH DBS 5.00% 3/15/23	105,000	107,100
Gray Television 7.50% 10/1/20	180,000	193,950
MDC Partners 144A 6.75% 4/1/20 #	200,000	212,500
Mediacom Broadband 144A 5.50% 4/15/21 #	120,000	121,950
Numericable Group 144A 6.00% 5/15/22 #	210,000	218,137

	Principal amount ^o	Value (U.S. \$)
Corporate Bonds (continued)		
Media (continued)		
ONO Finance II 144A 10.875% 7/15/19 #	234,000	\$ 259,447
RCN Telecom Services 144A 8.50% 8/15/20 #	100,000	107,250
Univision Communications 144A 8.50% 5/15/21 #	205,000	226,013
UPCB Finance VI 144A 6.875% 1/15/22 #	150,000	164,250
Virgin Media Finance 144A 6.375% 4/15/23 #*	200,000	212,000
VTR Finance 144A 6.875% 1/15/24 #	200,000	212,501
		3,139,648
Services 3.19%		
Algeco Scotsman Global Finance 144A 10.75% 10/15/19 #	480,000	502,800
Avis Budget Car Rental 5.50% 4/1/23	105,000	107,625
BlueLine Rental Finance 144A 7.00% 2/1/19 #	110,000	117,975
Caesars Growth Properties Holdings 144A 9.375% 5/1/22 #*	205,000	207,178
Carlson Wagonlit 144A 6.875% 6/15/19 #	200,000	215,240
Covanta Holding 5.875% 3/1/24	200,000	206,000
Darling Escrow 144A 5.375% 1/15/22 #	70,000	73,063
H&E Equipment Services 7.00% 9/1/22	170,000	187,850
Mattamy Group 144A 6.50% 11/15/20 #	235,000	239,113
MGM Resorts International		
6.75% 10/1/20	55,000	61,119
7.75% 3/15/22 *	90,000	105,863
11.375% 3/1/18	80,000	103,600
Navios South American Logistics 144A 7.25% 5/1/22 #*	180,000	185,625
PHH		
6.375% 8/15/21	75,000	78,563
7.375% 9/1/19	100,000	112,750
Pinnacle Entertainment		
7.75% 4/1/22	60,000	65,400
8.75% 5/15/20	30,000	32,925
PNK Finance 144A 6.375% 8/1/21 #	85,000	89,887

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	Principal amount ^o	Value (U.S. \$)
Corporate Bonds (continued)		
Services (continued)		
Stena 144A 7.00% 2/1/24 #	235,000	\$ 247,925
United Rentals North America 5.75% 11/15/24	275,000	284,969
Watco 144A 6.375% 4/1/23 #	90,000	92,250
		3,317,720
Technology 2.32%		
Advanced Micro Devices 144A 6.75% 3/1/19 #	130,000	137,475
BMC Software Finance 144A 8.125% 7/15/21 #	210,000	222,075
Entegris 144A 6.00% 4/1/22 #	200,000	201,500
First Data 11.25% 1/15/21	230,000	265,075
11.75% 8/15/21	265,000	295,475
First Data Holdings 144A PIK 14.50% 9/24/19 #T	115,272	116,425
Freescale Semiconductor 10.75% 8/1/20	15,000	17,119
Infor Software Parent 144A PIK 7.125% 5/1/21 #*T	250,000	256,250
j2 Global 8.00% 8/1/20	185,000	201,650
Micron Technology 144A 5.875% 2/15/22 #	200,000	214,000
NCR Escrow 144A 5.875% 12/15/21 #	50,000	53,000
144A 6.375% 12/15/23 #	165,000	178,613
SunGard Availability Services Capital 144A 8.75% 4/1/22 #	150,000	140,625
Viasystems 144A 7.875% 5/1/19 #	100,000	106,250
		2,405,532
Utilities 1.07%		
AES 7.375% 7/1/21	133,000	153,615
AES Gener 144A 8.375% 12/18/73 #	200,000	218,500
Calpine 144A 5.875% 1/15/24 #*	100,000	105,250
144A 6.00% 1/15/22 #	95,000	102,363
Elwood Energy 8.159% 7/5/26	99,153	112,043
Enel 144A 8.75% 9/24/73 #	200,000	234,500
		Value
	Principal amount ^o	(U.S. \$)
Corporate Bonds (continued)		
Utilities (continued)		
NRG Energy 144A 6.25% 5/1/24 #	180,000	\$ 186,525
		1,112,796
Total Corporate Bonds		
(cost \$32,021,644)		33,562,854

