

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSR
February 06, 2019
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

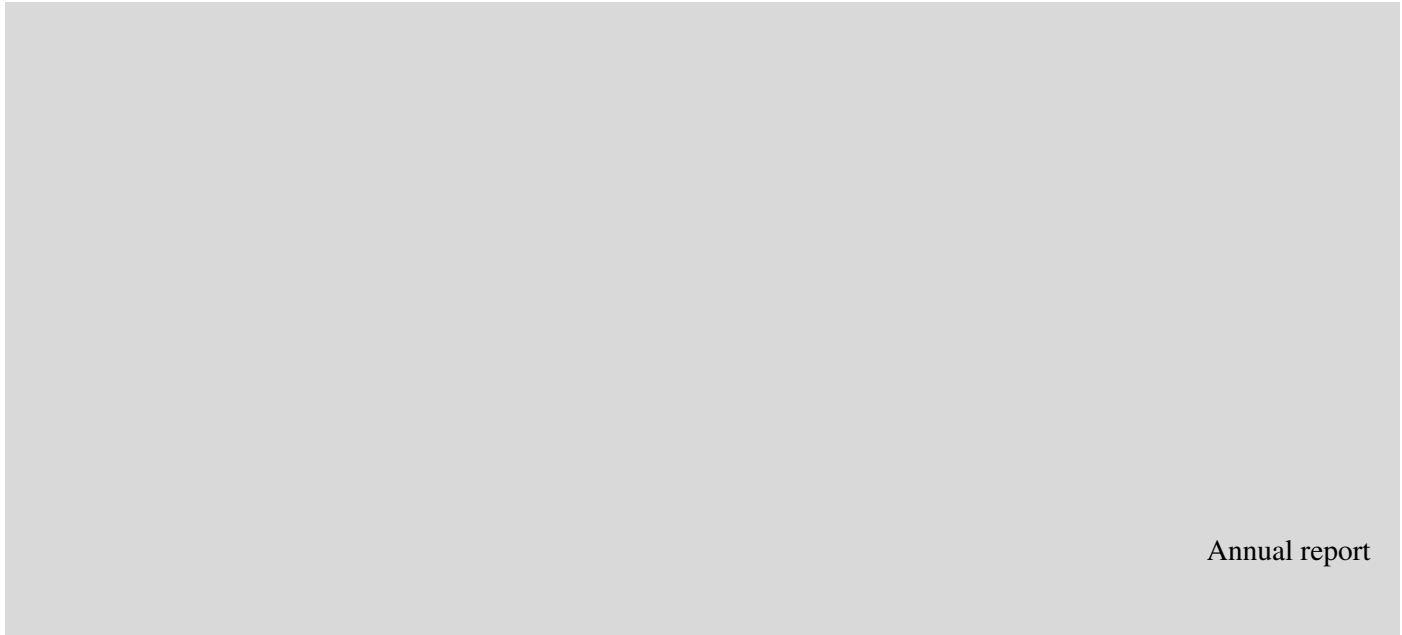
FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number:	811-07460
Exact name of registrant as specified in charter:	Delaware Investments® Dividend and Income Fund, Inc.
Address of principal executive offices:	2005 Market Street Philadelphia, PA 19103
Name and address of agent for service:	David F. Connor, Esq. 2005 Market Street Philadelphia, PA 19103
Registrant's telephone number, including area code:	(800) 523-1918
Date of fiscal year end:	November 30
Date of reporting period:	November 30, 2018

Item 1. Reports to Stockholders

Table of Contents



Annual report

Closed-end fund

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2018

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

Table of Contents

Table of contents

<u>Portfolio management review</u>	1
<u>Performance summary</u>	3
<u>Security type / sector allocations and top 10 equity holdings</u>	6
<u>Schedule of investments</u>	8
<u>Statement of assets and liabilities</u>	16
<u>Statement of operations</u>	17
<u>Statements of changes in net assets</u>	18
<u>Statement of cash flows</u>	19
<u>Financial highlights</u>	20
<u>Notes to financial statements</u>	21
<u>Report of independent registered public accounting firm</u>	32
<u>Other Fund information</u>	33
<u>Board of trustees / directors and officers addendum</u>	42
<u>About the organization</u>	45

Delaware Investments® Dividend and Income Fund, Inc. (DDF or the Fund), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of the Fund's Board of Directors (the Board), has adopted a managed distribution policy (the Plan). Effective as of March 29, 2018, the Fund makes monthly distributions to common shareholders at a targeted annual distribution rate of 10% of the Fund's average net asset value (NAV) per share. The Fund will calculate the average NAV per share from the previous three full months immediately prior to the distribution based on the number of business days in those three months on which the NAV is calculated. The distribution will be calculated as 10% of the prior three months' average NAV per share, divided by 12. This distribution methodology is intended to provide shareholders with a consistent, but not guaranteed, income stream and a targeted annual distribution rate and is intended to narrow any discount between the market price and the NAV of the Fund's common shares, but there is no assurance that the policy will be successful in doing so.

Under the Plan, 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. The Fund will generally distribute amounts necessary to satisfy the terms of the Fund's Plan and the requirements prescribed by excise tax rules and Subchapter M of the Internal Revenue Code (the Code). Each monthly distribution to shareholders is expected to be at the fixed percentage described above, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Fund to comply with the distribution requirements imposed by the Code.

The Board may amend, suspend, or terminate the Fund's Plan at any time without prior notice if it deems such action to be in the best interest of the Fund or its shareholders. The methodology for determining monthly distributions under the Plan will be reviewed at least annually by the Fund's Board, and the Fund will continue to evaluate its distribution in light of ongoing market conditions. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above NAV) or widening an existing trading discount. The Fund is subject to risks that could have an adverse impact on its ability to maintain distributions under the Plan. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, increased market volatility, portfolio companies suspending or decreasing corporate dividend distributions, and changes in the Code.

Shareholders should not draw any conclusions about the Fund's investment performance from the amounts of these distributions or from the terms of the Plan. The Fund's total investment return on NAV is presented in its financial

highlights table.

A cumulative summary of the Section 19(a) notices for the Fund's current fiscal period, if applicable, is included in Other Fund Information. Section 19(a) notices for the Fund, as applicable, are available on the Fund's website at delawarefunds.com/closed-end/performance/fund-distributions.

Macquarie Asset Management (MAM) offers a diverse range of products including securities investment management, infrastructure and real asset management, and fund and equity-based structured products. Macquarie Investment Management (MIM) is the marketing name for certain companies comprising the asset management division of Macquarie Group. This includes the following registered investment advisors: Macquarie Investment Management Business Trust (MIMBT), Macquarie Funds Management Hong Kong Limited, Macquarie Investment Management Austria Kapitalanlage AG, Macquarie Investment Management Global Limited, Macquarie Investment Management Europe Limited, and Macquarie Capital Investment Management LLC. For more information, including press releases, please visit delawarefunds.com/closed-end.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2018, and subject to change for events occurring after such date.

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

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

All third-party marks cited are the property of their respective owners.

© 2019 Macquarie Management Holdings, Inc.

Table of Contents

Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

December 11, 2018

Performance preview (for the year ended November 30, 2018)

Delaware Investments Dividend and Income Fund, Inc. @ market price	1-year return	+27.97%
Delaware Investments Dividend and Income Fund, Inc. @ NAV	1-year return	+2.55%
Lipper Closed-end Income and Preferred Stock Funds Average @ market price	1-year return	- 3.86%
Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	1-year return	- 3.15%

Past performance does not guarantee future results.

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

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

For the fiscal year ended Nov. 30, 2018, Delaware Investments Dividend and Income Fund, Inc. returned +2.55% at net asset value (NAV) and +27.97% at market price (both figures reflect all distributions reinvested). Complete annualized performance for the Fund is shown in the table on page 3.

A strong US economy

Throughout the Fund’s fiscal year ended Nov. 30, 2018, the US economy continued along its expansionary path. US gross domestic product (GDP) – a measure of national economic output – grew in all four quarters of the Fund’s fiscal year. The expansion was especially rapid in the second quarter (+4.2%) and third quarter (+3.5%) of 2018, which represented the country’s fastest half-year of GDP growth since 2014. Meanwhile, the US unemployment rate continued to drop, reaching 3.7% late in the period, a nearly 50-year low. (Sources: US Bureau of Economic Analysis and US Bureau of Labor Statistics.)

To combat potential inflation that can accelerate during periods of economic growth, the US Federal Reserve raised the federal funds rate by a quarter percentage point on four occasions during the Fund’s fiscal year, ending in a target range of 2.00% to 2.25%, up from a range of 1.00% to 1.25% a year earlier.

Outside the United States, the economic picture was more mixed, with momentum slowing in many countries and regions. Higher interest rates and a stronger US dollar proved to be headwinds for China and other emerging markets. Europe, meanwhile, struggled amid political challenges and a lack of economic catalysts.

Rising market volatility

The US equity market began the fiscal year on an up note benefiting from investors' optimism about the potential for new federal tax legislation, passed in late 2017, to boost corporate earnings before turning volatile and suddenly selling off in February 2018.

Even as the market soon resumed its upward path, volatility remained elevated throughout much of the remainder of the reporting period, reflecting rising concern about US inflation, nervousness about the imposition of US tariffs, and growing fears of

a trade war with China, among other challenges. In the fall of 2018, US stocks corrected sharply, with a significant late-period market correction wiping out many earlier gains. For the 12-month period, US large-cap value stocks, as measured by the Russell 1000[®] Value Index, gained 3.0%.

Meanwhile, high yield corporate bonds, as measured by the Bloomberg Barclays US Corporate High-Yield Index, gained 0.4%. Credit spreads widened over the fiscal year as investors demanded more income in exchange for purchasing riskier debt.

Investors in US real estate investment trusts (REITs) encountered often-challenging market conditions for the fiscal year. For the 12-month period, the US REIT market, as measured by the FTSE NAREIT Equity REITs Index, advanced 3.7%. We believe higher interest rates were a significant factor behind the REIT market's struggles for much of the period, even as the asset class benefited from falling long-term rates in the period's final weeks. Those real estate operators that saw the best share-price performance tended to be companies with relatively stable cash flows and the ability to generate solid internal growth.

Convertible securities, as reflected in the ICE BofAML US Convertible Index, gained 4.9%. We believe these hybrid securities, which display characteristics of both stocks and bonds, benefited from their yield component and more-defensive characteristics relative to equities in a volatile investment environment.

Individual contributors and detractors

The Fund's natural focus on yield-oriented investments was a headwind to performance during the fiscal year. For most of the 12-month period, investors tended to favor growth-oriented stocks, which are not well represented in the Fund's income-oriented portfolio.

American International Group Inc. hurt performance as the flattening yield curve created a negative backdrop for insurance companies. **ConocoPhillips** also detracted from performance as oil prices declined from \$75 a barrel to \$45.

Meanwhile, in the Fund's REIT portfolio, a position in **Brookdale Senior Living, Inc.**, an owner and operator of senior housing

(continues)

1

Table of Contents

Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

facilities, significantly hampered performance, as an oversupply of senior housing facilities continued to weigh on the group.

In contrast, several US-based holdings in the Fund's large-cap value subportfolio added to performance, including **Merck & Co. Inc.** and **Pfizer Inc.**, pharmaceutical manufacturers that reported favorable financial results; **Verizon Communications Inc.**, a telecommunication services provider that issued better-than-expected earnings; and software company **CA Inc.**, whose shares rose sharply in July after the company agreed to be acquired by semiconductor firm Broadcom.

Also, among real estate investments, the Fund benefited from its exposure to **STORE Capital Corp.** This and other triple-net REITs (meaning tenants are responsible for paying such real estate expenses as property taxes and utilities) have benefited from a favorable cost of capital, which positioned the companies to make growth-promoting acquisitions. Manufactured home community owner **Sun Communities Inc.** and apartment operator **NexPoint Residential Trust Inc.** also added value.

Sticking to our strategy

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

During the fiscal year, exposure to US large-cap value stocks increased from 54% at the start of the Fund's fiscal year to 59% at its end. The Fund's high yield bond allocation finished the fund's fiscal year at 31% of the Fund's net assets, down incrementally from a year earlier.

Meanwhile, our allocation to REITs and convertible securities drifted downward by a couple of percentage points each, finishing the fiscal year at 9% and 1% of the Fund's portfolio, respectively.

The shift in favor of equities this period reflected our view that large-cap value equities offered a better combination of yield and upside potential than other asset classes, including REITs, whose downside we believed was heightened by rising interest rates.

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

A final note: The Fund's use of leverage—a portfolio management tool designed to obtain a higher return on the Fund's investments—added to performance in light of the stock market's increase. Leverage magnifies the effect of gains and losses. As a result, leverage added to the Fund's results in a positive market environment.

Looking ahead with caution

At the end of the Fund's fiscal year, we had a somewhat cautious view about financial markets. Our perspective reflects what we see as the potential for diminished global economic growth, coupled with our view that stock valuations are relatively expensive. Another factor behind our somewhat defensive stance is a volatile US political backdrop, which has added a new layer of uncertainty to the investment process.

In this environment, we will continue to monitor economic and market conditions as we focus on providing a high level of income while seeking potential upside via income-generating securities across multiple asset classes.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2018, and subject to change after such date.

Table of Contents

Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

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

Fund performance

Average annual total returns through November 30, 2018

	1 year	5 years	10 years	Lifetime
--	--------	---------	----------	----------

At market price (inception date March 26, 1993)	+27.97%	+13.38%	+21.46%	+9.29%
At net asset value (inception date March 26, 1993)	+2.55%	+8.70%	+16.97%	+9.09%

Diversification may not protect against market risk.

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

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

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

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

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

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

The Fund may experience portfolio turnover in excess of 100%, which could result in higher transaction costs and tax liability.

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

The Fund borrows through a line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's net asset value could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to leverage. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments could result in a relatively large

loss. In addition, the leverage through the line of credit is dependent on the credit provider's ability to fulfill its contractual obligations.

Closed-end fund 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 or any other government agency.

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

The Fund may make distributions of ordinary income and capital gains at calendar year end. Those distributions may temporarily cause extraordinarily high yields. There is no assurance that a Fund will repeat that yield in the future. Subsequent monthly distributions that do not include ordinary income or capital gains in the form of dividends will likely be lower.

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

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

Past performance is not a guarantee of future results.

(continues)

3

Table of Contents

Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

Fund basics

As of November 30, 2018

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

Total Fund net assets	NYSE symbol
\$85 million	DDF

Number of holdings
295

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

November 30, 2017 through November 30, 2018

	Starting value (Nov. 30, 2017)	Ending value (Nov. 30, 2018)
Delaware Investments Dividend and Income Fund, Inc. @ market price	\$10.85	\$12.42
Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$12.09	\$11.09

Past performance is not a guarantee of future results.

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

Average annual total returns from November 30, 2008 through November 30, 2018

	Starting value (Nov. 30, 2008)	Ending value (Nov. 30, 2018)
Delaware Investments Dividend and Income Fund, Inc. @ market price	\$ 10,000	\$69,880
Lipper Closed-end Income and Preferred Stock Funds Average @ market price	\$ 10,000	\$48,021
Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$ 10,000	\$47,961
Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	\$ 10,000	\$37,304

The Performance of a \$10,000 investment graph assumes \$10,000 invested in the Fund on Nov. 30, 2008, and includes the reinvestment of all distributions at market value. The graph assumes \$10,000 in the Lipper Closed-end Income and Preferred Stock Funds Average at market price and at NAV. Performance of the Fund and the Lipper class at market value is based on market performance during the period. Performance of the Fund and Lipper class at NAV is based on the fluctuations in NAV during the period. Delaware Investments Dividend and Income Fund, Inc. was initially offered with a sales charge of 6%. For market price, performance shown in both graphs above does not include fees, the initial sales charge, or any brokerage commissions on purchases. For NAV, performance shown in both graphs above includes fees, but does not include the initial sales charge or any brokerage commissions for purchases. Investments in the Fund are not available at NAV.

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

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

The ICE BofAML US Convertible Index (formerly known as the BofA Merrill Lynch All US Convertibles Index), mentioned on page 1, tracks the performance of publicly issued US dollar-denominated convertible securities of US companies. Qualifying securities must have at least \$50 million face amount outstanding and at least one month remaining to the final conversion date.

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

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

Frank Russell Company (Russell) is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of the Frank Russell Company.

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

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

Past performance is not a guarantee of future results.

(continues)

5

Table of Contents

Security type / sector allocations and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

As of November 30, 2018 (Unaudited)

Sector designations may be different than the sector designations presented in other Fund materials. The sector designations may represent the investment manager's internal sector classifications.

Security type / sector	Percentage of net assets
Common Stock	94.66%
Communication Services	5.48%
Consumer Discretionary	5.13%
Consumer Staples	5.60%
Diversified REITs	1.20%
Energy	8.66%
Financials	11.79%
Healthcare	24.86%
Healthcare REITs	0.55%
Hotel REITs	0.98%
Industrial REITs	0.63%
Industrials	7.88%
Information Technology	8.15%
Mall REIT	0.49%
Manufactured Housing REIT	0.17%
Materials	2.57%
Multifamily REITs	5.92%
Office REITs	0.63%
Self-Storage REITs	0.66%
Shopping Center REITs	0.26%
Single Tenant REIT	0.50%
Utilities	2.55%
Convertible Preferred Stock	1.38%
Convertible Bonds	6.40%
Capital Goods	0.77%
Communications	0.67%
Consumer Cyclical	0.27%
Consumer Non-Cyclical	1.13%
Electric	0.35%
Energy	0.68%
Financials	0.69%

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

REITs	0.59%
Services	0.12%
Technology	1.13%
	Percentage
Security type / sector	of net assets
Corporate Bonds	34.59%
Banking	2.00%
Basic Industry	5.20%
Capital Goods	1.51%
Consumer Cyclical	1.03%
Consumer Non-Cyclical	0.94%
Energy	6.21%
Financials	0.65%
Healthcare	3.03%
Insurance	0.47%
Media	4.06%
Services	3.76%
Technology & Electronics	1.51%
Telecommunications	2.19%
Transportation	0.64%
Utilities	1.39%
Preferred Stock	0.45%
Warrant	0.00%
Short-Term Investments	7.87%
Total Value of Securities	145.35%
Borrowing Under Line of Credit	(46.92%)
Receivables and Other Assets Net of Liabilities	1.57%
Total Net Assets	100.00%