Senior Secured Loans	3.86%«		
Akorn Tranche B 4.50% 11/13/20		180,000	180,986
Applied Systems 2nd Lien 7.50% 1/15/22		192,000	195,420
Atkore International 2nd Lien 7.75% 9/27/21		105,000	105,459
Avast Software 1st Lien 5.00% 3/18/20		105,000	105,022
Avaya Tranche B-3 4.50% 10/27/17		65,000	63,041
Avaya Tranche B6 6.50% 3/31/18		65,000	64,705
Azure Midstream Tranche B 6.50% 10/21/18		98,125	99,352
BJ's Wholesale Club 2nd Lien 8.50% 3/31/20		205,000	211,227
Borgata Tranche B 1st Lien 6.75% 8/15/18		189,525	192,664
Caesars Growth Partners Tranche B 1st Lien 6.25% 5/8/21		105,000	104,606
Citycenter Holdings Tranche B 5.00% 10/9/20		189,525	191,160
Clear Channel Communications Tranche D 6.75% 1/30/19		315,000	312,131
Flint Group Tranche 2nd Lien 8.25% 5/2/22		210,000	210,962
Gentiva Health Services Tranche B 6.50% 10/10/19		149,625	150,061
Gray Television 4.75% 10/11/19		204,000	204,637
Hostess Brands 1st Lien 6.75% 3/12/20		200,000	208,250
LTS Buyer 2nd Lien 8.00% 3/15/21		28,463	28,913
Moxie Liberty Tranche B 7.50% 8/21/20		105,000	107,887
Moxie Patriot (Panda Power Fund) Tranche B1 6.75% 12/18/20		100,000	102,687

(continues)

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount^o	Value (U.S. \$)
Senior Secured Loans« (continued)		
Nuveen Investments 2nd Lien 6.50% 2/28/19	100,000	\$ 101,187
Otter Products Tranche B 5.25% 4/29/19	192,994	193,275
Otterbox Tranche B 5.75% 5/30/20	190,000	188,100
Panda Temple Power II Tranche B 1st Lien 7.25% 3/28/19	105,000	107,100
Polymer Group Tranche B 5.25% 12/13/19	164,588	165,565
Rite Aid 2nd Lien 5.75% 8/3/20	97,000	99,279
Samson Investment 2nd Lien 5.00% 9/25/18	205,000	205,403
Vantage Drilling Tranche B 1st Lien 5.75% 3/28/19	109,723	109,174

Total Senior Secured Loans
(cost \$3,979,280) **4,008,253**

	Number of shares	
Limited Partnership 1.65%		
Ares Management *	18,700	355,300
Brookfield Infrastructure Partners *	10,300	419,004
Lehigh Gas Partners *	34,800	939,600

Total Limited Partnership
(cost \$1,333,128) **1,713,904**

Preferred Stock 1.03%		
Ally Financial 144A 144A 7.00% #	400	405,400
GMAC Capital Trust I 8.125%	8,000	216,960
MetLife 5.00%	8,575	253,391
Regions Financial 6.375%	8,000	197,120

Total Preferred Stock
(cost \$1,006,784) **1,072,871**

Warrant 0.00%		
Wheeler Real Estate Investment Trust strike price \$5.50, expiration date 4/29/19	4,752	3,802