Table of Contents

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

	Percentage of
Top 10 Equity Holdings	net assets
Merck & Co.	3.03%
Waste Management	3.01%
Abbott Laboratories	2.99%
Mondelez International Class A	2.94%
Verizon Communications	2.94%
Express Scripts Holding	2.90%
Equity Residential	2.87%
Cardinal Health	2.86%
Pfizer	2.85%
Johnson & Johnson	2.84%

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2018

	Number of shares	Value (US \$)
Common Stock 94.66%		
Communication Services 5.48%		
AT&T	69,400	\$ 2,168,057
Century Communications=	500,000	0
Verizon Communications	41,500	2,502,450
		4,670,507
Consumer Discretionary 5.13%		
Dollar Tree	26,900	2,334,113
Lowes	21,600	2,038,392
		4,372,505
Consumer Staples 5.60%		
Archer Daniels Midland	49,100	2,259,582
Mondelez International Class A	55,800	2,509,884
		4,769,466
Diversified REITs 1.20%		
Equinix	200	77,056
Fibra Uno Administracion	88,100	88,733
Lexington Realty Trust	23,000	201,940
Tritax EuroBox 144A #	384,094	473,968
Vornado Realty Trust	2,565	184,577
		1,026,274
Energy 8.66%		
ConocoPhillips	30,900	2,044,962
Halliburton	26,000	817,180
Marathon Oil	136,800	2,283,192
Occidental Petroleum	31,800	2,234,586

		7,379,920
Financials 11.79%		
Allstate	22,400	1,997,856
American International Group	24,500	1,059,625
Bank of New York Mellon	45,400	2,329,474
BB&T	44,600	2,279,060
Marsh & McLennan	26,900	2,386,030
		10,052,045
Healthcare 24.86%		
Abbott Laboratories	34,400	2,547,320
Brookdale Senior Living	240,100	2,052,855
Cardinal Health	44,400	2,434,452
CVS Health	29,400	2,357,880
Express Scripts Holding	24,400	2,475,868
Johnson & Johnson	16,500	2,423,850
Merck & Co.	32,600	2,586,484
Pfizer	52,489	2,426,566
Quest Diagnostics	21,300	1,886,541
		21,191,816
	Number of shares	Value (US \$)
Common Stock (continued)		
Healthcare REITs 0.55%		
Assura	269,626	\$ 183,467
HCP	4,200	122,892
Sabra Health Care REIT	3,000	57,870
Welltower	1,500	108,495
		472,724
Hotel REITs 0.98%		
Hospitality Properties Trust	4,700	126,148
MGM Growth Properties Class A	15,000	427,350
Summit Hotel Properties	25,600	285,440
		838,938
Industrial REITs 0.63%		
Liberty Property Trust	2,700	122,283
Terreno Realty	10,600	413,506
		535,789

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

Industrials 7.88%		
Northrop Grumman	8,200	2,131,016
Raytheon	11,500	2,016,410
Waste Management	27,400	2,568,750
		6,716,176
Information Technology 8.15%		
Cisco Systems	47,600	2,278,612
Intel	48,900	2,411,259
Oracle	46,300	2,257,588
		6,947,459
Mall REIT 0.49%		
Simon Property Group	2,247	417,245
		417,245
Manufactured Housing REIT 0.17%		
Sun Communities	1,400	145,740
		145,740
Materials 2.57%		
DowDuPont	37,888	2,191,821
		2,191,821
Multifamily REITs 5.92%		
ADO Properties 144A #	9,989	544,057
Ares Management Class A	12,800	287,232
Bluerock Residential Growth REIT	11,500	104,650
Brookfield Property Partners	2	35
Equity Residential	34,357	2,447,936
Essential Properties Realty Trust	30,400	430,160
Gecina	765	107,108

Table of Contents

	Number of shares	Value (US \$)
Common Stock (continued)		
Multifamily REITs (continued)		
Grainger	51,940	\$ 168,044
Invitation Homes	12,200	261,812
NexPoint Residential Trust	3,000	109,470
Safety Income & Growth	23,600	465,864
Vonovia	2,481	120,622
		5,046,990
Office REITs 0.63%		
Columbia Property Trust	10,300	221,141
Easterly Government Properties	17,400	317,028
		538,169
Self Storage REITs 0.66%		
National Storage Affiliates Trust	20,100	562,197
		562,197
Shopping Center REITs 0.26%		
Brixmor Property Group	6,400	105,600
First Capital Realty	7,981	118,575
		224,175
Single Tenant REIT 0.50%		
Spirit Realty Capital	10,700	79,394
STORE Capital	11,500	344,540
		423,934

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

Utilities 2.55%

Edison International	39,300	2,174,076
		2,174,076

Total Common Stock

(cost \$60,103,367) **80,697,966**

Convertible Preferred Stock 1.38%

A Schulman 6.00% exercise price \$52.33 y	199	205,467
AMG Capital Trust II 5.15% exercise price \$198.02, maturity date 10/15/37	2,953	155,790
Bank of America 7.25% exercise price \$50.00 y	155	198,400
El Paso Energy Capital Trust I 4.75% exercise price \$34.49, maturity date 3/31/28	5,250	232,207
QTS Realty Trust 6.50% exercise price \$47.03 y	1,220	123,818
SITE Centers 6.50% exercise price \$25.00 y	2,500	57,500

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

Convertible Preferred Stock (continued)

Wells Fargo & Co. 7.50% exercise price \$156.71 y	159	\$ 200,936
---	-----	------------

Total Convertible Preferred Stock

(cost \$1,054,963) **1,174,118**

Principal
amount^o

Convertible Bonds 6.40%

Capital Goods 0.77%

Aerojet Rocketdyne Holdings 2.25% exercise price \$26.00, maturity date 12/15/23	51,000	74,967
Cemex 3.72% exercise price \$11.01, maturity date 3/15/20	180,000	177,064
Chart Industries 144A 1.00% exercise price \$58.73, maturity date 11/15/24 #	133,000	163,114
Dycom Industries 0.75% exercise price \$96.89, maturity date 9/15/21	80,000	79,463
Tesla Energy Operations 1.625% exercise price \$759.35, maturity date 11/1/19	174,000	163,650
		658,258

Communications 0.67%

DISH Network 2.375% exercise price \$82.22, maturity date 3/15/24	181,000	151,126
3.375% exercise price \$65.18, maturity date 8/15/26	115,000	101,246
GCI Liberty 144A 1.75% exercise price \$370.52, maturity date 9/30/46 #	173,000	183,159
Liberty Media 2.25% exercise price \$35.14, maturity date 9/30/46	260,000	135,353
		570,884

Consumer Cyclical 0.27%

Huron Consulting Group 1.25% exercise price \$79.89, maturity date 10/1/19	151,000	150,094
Meritor 3.25% exercise price \$39.92, maturity date 10/15/37	88,000	79,007
		229,101

Consumer Non Cyclical 1.13%

Insulet 144A 1.375% exercise price \$93.18, maturity date 11/15/24 #	69,000	75,435
Medicines 2.75% exercise price \$48.97, maturity date 7/15/23	183,000	151,128

(continues)

9

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (US \$)
Convertible Bonds (continued)		
Consumer Non Cyclical (continued)		
Neurocrine Biosciences 2.25% exercise price \$75.92, maturity date 5/15/24	131,000	\$ 176,031
Paratek Pharmaceuticals 144A 4.75% exercise price \$15.90, maturity date 5/1/24 #	160,000	137,699
Retrophin 2.50% exercise price \$38.80, maturity date 9/15/25	29,000	26,793
Spectrum Pharmaceuticals 2.75% exercise price \$10.53, maturity date 12/15/18	40,000	54,976
Vector Group 1.75% exercise price \$21.28, maturity date 4/15/20 ·	262,000	268,230
2.50% exercise price \$13.81, maturity date 1/15/19 ·	72,000	74,209
		964,501
Electric 0.35%		
Cree 144A 0.875% exercise price \$59.97, maturity date 9/1/23 #	165,000	162,495
NRG Energy 144A 2.75% exercise price \$47.74, maturity date 6/1/48 #	128,000	137,491
		299,986
Energy 0.68%		
Cheniere Energy 4.25% exercise price \$138.38, maturity date 3/15/45	259,000	194,634
Helix Energy Solutions Group 4.125% exercise price \$9.47, maturity date 9/15/23	7,000	7,856
4.25% exercise price \$13.89, maturity date 5/1/22	218,000	221,837
PDC Energy 1.125% exercise price \$85.39, maturity date 9/15/21	172,000	158,978
		583,305
Financials 0.69%		
Ares Capital 3.75% exercise price \$19.39, maturity date 2/1/22	200,000	201,302
GAIN Capital Holdings 5.00% exercise price \$8.20, maturity date 8/15/22	154,000	173,250
New Mountain Finance 5.00% exercise price \$15.80, maturity date 6/15/19	212,000	212,963
		587,515
	Principal amount ^o	Value

(US \$)

Convertible Bonds (continued)

REITs 0.59%

Blackstone Mortgage Trust 4.375% exercise price \$35.67, maturity date 5/5/22	39,000	\$	39,169
4.75% exercise price \$36.23, maturity date 3/15/23	134,000		134,651
Spirit Realty Capital 3.75% exercise price \$11.50, maturity date 5/15/21	246,000		243,690
VEREIT 3.75% exercise price \$14.99, maturity date 12/15/20	83,000		82,534
			500,044

Services 0.12%

Team 5.00% exercise price \$21.70, maturity date 8/1/23	93,000		99,150
			99,150

Technology 1.13%

Boingo Wireless 144A 1.00% exercise price \$42.32, maturity date 10/1/23 #	98,000		89,210
CSG Systems International 4.25% exercise price \$57.09, maturity date 3/15/36	139,000		142,347
Knowles 3.25% exercise price \$18.43, maturity date 11/1/21	147,000		160,498
Microchip Technology 1.625% exercise price \$97.55, maturity date 2/15/27	15,000		15,193
PROS Holdings 2.00% exercise price \$48.63, maturity date 6/1/47	137,000		128,876
Synaptics 0.50% exercise price \$73.02, maturity date 6/15/22	174,000		153,900
Verint Systems 1.50% exercise price \$64.46, maturity date 6/1/21	167,000		165,975
Vishay Intertechnology 144A 2.25% exercise price \$31.49, maturity date 6/15/25 #	113,000		106,365
			962,364

Total Convertible Bonds

(cost \$5,484,770)			5,455,108
--------------------	--	--	------------------

Corporate Bonds 34.59%

Banking 2.00%

Ally Financial 5.75% 11/20/25	305,000		312,625
Credit Suisse Group 144A 6.25% #μy	200,000		190,582
Lloyds Banking Group 7.50% μy	330,000		313,427
Popular 6.125% 9/14/23	280,000		280,350
Royal Bank of Scotland Group 8.625% μy	400,000		413,000

Table of Contents

	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Banking (continued)		
UBS Group Funding Switzerland 6.875% μ y	200,000	\$ 194,244
		1,704,228
Basic Industry 5.20%		
BMC East 144A 5.50% 10/1/24 #	125,000	117,656
Boise Cascade 144A 5.625% 9/1/24 #	400,000	386,000
Builders FirstSource 144A 5.625% 9/1/24 #	170,000	156,825
Chemours 5.375% 5/15/27	190,000	172,425
FMG Resources August 2006		
144A 4.75% 5/15/22 #	105,000	101,194
144A 5.125% 5/15/24 #	180,000	168,300
Freeport McMoRan		
4.55% 11/14/24	170,000	158,525
6.875% 2/15/23	340,000	355,300
Hudbay Minerals		
144A 7.25% 1/15/23 #	20,000	20,125
144A 7.625% 1/15/25 #	180,000	179,550
IAMGOLD 144A 7.00% 4/15/25 #	20,000	19,000
Joseph T Ryerson & Son 144A 11.00% 5/15/22 #	110,000	117,425
Koppers 144A 6.00% 2/15/25 #	215,000	193,500
Lennar		
4.50% 4/30/24	195,000	187,200
4.75% 5/30/25	95,000	90,487
M/I Homes 5.625% 8/1/25	20,000	18,500
New Enterprise Stone & Lime 144A 10.125% 4/1/22 #	30,000	31,050
NOVA Chemicals		
144A 5.00% 5/1/25 #	130,000	121,713
144A 5.25% 6/1/27 #	300,000	276,000
Novelis 144A 6.25% 8/15/24 #	241,000	239,193
Olin		

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

5.00% 2/1/30	175,000	156,406
5.125% 9/15/27	195,000	184,090
PulteGroup 5.00% 1/15/27	100,000	93,250
Standard Industries 144A 6.00% 10/15/25 #	50,000	48,937
Steel Dynamics 5.00% 12/15/26	190,000	183,113
Tronox Finance 144A 5.75% 10/1/25 #	225,000	191,813
William Lyon Homes 6.00% 9/1/23	20,000	18,450
Zekelman Industries 144A 9.875% 6/15/23 #	415,000	443,013

4,429,040

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

Corporate Bonds (continued)

Capital Goods 1.51%		
Ardagh Packaging Finance 144A 6.00% 2/15/25 #	240,000	\$ 224,100
Bombardier 144A 6.00% 10/15/22 #	235,000	223,861
BWAY Holding		
144A 5.50% 4/15/24 #	310,000	297,987
144A 7.25% 4/15/25 #	105,000	95,681
Crown Americas 144A 4.75% 2/1/26 #	285,000	275,395
TransDigm 6.375% 6/15/26	170,000	166,369

1,283,393

Consumer Cyclical 1.03%		
AMC Entertainment Holdings 6.125% 5/15/27	225,000	200,250
GLP Capital 5.375% 4/15/26	110,000	110,118
Golden Nugget 144A 8.75% 10/1/25 #	40,000	40,300
MGM Resorts International 5.75% 6/15/25	180,000	177,975
Penn National Gaming 144A 5.625% 1/15/27 #	215,000	198,337
Penske Automotive Group 5.50% 5/15/26	160,000	148,600

875,580

Consumer Non Cyclical 0.94%		
Charles River Laboratories International 144A 5.50% 4/1/26 #	40,000	40,100
Cott Holdings 144A 5.50% 4/1/25 #	260,000	251,550
JBS USA		
144A 5.75% 6/15/25 #	215,000	208,819
144A 6.75% 2/15/28 #	20,000	19,475
Pilgrim s Pride 144A 5.75% 3/15/25 #	20,000	19,550
Post Holdings		
144A 5.00% 8/15/26 #	100,000	92,250
144A 5.625% 1/15/28 #	180,000	167,850

799,594

Energy 6.21%		
AmeriGas Partners		
5.625% 5/20/24	10,000	9,550
5.875% 8/20/26	240,000	225,000
Antero Resources 5.625% 6/1/23	117,000	116,415
Cheniere Corpus Christi Holdings		
5.125% 6/30/27	40,000	38,850
5.875% 3/31/25	80,000	82,600
7.00% 6/30/24	100,000	108,000

(continues)

11

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Energy (continued)		
Cheniere Energy Partners 5.25% 10/1/25	175,000	\$ 171,063
Chesapeake Energy		
7.00% 10/1/24	170,000	158,950
8.00% 1/15/25	100,000	96,625
Crestwood Midstream Partners 5.75% 4/1/25	210,000	202,650
Diamond Offshore Drilling 7.875% 8/15/25	30,000	26,925
Diamondback Energy 4.75% 11/1/24	190,000	184,775
Energy Transfer 5.50% 6/1/27	115,000	115,000
Ensco 7.75% 2/1/26	30,000	24,863
Genesis Energy		
6.50% 10/1/25	40,000	36,600
6.75% 8/1/22	294,000	293,265
Gulfport Energy		
6.375% 5/15/25	10,000	9,113
6.375% 1/15/26	145,000	129,775
6.625% 5/1/23	200,000	195,500
Hilcorp Energy I 144A 5.00% 12/1/24 #	97,000	88,513
Laredo Petroleum 6.25% 3/15/23	235,000	220,313
Murphy Oil 6.875% 8/15/24	500,000	510,667
Murphy Oil USA 5.625% 5/1/27	415,000	405,403
Newfield Exploration 5.375% 1/1/26	275,000	274,656
NuStar Logistics 5.625% 4/28/27	160,000	151,800
Precision Drilling 144A 7.125% 1/15/26 #	40,000	37,300
QEP Resources		
5.25% 5/1/23	190,000	181,925
5.625% 3/1/26	285,000	261,487
Southwestern Energy		
6.20% 1/23/25	270,000	259,537
7.75% 10/1/27	50,000	50,810
Summit Midstream Holdings 5.75% 4/15/25	10,000	9,500
Targa Resources Partners		
5.375% 2/1/27	300,000	289,500
144A 5.875% 4/15/26 #	20,000	20,000

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

Transocean 144A 9.00% 7/15/23 #	200,000	205,125
Transocean Proteus 144A 6.25% 12/1/24 #	76,500	75,353
Whiting Petroleum 6.625% 1/15/26	30,000	29,025

5,296,433

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

Corporate Bonds (continued)

Financials 0.65%

AerCap Global Aviation Trust 144A 6.50% 6/15/45 #μ	200,000	\$ 192,000
E*TRADE Financial 5.875% μy	180,000	173,250
Vantiv 144A 4.375% 11/15/25 #	200,000	187,000

552,250

Healthcare 3.03%

CHS 6.25% 3/31/23	25,000	23,281
DaVita 5.00% 5/1/25	180,000	169,875

Encompass Health

5.75% 11/1/24	295,000	296,475
5.75% 9/15/25	120,000	119,550

HCA

5.375% 2/1/25	405,000	408,544
5.875% 2/15/26	120,000	123,900
7.58% 9/15/25	80,000	86,800