Total Warrant (cost \$39) **3,802**

	Principal amount^o	Value (U.S. \$)
Short-Term Investments 0.33%		
Discount Notes 0.33% ¹		
Federal Home Loan Bank		
0.04% 6/18/14	246,374	\$ 246,372
0.05% 7/28/14	8,926	8,926
0.05% 8/15/14	33,743	33,740
0.075% 11/19/14	53,560	53,544
		342,582

Total Short-Term Investments
(cost \$342,575) **342,582**

Total Value of Securities Before Securities Lending Collateral 127.63%
(cost \$106,083,079) **132,584,799**

	Number of shares	
Securities Lending Collateral** 6.88%		
Investment Company		
Delaware Investments Collateral Fund No. 1	7,144,781	7,144,781
Total Securities Lending Collateral (cost \$7,144,781)		7,144,781
Total Value of Securities 134.51%		
(cost \$113,227,860)		139,729,580n

	Number of contracts	
Option Written (0.01%)		
Equity Call Option (0.01%)		
Penney (J.C.), strike price \$9.00, expires 6/21/14 (MSC)	(300)	(10,500)
Total Option Written		
(premium received \$(26,795))		\$ (10,500)

Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At May 31, 2014, the aggregate value of Rule 144A securities was \$22,839,267, which represented 21.99% of the Fund's net assets. See Note 10 in Notes to financial statements.

* Fully or partially on loan.

** See Note 9 in Notes to financial statements for additional information on securities lending collateral and non-cash collateral.

@ Illiquid security. At May 31, 2014, the aggregate value of illiquid securities was \$35,513, which represents 0.03% of the Fund's net assets. See Note 10 in Notes to financial statements.
100% of the income received was in the form of both cash and par.
100% of the income received was in the form of additional par.

- T 100% of the income received was in the form of additional cash.
- = Security is being fair valued in accordance with the Fund's fair valuation policy. At May 31, 2014, the aggregate value of fair valued securities was 35,313, which represents 0.03% of the Fund's net assets. See Note 1 in Notes to financial statements.
- ¹ The rate shown is the effective yield at the time of purchase.
- n Includes \$7,730,930 of securities loaned.
- ° Principal amount shown is stated in U.S. dollars unless noted that the security is denominated in another currency.
Non income producing security.
Variable rate security. The rate shown is the rate as of May 31, 2014. Interest rates reset periodically.
- ¥ All or portion of the security has been pledged as collateral with outstanding options written.
- ^ Zero coupon security. The rate shown is the yield at the time of purchase.
- « Senior secured loans generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates are generally: (i) the prime rate offered by one or more United States banks, (ii) the lending rate offered by one or more European banks such as the London Inter-Bank Offered Rate (LIBOR), and (iii) the certificate of deposit rate. Senior secured loans may be subject to restrictions on resale. Stated rate in effect at May 31, 2014.
- f Step coupon bond. Coupon increases or decreases periodically based on a predetermined schedule. Stated rate in effect at May 31, 2014.

The following futures contracts were outstanding at May 31, 2014:¹

Futures Contracts

Contracts to Buy (Sell)	Notional Cost (Proceeds)	Notional Value	Expiration Date	Unrealized Appreciation (Depreciation)
(8) U.S. Treasury 5 yr Notes	\$(958,915)	\$(958,063)	10/6/14	\$ 852

The use of futures contracts involves elements of market risk and risks in excess of the amounts disclosed in the financial statements. The notional value presented above represents the Fund's total exposure in such contracts, whereas only the net unrealized appreciation (depreciation) is reflected in the Fund's net assets.

¹ See Note 7 in Notes to financial statements.