Hill Rom Holdings

144A 5.00% 2/15/25 #	180,000	176,400
144A 5.75% 9/1/23 #	110,000	112,200

Hologic 144A 4.625% 2/1/28 #

	160,000	150,499
--	---------	---------

MPH Acquisition Holdings 144A 7.125% 6/1/24 #

	192,000	191,760
--	---------	---------

Polaris Intermediate 144A PIK 8.50% 12/1/22 #T

	10,000	9,987
--	--------	-------

Service Corp. International 4.625% 12/15/27

	159,000	148,665
--	---------	---------

Surgery Center Holdings

144A 6.75% 7/1/25 #	20,000	18,625
---------------------	--------	--------

144A 8.875% 4/15/21 #

	30,000	30,600
--	--------	--------

Tenet Healthcare

5.125% 5/1/25	175,000	166,359
---------------	---------	---------

8.125% 4/1/22

	155,000	161,200
--	---------	---------

WellCare Health Plans 144A 5.375% 8/15/26 #

	190,000	189,084
--	---------	---------

2,583,804

Insurance 0.47%

AssuredPartners 144A 7.00% 8/15/25 #	40,000	37,950
--------------------------------------	--------	--------

HUB International 144A 7.00% 5/1/26 #	50,000	47,750
---------------------------------------	--------	--------

NFP 144A 6.875% 7/15/25 #	40,000	38,100
---------------------------	--------	--------

USIS Merger Sub 144A 6.875% 5/1/25 #	295,000	280,987
--------------------------------------	---------	---------

		404,787
Media 4.06%		
Altice France 144A 7.375% 5/1/26 #	200,000	192,750
AMC Networks 4.75% 8/1/25	200,000	186,508

12

Table of Contents

	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Media (continued)		
CCO Holdings		
144A 5.125% 5/1/27 #	120,000	\$ 114,000
144A 5.50% 5/1/26 #	30,000	29,287
144A 5.75% 2/15/26 #	160,000	160,402
144A 5.875% 5/1/27 #	360,000	355,050
CSC Holdings		
6.75% 11/15/21	230,000	241,500
144A 7.75% 7/15/25 #	200,000	209,996
Gray Television 144A 5.875% 7/15/26 #	290,000	282,750
Lamar Media 5.75% 2/1/26	167,000	170,549
Radiate Holdco 144A 6.625% 2/15/25 #	20,000	18,050
Sinclair Television Group 144A 5.125% 2/15/27 #	195,000	174,525
Sirius XM Radio		
144A 5.00% 8/1/27 #	395,000	373,275
144A 5.375% 4/15/25 #	205,000	202,437
Tribune Media 5.875% 7/15/22	170,000	172,975
UPC Holding 144A 5.50% 1/15/28 #	200,000	182,500
Virgin Media Secured Finance 144A 5.25% 1/15/26 #	200,000	188,000
VTR Finance 144A 6.875% 1/15/24 #	200,000	203,500
		3,458,054
Services 3.76%		
Advanced Disposal Services 144A 5.625% 11/15/24 #	215,000	212,313
Aramark Services 144A 5.00% 2/1/28 #	65,000	61,913
Ashtead Capital 144A 5.25% 8/1/26 #	200,000	197,000
Avis Budget Car Rental 144A 6.375% 4/1/24 #	160,000	156,928
Covanta Holding 5.875% 7/1/25	210,000	198,450
ESH Hospitality 144A 5.25% 5/1/25 #	290,000	278,037
GEO Group		
5.875% 1/15/22	500,000	492,255

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

5.875% 10/15/24	65,000	58,825
6.00% 4/15/26	150,000	133,687
Iron Mountain US Holdings 144A 5.375% 6/1/26 #	357,000	331,564
KAR Auction Services 144A 5.125% 6/1/25 #	95,000	89,300
Prime Security Services Borrower 144A 9.25% 5/15/23 #	411,000	436,687

Value
Principal
amount^o (US \$)

Corporate Bonds (continued)

Services (continued)

Scientific Games International 10.00% 12/1/22	530,000	\$ 552,127
TMS International 144A 7.25% 8/15/25 #	10,000	9,825

3,208,911

Technology & Electronics 1.51%

CDK Global		
5.00% 10/15/24	175,000	174,125
5.875% 6/15/26	260,000	259,025
CDW Finance 5.00% 9/1/25	95,000	92,981
First Data 144A 5.75% 1/15/24 #	350,000	352,625
Infor US 6.50% 5/15/22	185,000	184,769
RP Crown Parent 144A 7.375% 10/15/24 #	20,000	20,325
Sensata Technologies UK Financing 144A 6.25% 2/15/26 #	200,000	204,378

1,288,228

Telecommunications 2.19%

CyrusOne 5.375% 3/15/27	170,000	167,025
Level 3 Financing 5.375% 5/1/25	322,000	314,353
SBA Communications 4.875% 9/1/24	235,000	229,419
Sprint 7.125% 6/15/24	190,000	193,325
7.625% 3/1/26	10,000	10,275
7.875% 9/15/23	103,000	108,407
Sprint Communications 7.00% 8/15/20	136,000	141,100
T Mobile USA 6.50% 1/15/26	305,000	317,200

Zayo Group

144A 5.75% 1/15/27 #	75,000	71,813
6.375% 5/15/25	315,000	310,275

1,863,192

Transportation 0.64%

DAE Funding 144A 5.75% 11/15/23 #	350,000	344,750
XPO Logistics 144A 6.125% 9/1/23 #	201,000	203,010

547,760

Utilities 1.39%

AES		
5.50% 4/15/25	160,000	162,000
6.00% 5/15/26	25,000	25,875
Calpine		
144A 5.25% 6/1/26 #	190,000	177,413
5.50% 2/1/24	100,000	92,625
5.75% 1/15/25	160,000	147,600

(continues)

13

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Utilities (continued)		
Calpine		
144A 5.875% 1/15/24 #	20,000	\$ 20,050
Emera 6.75% 6/15/76 μ	180,000	184,590
Enel 144A 8.75% 9/24/73 #μ	200,000	210,500
Vistra Energy 144A 8.00% 1/15/25 #	158,000	168,270
		1,188,923
Total Corporate Bonds (cost \$30,483,209)		29,484,177
	Number of shares	
Preferred Stock 0.45%		
Bank of America 6.50% μy	220,000	230,175
GMAC Capital Trust I 8.401% (LIBOR03M + 5.785%) 2/15/40	2,000	51,000
Washington Prime Group 6.875% y	5,800	104,168
Total Preferred Stock (cost \$401,122)		385,343
Warrant 0.00%		
Wheeler Real Estate Investment Trust strike price \$44.00, expiration date 4/29/19	7,617	76
Total Warrant (cost \$63)		76

	Principal amount^o	
Short Term Investments 7.87%		
Discount Note 2.61% [≠]		
Federal Home Loan Bank 1.333% 12/3/18	2,223,422	2,223,423
		2,223,423
Repurchase Agreements 5.26%		
Bank of America Merrill Lynch 2.20%, dated 11/30/18, to be repurchased on 12/3/18, repurchase price \$542,398 (collateralized by US government obligations 1.50% 1.75% 12/31/20 2/28/23; market value \$553,145)	542,298	542,298
	Principal amount^o	Value (US \$)
Short Term Investments (continued)		
Repurchase Agreements (continued)		
Bank of Montreal		
2.15%, dated 11/30/18, to be repurchased on 12/3/18, repurchase price \$1,491,587 (collateralized by US government obligations 0.00% 3.75% 12/6/18 11/15/47; market value \$1,521,147)	1,491,320	\$ 1,491,320
BNP Paribas		
2.25%, dated 11/30/18, to be repurchased on 12/3/18, repurchase price \$2,452,792 (collateralized by US government obligations 0.00% 2.875% 3/31/20 8/15/46; market value \$2,501,380)	2,452,333	2,452,333
		4,485,951
Total Short Term Investments (cost \$6,709,127)		6,709,374
Total Value of Securities 145.35% (cost \$104,236,621)		\$ 123,906,162

Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At Nov. 30, 2018, the aggregate value of Rule 144A securities was \$15,552,580, which represents 18.24% of the Fund's net assets. See Note 11 in Notes to financial statements.

T PIK. 100% of the income received was in the form of cash.

= The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the disclosure table located in Note 3 in Notes to financial statements.

≠ The rate shown is the effective yield at the time of purchase.

o Principal amount shown is stated in USD unless noted that the security is denominated in another currency.

- μ Fixed to variable rate investment. The rate shown reflects the fixed rate in effect at Nov. 30, 2018. Rate will reset at a future date.
- y No contractual maturity date.
Non income producing security.
- Variable rate investment. Rates reset periodically. Rate shown reflects the rate in effect at Nov. 30, 2018. For securities based on a published reference rate and spread, the reference rate and spread are indicated in their description above. The reference rate descriptions (i.e. LIBOR03M, LIBOR06M, etc.) used in this report are identical for different securities, but the underlying reference rates may differ due to the timing of

Table of Contents

the reset period. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their description above.

Summary of abbreviations:

ICE Intercontinental Exchange

LIBOR London Interbank Offered Rate

LIBOR03M ICE LIBOR USD 3 Month

LIBOR06M ICE LIBOR USD 6 Month

PIK Pay-in-kind

REIT Real Estate Investment Trust

USD US Dollar

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

(continues)

15

Table of Contents

Statement of assets and liabilities

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2018

Assets:

Investments, at value ¹	\$ 123,906,162
Cash	932,827
Foreign currencies, at value ²	216,231
Dividends and interest receivable	678,685
Receivable for securities sold	17,932
Foreign tax reclaims receivable	6,344
Other assets ³	65,058
Total assets	125,823,239

Liabilities:

Borrowing under line of credit	40,000,000
Contingent liabilities ³	216,859
Payable for securities purchased	187,443
Other accrued expenses	87,584
Investment management fees payable to affiliates	56,455
Interest expense payable on line of credit	21,000
Legal fees payable to affiliates	8,727
Accounting and administration expenses payable to affiliates	719
Directors' fees and expenses payable to affiliates	677
Reports and statements to shareholders expenses payable to affiliates	73
Total liabilities	40,579,537

Total Net Assets **\$ 85,243,702**

Net Assets Consist of:

Common stock, \$0.01 par value, 500,000,000 shares authorized to the Fund	\$ 65,099,486
Total distributable earnings (loss)	20,144,216

Total Net Assets **\$ 85,243,702**

Net Asset Value**Common Shares**

Net assets	\$ 85,243,702
Shares of beneficial interest outstanding	7,688,159
Net asset value per share	\$ 11.09

¹ Investments, at cost	\$ 104,236,621
² Foreign currencies, at cost	226,347

³ See Note 13 in Notes to financial statements.

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

Table of Contents

Statement of operations

Delaware Investments® Dividend and Income Fund, Inc.

Year ended November 30, 2018

Investment Income:

Interest	\$ 2,316,173
Dividends	2,021,419
Foreign tax withheld	(5,333)
	4,332,259

Expenses:

Interest expense	1,097,000
Management fees	712,022
Reports and statements to shareholders expenses	85,827
Legal fees	76,570
Dividend disbursing and transfer agent fees and expenses	72,898
Accounting and administration expenses	55,346
Audit and tax fees	43,430
Custodian fees	4,532
Directors fees and expenses	4,267
Registration fees	830
Other expenses	62,374
	2,215,096
Less expense paid indirectly	(131)
Total operating expenses	2,214,965
Net Investment Income	2,117,294

Net Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:	
Investments	6,211,364
Foreign currencies	(6,998)
Foreign currency exchange contracts	2,375
Net realized gain	6,206,741
Net change in unrealized appreciation (depreciation) of:	
Investments	(6,069,872)
Foreign currencies	(9,708)

Net change in unrealized appreciation (depreciation)	(6,079,580)
Net Realized and Unrealized Gain	127,161
Net Increase in Net Assets Resulting from Operations	\$ 2,244,455

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

Table of Contents

Statements of changes in net assets

Delaware Investments® Dividend and Income Fund, Inc.

	Year ended	
	11/30/18	11/30/17
Increase (Decrease) in Net Assets from Operations:		
Net investment income	\$ 2,117,294	\$ 2,685,667
Net realized gain	6,206,741	3,873,819
Net change in unrealized appreciation (depreciation)	(6,079,580)	6,043,995
Net increase in net assets resulting from operations	2,244,455	12,603,481
Dividends and Distributions to Shareholders from:		
Distributable earnings*	(9,916,955)	(3,803,615)
	(9,916,955)	(3,803,615)
Capital Share Transactions:		
Cost of shares repurchased ¹		(4,548,154)
Decrease in net assets derived from capital share transactions		(4,548,154)
Net Increase (Decrease) in Net Assets	(7,672,500)	4,251,712
Net Assets:		
Beginning of year	92,916,202	88,664,490
End of year²	\$ 85,243,702	\$ 92,916,202

¹See Note 6 in Notes to financial statements.²Net Assets End of year includes distributions in excess of net investment income of \$47,229 in 2017. The Securities and Exchange Commission eliminated the requirement to disclose undistributed (distributions in excess of) net investment income in 2018.

*For the year ended Nov. 30, 2018, the Fund has adopted amendments to Regulation S-X (see Note 14 in Notes to financial statements). For the year ended Nov. 30, 2017, the dividends and distributions to shareholders were from net investment income and totaled \$(3,803,615).

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

Table of Contents

Statement of cash flows

Delaware Investments® Dividend and Income Fund, Inc.

Year ended November 30, 2018

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

Net increase (decrease) in net assets resulting from operations	\$ 2,244,455
---	--------------

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

Amortization of premium and accretion of discount on investments, net	28,885
Proceeds from disposition of investment securities	44,439,153
Purchase of investment securities	(35,885,393)
(Purchase) Proceeds from disposition of short-term investment securities, net	(347,160)
Net realized (gain) loss on investments	(6,211,364)
Net change in unrealized (appreciation) depreciation of investments	6,069,872
Net change in unrealized (appreciation) depreciation of foreign currencies	9,708
(Increase) Decrease in receivable for securities sold	626,289
(Increase) Decrease in dividends and interest receivable	97,642
Return of capital distributions on investments	171,973
(Increase) Decrease in foreign tax reclaims receivable	326
Increase (Decrease) in payable for securities purchased	(326,181)
Increase (Decrease) in Directors fees and expenses payable to affiliates	57
Increase (Decrease) in accounting and administration expenses payable to affiliates	(20)
Increase (Decrease) in investment management fees payable to affiliates	(2,774)
Increase (Decrease) in reports and statements to shareholders expenses payable to affiliates	3
Increase (Decrease) in legal fees payable to affiliates	8,142
Increase (Decrease) in other accrued expenses	(58,098)
Increase (Decrease) in interest expense payable on line of credit	9,278

Total adjustments	8,630,338
--------------------------	------------------

Net cash provided by (used for) operating activities	10,874,793
--	------------

Cash provided by (used for) financing activities:

Cash dividends and distributions paid to shareholders	(9,916,955)
---	-------------

Net cash provided by (used for) financing activities	(9,916,955)
--	-------------

Effect of exchange rates on cash	(9,708)
----------------------------------	---------

Net increase (decrease) in cash	948,130
---------------------------------	---------

Cash at beginning of year*	200,928
----------------------------	---------

Cash at end of year*	\$ 1,149,058
----------------------	--------------

Cash paid for interest expense on line of credit	\$ 1,087,722
--	--------------

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

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

Table of Contents

Financial highlights

Delaware Investments® Dividend and Income Fund, Inc.

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

	Year ended				
	11/30/18	11/30/17	11/30/16	11/30/15	11/30/14
Net asset value, beginning of period	\$ 12.09	\$ 10.96	\$ 10.20	\$ 11.14	\$ 10.37
Income (loss) from investment operations:					
Net investment income ¹	0.28	0.34	0.38	0.44	0.44
Net realized and unrealized gain (loss)	0.01	1.27	0.97	(0.75)	0.96
Total from investment operations	0.29	1.61	1.35	(0.31)	1.40
Less dividends and distributions from:					
Net investment income	(0.95)	(0.48)	(0.59)	(0.63)	(0.63)
Net realized gain	(0.34)				
Total dividends and distributions	(1.29)	(0.48)	(0.59)	(0.63)	(0.63)
Net asset value, end of period	\$ 11.09	\$ 12.09	\$ 10.96	\$ 10.20	\$ 11.14
Market value, end of period	\$ 12.42	\$ 10.85	\$ 9.70	\$ 9.00	\$ 10.05
Total return based on² :					
Net asset value	2.55%	15.49%	14.50%	(2.26%)	14.51%
Market value	27.97%	17.11%	14.85%	(4.41%)	13.85%
Ratios and supplemental data:					
Net assets, end of period (000 omitted)	\$ 85,244	\$ 92,916	\$ 88,664	\$ 86,919	\$ 99,889
Ratio of expenses to average net assets ^{3,4,5}	2.48%	2.09%	1.95%	1.71%	1.55%
Ratio of net investment income to average net assets ⁶	2.37%	2.94%	3.68%	4.03%	4.06%
Portfolio turnover	29%	36%	47%	43%	48%
Leverage analysis:					
Debt outstanding at end of period at par (000 omitted)	\$ 40,000	\$ 40,000	\$ 40,000	\$ 38,000	\$ 40,000
Asset coverage per \$1,000 of debt outstanding at end of period	\$ 3,131	\$ 3,323	\$ 3,217	\$ 3,287	\$ 3,497

¹ The average shares outstanding method has been applied for per share information.² 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

purpose 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.

- ³ The ratio of interest expense to adjusted average net assets (excluding debt outstanding) for the years ended Nov. 30, 2018, 2017, 2016, 2015, and 2014 were 0.85%, 0.58%, 0.41%, 0.32%, and 0.26%, respectively.
- ⁴ The ratio of interest expense to average net assets for the years ended Nov. 30, 2018, 2017, 2016, 2015, and 2014 were 1.23%, 0.84%, 0.59%, 0.45%, and 0.35%, respectively.
- ⁵ The ratio of expenses before interest expense to adjusted average net assets (excluding debt outstanding) for the years ended Nov. 30, 2018, 2017, 2016, 2015, and 2014 were 0.86%, 0.87%, 0.95%, 0.89%, and 0.90%, respectively.
- ⁶ The ratio of net investment income to adjusted average net assets (excluding debt outstanding) for the years ended Nov. 30, 2018, 2017, 2016, 2015, and 2014 were 1.64%, 2.05%, 2.56%, 2.85%, and 3.05%, respectively.