Summary of abbreviations:

ADR American Depositary Receipt

MSC Morgan Stanley Capital

PIK Pay-in-kind

REIT Real Estate Investment Trust

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

Statement of assets and liabilities

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2014 (Unaudited)

Assets:	
Investments, at value ^{1,2}	\$ 132,242,217
Short-term investments held as collateral for loaned securities, at value ³	7,144,781
Short-term investments, at value ⁴	342,582
Foreign currencies, at value ⁵	25,453
Cash collateral for derivatives	8,000
Receivable for securities sold	1,527,802
Dividends and interest receivable	861,397
Securities lending income receivable	5,273
Variation margin receivable on futures contracts	438
Other assets	775
 Total assets	 142,158,718
Liabilities:	
Option written, at value ⁶	10,500
Cash overdraft	571,114
Obligation to return securities lending collateral	7,144,781
Payable for securities purchased	2,132,590
Interest expense payable	27,300
Other accrued expenses	105,529
Investment management fees payable	60,963
Other affiliates payable	3,500
Trustees' fees and expenses payable	630
Borrowing under line of credit	28,225,000
 Total liabilities	 38,281,907
 Total Net Assets	 \$ 103,876,811
 Net Assets Consist of:	
Common stock, \$0.01 par value, 500,000,000 shares authorized to the Fund	\$ 89,375,788
Distributions in excess of net investment income	(1,569,963)
Accumulated net realized loss on investments	(10,448,738)
Net unrealized appreciation of investments and derivatives	26,519,724
 Total Net Assets	 \$ 103,876,811

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¹ Investments, at cost	\$ 105,740,504
² Including securities on loan	7,730,930
³ Short-term investments held as collateral for loaned securities, at cost	7,144,781
⁴ Short-term investments, at cost	342,575
⁵ Foreign currencies, at cost	25,371
⁶ Option written, premiums received	(26,795)

Net Asset Value

Common Shares

Net assets	\$ 103,876,811
Shares of beneficial interest outstanding	9,439,043
Net asset value per share	\$ 11.01

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

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Statement of operations

Delaware Investments® Dividend and Income Fund, Inc.

Six months ended May 31, 2014 (Unaudited)

Investment Income:

Interest	\$ 1,470,255
Dividends	1,213,665
Securities lending income	21,780
Foreign tax withheld	(3,583)
	2,702,117

Expenses:

Management fees	350,222
Interest expense	148,777
Reports and statements to shareholders	44,790
Dividend disbursing and transfer agent fees and expenses	39,864
Accounting and administration expenses	22,066
Audit and tax	16,864
Legal fees	11,959
Custodian fees	3,445
Directors fees and expenses	2,473
Registration fees	380
Other	28,122

Total operating expenses	668,962
Net Investment Income	2,033,155
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	3,873,077
Foreign currencies	(2,959)
Foreign currency exchange contracts	(139)
Futures contracts	(14,983)
Options written	49,449
Net realized gain	3,904,445
Net change in unrealized appreciation (depreciation) of:	
Investments	3,017,941
Foreign currencies	1,433
Futures contracts	852
Options written	17,747
Net change in unrealized appreciation (depreciation)	3,037,973
Net Realized and Unrealized Gain	6,942,418
Net Increase in Net Assets Resulting from Operations	\$ 8,975,573

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

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Statements of changes in net assets

Delaware Investments® Dividend and Income Fund, Inc.

	Six months ended	Year ended
	5/31/14	11/30/13
	(Unaudited)	
Increase in Net Assets from Operations:		

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Net investment income	\$ 2,033,155	\$ 4,124,351
Net realized gain	3,904,445	5,721,234
Net change in unrealized appreciation (depreciation)	3,037,973	12,252,556
Net increase in net assets resulting from operations	8,975,573	22,098,141

Dividends and Distributions to Shareholders from:

Net investment income	(2,973,298)	(5,946,597)
	(2,973,298)	(5,946,597)

Net Increase in Net Assets	6,002,275	16,151,544
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Net Assets:

Beginning of period	97,874,536	81,722,992
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End of period (including distributions in excess of net investment income of \$(1,569,963) and \$(629,820), respectively)	\$ 103,876,811	\$ 97,874,536
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See accompanying notes, which are an integral part of the financial statements.