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

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

November 30, 2018

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 (1940 Act). The Fund's shares trade on the New York Stock Exchange (NYSE) under the symbol DDF.

The Fund's primary investment objective is to seek high current income; capital appreciation is a secondary objective.

1. Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services—Investment Companies. The following accounting policies are in accordance with US generally accepted accounting principles (US GAAP) and are consistently followed by the Fund.

Security Valuation Equity securities, except those traded on the Nasdaq Stock Market LLC (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the NYSE on the valuation date. Equity securities 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, the mean between the bid and ask prices will be used, which approximates fair value. Equity securities listed on a foreign exchange are normally valued at the last quoted sales price on the valuation date. US government and agency securities are valued at the mean between the bid and ask prices, which approximates fair value. Other debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. 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. Investments in repurchase agreements are generally valued at par, which approximates fair value, each business day. 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-US markets because, among other things, most foreign markets close well before the Fund values its securities, generally as of 4:00pm Eastern time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading, or news events may have occurred in the interim. Whenever such a significant event occurs, the Fund may value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing). Restricted securities and private placements are valued at fair value using methods approved by the Board.

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 or expected to be taken on the Fund's federal income tax returns through the year ended Nov. 30, 2018 and for all open tax years (years ended Nov. 30, 2015 - Nov. 30, 2017), and has concluded that no provision for federal income tax is required in the Fund's financial statements. In regard to foreign taxes only, the Fund has open tax years in certain foreign countries in which it invests that may date back to the inception of the Fund. If applicable, the Fund recognizes interest accrued on unrecognized tax benefits in interest expense and penalties in other expenses on the Statement of operations. During the year ended Nov. 30, 2018, the Fund did not incur any interest or tax penalties.

Repurchase Agreements The Fund may purchase certain US 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

(continues)

21

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

1. Significant Accounting Policies (continued)

or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings. All open repurchase agreements as of the date of this report were entered into on Nov. 30, 2018, and matured on the next business day.

Cash and Cash Equivalents Cash and cash equivalents include deposits held at financial institutions, which are available for the Fund's use with no restrictions, with original maturities of 90 days or less.

Distributions The Fund has implemented a managed distribution policy. Under the policy, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come from long-term capital gains to the extent permitted, and if necessary, a return of capital. A return of capital may occur for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income. 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. The Fund's managed distribution policy is described in more detail on the inside front cover of this report.

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 US dollars at the exchange rate of such currencies against the US 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), which is due to changes in foreign exchange rates, is included on the Statement of operations under Net realized gain (loss) on foreign currencies. For foreign equity securities, these changes are included on the Statement of operations under Net realized gain (loss) on investments. The Fund reports certain foreign currency related transactions as components of realized gains (losses) for financial reporting purposes, whereas such components are treated as ordinary income (loss) for federal income tax purposes.

Use of Estimates The preparation of financial statements in conformity with US 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 Funds® by Macquarie (Delaware Funds) are generally allocated among such funds on the basis of average net assets. Management fees and certain other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold.

Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Discounts and premiums on debt securities are accreted or amortized to interest income, respectively, over the lives of the respective securities using the effective interest method. Distributions received from investments in real estate investment trusts (REITs) are recorded as dividend income on the ex-dividend date, subject to reclassification upon notice of the character of such distributions by the issuer. Distributions received from investments in master limited partnerships are recorded as return of capital on the ex-dividend date. Foreign dividends are also recorded on the ex-dividend date or as soon after the ex-dividend date that the Fund is aware of such dividends, net of all tax withholdings, a portion of which may be reclaimable. Withholding taxes and reclaims on foreign dividends have been recorded in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Subject to seeking best execution, the Fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the Fund in cash. In general, best execution refers to many factors, including the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order, and other factors affecting the overall benefit obtained by the Fund on the transaction. There were no commission rebates for the year ended Nov. 30, 2018. Delaware Management Company (DMC), a series of Macquarie Investment 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.

Table of Contents

The Fund receives earnings credits from its custodian when positive cash balances are maintained, which may be used to offset custody fees. The expense paid under this arrangement is included on the Statement of operations under Custodian fees with the corresponding expense offset shown under Less expense paid indirectly. For the year ended Nov. 30, 2018, the Fund earned \$131 under this arrangement.

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%, calculated daily and paid monthly, of the adjusted average daily net assets of the Fund. For purposes of the calculation of investment management fees, adjusted average daily net assets exclude the line of credit liability.

Delaware Investments Fund Services Company (DIFSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Fund. For these services, DIFSC's fees are calculated daily and paid monthly based on the aggregate daily net assets of all funds within the Delaware Funds at the following annual rate: 0.00475% of the first \$35 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$45 billion (Total Fee). Each fund in the Delaware Funds pays a minimum of \$4,000, which, in aggregate, is subtracted from the Total Fee. Each fund then pays its portion of the remainder of the Total Fee on a relative net asset value (NAV) basis. This amount is included on the Statement of operations under Accounting and administration expenses. For the year ended Nov. 30, 2018, the Fund was charged \$8,883 for these services.

As provided in the investment management agreement, the Fund bears a portion of the cost of certain resources shared with DMC, including the cost of internal personnel of DMC and/or its affiliates that provide legal, tax, and regulatory reporting services to the Fund. This amount is included on the Statement of operations under Legal fees. For the year ended Nov. 30, 2018, the Fund was charged \$26,588 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 DIFSC are officers and/or Directors of the Fund. These officers and Directors are paid no compensation by the Fund.

Cross trades for the year ended Nov. 30, 2018 were executed by the Fund pursuant to procedures adopted by the Board designed to ensure compliance with Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds of investment companies, or between a fund of an investment company and another entity, that are or could be considered affiliates by virtue of having a common investment advisor (or affiliated investment advisors), common directors/trustees and/or common officers. At its regularly scheduled meetings, the Board reviews such transactions for compliance with the procedures adopted by the Board. Pursuant to these procedures, for the year ended Nov. 30, 2018, the Fund engaged in Rule 17a-7 securities purchases of \$3,265,727. For

the year ended Nov. 30, 2018, the Fund did not engage in any Rule 17a-7 securities sales.

3. Investments

For the year ended Nov. 30, 2018, the Fund made purchases and sales of investment securities other than short-term investments as follows:

Purchases	\$ 35,885,393
Sales	44,439,153

The tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. At Nov. 30, 2018, the cost and unrealized appreciation (depreciation) of investments for federal income tax purposes for the Fund were as follows:

Cost of investments	\$ 104,590,964
Aggregate unrealized appreciation of investments	\$ 22,560,036
Aggregate unrealized depreciation of investments	(3,244,838)
Net unrealized appreciation of investments	\$ 19,315,198

US 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.

(continues)

23

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

3. Investments (continued)

Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-level hierarchy of inputs is summarized below.

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.

Table of Contents

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of Nov. 30, 2018:

Securities	Level 1	Level 2	Level 3	Total
<u>Assets:</u>				
Common Stock				
Communication Services	\$ 4,670,507	\$	\$	\$ 4,670,507
Consumer Discretionary	4,372,505			4,372,505
Consumer Staples	4,769,466			4,769,466
Diversified REITs	1,026,274			1,026,274
Energy	7,379,920			7,379,920
Financials	10,052,045			10,052,045
Healthcare	21,191,816			21,191,816
Healthcare REITs	472,724			472,724
Hotel REITs	838,938			838,938
Industrial REITs	535,789			535,789
Industrials	6,716,176			6,716,176
Information Technology	6,947,459			6,947,459
Mall REIT	417,245			417,245
Manufactured Housing REIT	145,740			145,740
Materials	2,191,821			2,191,821
Multifamily REITs	4,107,159	939,831		5,046,990
Office REITs	538,169			538,169
Self-Storage REITs	562,197			562,197
Shopping Center REITs	224,175			224,175
Single Tenant REIT	423,934			423,934
Utilities	2,174,076			2,174,076
Convertible Preferred Stock ¹	580,654	593,464		1,174,118
Corporate Debt		34,939,285		34,939,285
Preferred Stock ¹	155,168	230,175		385,343
Warrant	76			76
Short-Term Investments		6,709,374		6,709,374
Total Value of Securities	\$ 80,494,033	\$ 43,412,129	\$	\$ 123,906,162

The security that has been valued at zero on the Schedule of investments is considered to be a Level 3 investment in this table.

¹Security type is valued across multiple levels. Level 1 investments represent exchange-traded investments and Level 2 investments represent investments with observable inputs or matrix-price investments. The amounts attributed to Level 1 investments and Level 2 investments represent the following percentages of the total value of this security type:

	Level 1	Level 2	Total
Convertible Preferred Stock	49.45%	50.55%	100.00%
Preferred Stock	40.27%	59.73%	100.00%

During the year ended Nov. 30, 2018, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a significant impact to the Fund. This does not include transfers between Level 1 investments and Level 2 investments due to the Fund utilizing international fair value pricing during the period. In accordance with the fair valuation procedures described in Note 1, international fair value pricing of securities in the Fund occurs when market volatility exceeds an established rolling threshold. If the threshold is exceeded on a given date, then prices of international securities (those that traded on exchanges that close at a different time than the time that the Fund's NAV is determined) are established using a separate pricing feed from a third party vendor designed to establish a price for each such security as of the time that the Fund's NAV is determined. Further, international fair value pricing uses other observable market-based inputs in place of the closing exchange price due to the events occurring after the close of the exchange or market on which the investment is principally traded, causing a change in classification between levels. The Fund's policy is to recognize transfers between levels based on fair value at the beginning of the reporting period.