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Statement of cash flows

Delaware Investments® Dividend and Income Fund, Inc.

Six months ended May 31, 2014 (Unaudited)

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

Net increase in net assets resulting from operations	\$ 8,975,573
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Adjustments to reconcile net increase in net assets from operations to cash provided by (used for) operating activities:

Amortization of premium and accretion of discount on investments, net	16,515
Purchase of investment securities	(29,601,627)
Proceeds from disposition of investment securities	29,858,066
Proceeds from short-term investment securities, net	589,944
Net realized gain	(3,856,276)
Net change in net unrealized appreciation (depreciation)	(3,037,121)
Premiums received for options written	66,304
Increase in receivable for investments sold	(1,161,033)

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Increase in interest and dividends receivable and other assets	(20,442)
Increase in variation margin receivable on futures contracts	(438)
Increase in payable for investments purchased	951,066
Increase in interest expense payable	949
Increase in accrued expenses and other liabilities	3,827
Total adjustments	(6,190,266)
Net cash provided by operating activities	2,785,307
Cash Flows Used for Financing Activities:	
Cash dividends and distributions to shareholders from net investment income	(2,973,298)
Net cash used for financing activities	(2,973,298)
Effect of exchange rates on cash	1,433
Net decrease in cash	(186,558)
Cash at beginning of period	(351,103)
Cash at end of period*	\$ (537,661)
Cash paid for interest expense on leverage	\$ 147,828

*Includes foreign currency and cash collateral for derivatives, as shown in the statement of assets and liabilities.

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

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Financial highlights

Delaware Investments® Dividend and Income Fund, Inc.

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

Six months ended	Year ended
5/31/14¹	

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	(Unaudited)	11/30/13	11/30/12	11/30/11	11/30/10	11/30/09
Net asset value, beginning of period	\$ 10.370	\$ 8.660	\$ 7.670	\$ 7.680	\$ 7.040	\$ 5.220
Income from investment operations:						
Net investment income ²	0.215	0.437	0.439	0.432	0.423	0.413
Net realized and unrealized gain	0.740	1.903	1.226	0.248	0.907	2.120
Total from investment operations	0.955	2.340	1.665	0.680	1.330	2.533
Less dividends and distributions from:						
Net investment income	(0.315)	(0.630)	(0.581)	(0.690)	(0.690)	(0.410)
Return of capital			(0.094)			(0.303)
Total dividends and distributions	(0.315)	(0.630)	(0.675)	(0.690)	(0.690)	(0.713)
Net asset value, end of period	\$ 11.010	\$ 10.370	\$ 8.660	\$ 7.670	\$ 7.680	\$ 7.040
Market value, end of period	\$ 10.900	\$ 9.410	\$ 7.920	\$ 6.890	\$ 7.560	\$ 6.600
Total return based on:³						
Net asset value	9.73%	28.51%	22.88%	9.30%	19.61%	53.26%
Market value	10.83%	27.51%	25.10%	(0.26%)	25.59%	86.93%
Ratios and supplemental data:						
Net assets, end of period (000 omitted)	\$ 103,877	\$ 97,875	\$ 81,723	\$ 72,386	\$ 72,470	\$ 66,421
Ratio of expenses to average net assets ^{4,5}	1.35%	1.43%	1.60%	1.51%	1.65%	1.83%
Ratio of net investment income to average net assets ⁶	4.10%	4.51%	5.26%	5.35%	5.75%	7.06%
Portfolio turnover	23%	45%	39%	45%	62%	65%
Leverage Analysis:						
Debt outstanding at end of period at par (000 omitted)	\$ 28,225	\$ 28,225	\$ 28,225	\$ 20,225	\$ 20,225	\$ 20,225
Asset coverage per \$1,000 of debt outstanding at end of period	\$ 4,680	\$ 4,468	\$ 3,895	\$ 4,579	\$ 4,583	\$ 4,284

¹ Ratios have been annualized and portfolio turnover and total return have not been annualized.

² The average shares outstanding method has been applied for per share information.

³ Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan.

Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

- ⁴ The ratio of interest expense to adjusted average net assets (excluding debt outstanding) for the six months ended May 31, 2014, and the years ended Nov. 30, 2013, 2012, 2011, 2010 and 2009 were 0.23%, 0.26%, 0.36%, 0.28%, 0.33%, and 0.30%, respectively.
- ⁵ The ratio of expenses before interest expense to adjusted average net assets (excluding debt outstanding) for the six months ended May 31, 2014, and the years ended Nov. 30, 2013, 2012, 2011, 2010 and 2009 were 0.82%, 0.84%, 0.85%, 0.91%, 0.95%, and 1.05%, respectively.
- ⁶ The ratio of net investment income to adjusted average net assets for the six months ended May 31, 2014, and the years ended Nov. 30, 2013, 2012, 2011, 2010 and 2009 were 3.19%, 3.44%, 3.97%, 4.23%, 4.45%, and 5.21%, respectively.

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

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2014 (Unaudited)

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

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

1. Significant Accounting Policies

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

Security Valuation Equity securities and Exchange-Traded Funds (ETFs), except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the NYSE on the valuation date. Securities and ETFs traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last sales price. If on a particular day an equity security does not trade, then the mean between the bid and ask prices will be used, which approximates fair value. Securities listed on a foreign exchange are normally valued at the last quoted sales price on the valuation date. Debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. U.S. government and agency securities are valued at the mean between the

bid and ask prices, which approximates fair value. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. Open-end investment company securities are valued at net asset value per share, as reported by the underlying investment company. Foreign currency exchange contracts and foreign cross currency exchange contracts are valued at the mean between the bid and ask prices, which approximates fair value. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. Futures contracts are valued at the daily quoted settlement prices. Exchange-traded options are valued at the last reported sale price or, if no sales are reported, at the mean between the last reported bid and ask prices, which approximates fair value. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Directors (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The Fund may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities, generally as of 4:00 p.m. Eastern time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading, or news events may have occurred in the interim. To account for this, the Fund may frequently value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing).

Federal and Foreign Income Taxes No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken for all open federal income tax years (Nov. 30, 2010 - Nov. 30, 2013), and has concluded that no provision for federal income tax is required in the Fund's financial statements. In regard to foreign taxes only, the Fund has open tax years in certain foreign countries it invests in that may date back to the inception of the Fund.

Repurchase Agreements The Fund may purchase certain U.S. government securities subject to the counterparty's agreement to repurchase them at an agreed upon date and price. The counterparty will be required on a daily basis to maintain the value of the collateral subject to the agreement at not less than the repurchase price (including accrued interest). The agreements are conditioned upon the collateral being deposited under the Federal Reserve book-entry system with the Fund's custodian or a third-party sub-custodian. In the event of default or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings. At May 31, 2014, the Fund held no investments in repurchase agreements.

Distributions The Fund has implemented a managed distribution policy. Under the policy, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come

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1. Significant Accounting Policies (continued)

from long-term capital gains to the extent permitted, and if necessary, a return of capital. Even though the Fund may realize current year capital gains, such gains may be offset, in whole or in part, by the Fund's capital loss carryovers from prior years. For federal income tax purposes, the effect of such capital loss carryovers may be 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 (Act), this tax effect attributable to the Fund's capital loss carryovers (the conversion of 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 Nov. 30, 2011. The actual determination of the source of the Fund's distributions can be made only at year end. Shareholders should receive written notification regarding the actual components and tax treatments of all Fund distributions for the calendar year 2014 in early 2015.

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

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

Other Expenses directly attributable to the Fund are charged directly to the Fund. Other expenses common to various funds within the Delaware Investments Family of Funds are generally allocated among such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Discounts and premiums on debt securities are amortized to interest income over the lives of the respective securities using the effective interest method. Distributions received from investments in Real Estate Investment Trusts (REITs) are recorded as dividend income on the ex-dividend date, subject to reclassification upon notice of the character of such distributions by the issuer. Foreign dividends are also recorded on the ex-dividend date or as soon after the ex-dividend date that the Fund is aware of such dividends, net of all tax withholdings, a portion of which may be reclaimable. Withholding taxes on and reclaims on foreign dividends have been recorded in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Subject to seeking best execution, the Fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the Fund in cash. In general, best execution refers to many factors, including the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order, and other factors affecting the overall benefit obtained by the Fund on the transaction. There were no commission rebates for the six months ended May 31, 2014. Delaware Management Company (DMC), a series of Delaware Management Business Trust, and its affiliates have previously acted and may in the future act as an investment advisor to mutual funds or separate accounts affiliated with the administrator of the commission recapture program described above. In addition, affiliates of the administrator act as consultants in helping institutional clients choose investment advisors and may also participate in other types of business and provide other services in the investment management industry.

The Fund may receive earnings credits from its custodian when positive cash balances are maintained, which may be used to offset custody fees. There were no earnings credits for the six months ended May 31, 2014.

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2. Investment Management, Administration Agreements and Other Transactions with Affiliates

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

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Fund. For these services, the Fund pays DSC fees based on the aggregate daily net assets excluding the line of credit liability of the Delaware Investments[®] Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$50 billion. The fees payable to DSC under the service agreement described above are allocated among all Funds in the Delaware Investments Family of Funds on a relative net asset value basis. For the six months ended May 31, 2014, the Fund was charged \$3,069 for these services.

As provided in the investment management agreement, the Fund bears a portion of cost of resources shared with DMC, including the cost of internal personnel of DMC and its affiliates that provide legal, tax, and regulatory reporting services to the Fund. For the six months ended May 31, 2014, the Fund was charged \$7,253 for internal legal, tax, and regulatory reporting services provided by DMC and/or its affiliates employees.

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

3. Investments

For the six months ended May 31, 2014, the Fund made purchases and sales of investment securities other than short-term investments as follows:

Purchases	\$ 29,601,627
Sales	29,858,066

At May 31, 2014, the cost of investments for federal income tax purposes has been estimated since final tax characteristics cannot be determined until fiscal year end. At May 31, 2014, the cost of investments and unrealized appreciation (depreciation) were as follows:

Cost of investments	\$ 113,499,907
Aggregate unrealized appreciation	\$ 26,478,312
Aggregate unrealized depreciation	(248,639)
Net unrealized appreciation	\$ 26,229,673

For federal income tax purposes, capital loss carryforwards of \$14,059,841 may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at Nov. 30, 2013 will expire as follows: \$2,844,205 expires in 2016, and \$11,215,636 expires in 2017.

On Dec. 22, 2010, the Act was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes were generally effective for taxable years beginning after the date of enactment. Under the Act, the Fund is permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation. There are no losses incurred that will be carried forward under the Act.

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

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

3. Investments (continued)

asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-level hierarchy of inputs is summarized below.

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

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

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

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

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of May 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ 79,717,874	\$	\$	\$ 79,717,874
Convertible Preferred Stock ¹	1,702,801	1,270,745	35,513	3,009,059
Corporate Debt		42,716,454		42,716,454
Senior Secured Loans		4,008,253		4,008,253
Limited Partnership	1,713,904			1,713,904
Preferred Stock ¹	667,471	405,400		1,072,871
Warrant	3,802			3,802
Short-Term Investments		342,582		342,582
Securities Lending Collateral		7,144,781		7,144,781

Total	\$ 83,805,852	\$ 55,888,215	\$ 35,513	\$ 139,729,580
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Futures Contracts