(continues)

25

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

3. Investments (continued)

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

4. Dividend and Distribution Information

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Additionally, distributions from net gains on foreign currency transactions and net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the years ended Nov. 30, 2018 and 2017 was as follows:

	Year ended	
	11/30/18	11/30/17
Ordinary income	\$ 2,204,452	\$ 3,496,089
Long-term capital gains	7,712,503	307,526
Total	\$ 9,916,955	\$ 3,803,615

5. Components of Net Assets on a Tax Basis

As of Nov. 30, 2018, the components of net assets on a tax basis were as follows:

Shares of beneficial interest	\$ 65,099,486
Undistributed long-term capital gains	980,819
Troubled debt litigation	(151,801)
Net unrealized appreciation of investments and foreign currencies	19,315,198
Net assets	\$ 85,243,702

The differences between book basis and tax basis components of net assets are primarily attributable to tax deferral of losses on wash sales, tax treatment of contingent payment on debt instruments, partnership income, trust preferred securities, deemed dividend income, and market discount and premium on debt instruments.

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of partnership income. Results of operations and net assets were not affected by these reclassifications. For the year ended Nov. 30, 2018, the Fund recorded the following reclassifications:

Distributable earnings	\$ 7
Paid-in capital	(7)

6. Capital Stock

Shares obtained under the Fund's dividend reinvestment plan are purchased by the Fund's transfer agent, Computershare, Inc., in the open market. There were no shares issued under the Fund's dividend reinvestment plan for the years ended Nov. 30, 2018 and 2017.

On May 18, 2017, the Fund's Board approved a tender offer for shares of the Fund's common stock. The tender offer authorized the Fund to purchase up to 5% of its issued and outstanding shares at a price equal to 98% of the Fund's NAV at the close of business on the NYSE on June 30, 2017, the first business day following the expiration of the offer. The tender offer commenced on June 1, 2017, and expired on June 29, 2017. In connection with the tender offer, the Fund purchased 404,640 shares of capital stock at a total cost of \$4,548,154. The tender offer was oversubscribed and all tenders of shares were subject to pro-ration (at a ratio of approximately 19.48%) in accordance with the terms of the tender offer.

Table of Contents

The Fund's Board authorized management to implement a new open-market share repurchase program pursuant to which the Fund may purchase up to 10% of the Fund's shares, from time to time, in open-market transactions, at the discretion of management. The new share repurchase program commenced on Aug. 1, 2017 and has no stated expiration date.

The Fund did not repurchase shares under any share repurchase program during the years ended Nov. 30, 2018 and 2017.

7. Line of Credit

For the year ended Nov. 30, 2018, the Fund borrowed all of the money available to it pursuant to a \$40,000,000 Amended and Restated Credit Agreement with The Bank of New York Mellon (BNY Mellon) that expired on June 15, 2018. Effective June 15, 2018, the Fund entered into Amendment No. 3 to the Amended and Restated Credit Agreement that is scheduled to terminate on June 14, 2019. Depending on market conditions and amount borrowed, the amount borrowed by the Fund pursuant to the Credit Agreement may be reduced or possibly increased in the future.

At Nov. 30, 2018, the par value of loans outstanding was \$40,000,000, at a variable interest rate of 3.15%. The carrying value of the loan approximates fair value. During the year ended Nov. 30, 2018, the average daily balance of loans outstanding was \$40,000,000, at a weighted average interest rate of approximately 2.70%. Interest on borrowing is based on a variable short-term rate plus an applicable margin. The commitment fee under the Amended and Restated Credit Agreement was computed at a rate of 0.15% per annum on the unused balance. The rate under Amendment No. 3 to the Amended and Restated Credit Agreement is computed at a rate of 0.15% per annum on the unused balance. The loan is collateralized by the Fund's portfolio.

8. Derivatives

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

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

The use of foreign currency exchange contracts does not eliminate fluctuations in the underlying prices of the securities, but does establish a rate of exchange that can be achieved in the future. Although foreign currency exchange contracts limit the risk of loss due to an unfavorable change in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency change favorably. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. The Fund's maximum risk of loss from counterparty credit risk is the value of its currency exchanged with the counterparty. The risk is generally mitigated by having a netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

During the year ended Nov. 30, 2018, the Fund entered into foreign currency exchange contracts to fix the US dollar value of a security between trade date and settlement date and to hedge the US dollar value of securities it already owns that are denominated in foreign currencies.

During the year ended Nov. 30, 2018, the Fund experienced net realized gains attributable to foreign currency holdings, which are reflected on the Statement of operations under Net realized gain (loss) on foreign currency exchange contracts.

(continues)

27

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

8. Derivatives (continued)

Derivatives Generally. The table below summarizes the average balance of derivative holdings by the Fund during the year ended Nov. 30, 2018:

	Long Derivative Volume	Short Derivative Volume
Foreign currency exchange contracts (average cost)	\$ 4,595	\$ 4,244

9. Offsetting**Master Repurchase Agreements**

Repurchase agreements are entered into by the Fund under Master Repurchase Agreements (each, an MRA). The MRA permits the Fund, under certain circumstances including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables with collateral held by and/or posted to the counterparty. As a result, one single net payment is created. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Based on the terms of the MRA, the Fund receives securities as collateral with a market value in excess of the repurchase price at maturity. Upon a bankruptcy or insolvency of the MRA counterparty, the Fund would recognize a liability with respect to such excess collateral. The liability reflects the Fund's obligation under bankruptcy law to return the excess to the counterparty. As of Nov. 30, 2018, the following table is a summary of the Fund's repurchase agreements by counterparty which are subject to offset under an MRA:

Counterparty	Repurchase Agreements	Fair Value of		Net Collateral Received	Net Exposure^(b)
		Non-Cash Collateral Received^(a)	Cash Collateral Received		
Bank of America Merrill Lynch	\$ 542,298	\$ (542,298)	\$	\$ (542,298)	\$
Bank of Montreal	1,491,320	(1,491,320)		(1,491,320)	
BNP Paribas	2,452,333	(2,452,333)		(2,452,333)	
Total	\$ 4,485,951	\$ (4,485,951)	\$	\$ (4,485,951)	\$

^(a) The value of the related collateral received exceeded the value of the repurchase agreements as of Nov. 30, 2018.

(b) Net exposure represents the receivable (payable) that would be due from (to) the counterparty in the event of default.

10. Securities Lending

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

Cash collateral received by the Fund is generally invested in a series of individual separate accounts, each corresponding to a fund. The investment guidelines permit each separate account to hold certain securities that would be considered eligible securities for a money market fund. Cash collateral received is generally invested in government securities; certain obligations issued by government sponsored enterprises; repurchase agreements collateralized by US Treasury securities; obligations issued by the central government of any Organization for Economic

Table of Contents

Cooperation and Development (OECD) country or its agencies, instrumentalities or establishments; obligations of supranational organizations, commercial paper, notes, bonds and other debt obligations; certificates of deposit, time deposits, and other bank obligations; and asset-backed securities. The Fund can also accept US government securities and letters of credit (non-cash collateral) in connection with securities loans.

In the event of default or bankruptcy by the lending agent, realization and/or retention of the collateral may be subject to legal proceedings. In the event the borrower fails to return loaned securities and the collateral received is insufficient to cover the value of the loaned securities and provided such collateral shortfall is not the result of investment losses, the lending agent has agreed to pay the amount of the shortfall to the Fund or, at the discretion of the lending agent, replace the loaned securities. The Fund continues to record dividends or interest, as applicable, on the securities loaned and is subject to changes in value of the securities loaned that may occur during the term of the loan. The Fund has the right under the Lending Agreement to recover the securities from the borrower on demand. With respect to security loans collateralized by non-cash collateral, the Fund receives loan premiums paid by the borrower. With respect to security loans collateralized by cash collateral, the earnings from the collateral investments are shared among the Fund, the security lending agent, and the borrower. The Fund records security lending income net of allocations to the security lending agent, and the borrower.

The Fund may incur investment losses as a result of investing securities lending collateral. This could occur if an investment in the collateral investment account defaulted or became impaired. Under those circumstances, the value of the Fund's cash collateral account may be less than the amount the Fund would be required to return to the borrowers of the securities and the Fund would be required to make up for this shortfall.

During the year ended Nov. 30, 2018, the Fund had no securities out on loan.

11. Credit and Market Risk

When interest rates rise, fixed income securities (i.e., debt obligations) generally will decline in value. These declines in value are greater for fixed income securities with longer maturities or durations.

The Fund borrows through its line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's NAV could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to the leverage. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments could result in a relatively large loss. In addition, the leverage through the line of credit is dependent on the credit provider's ability to fulfill its contractual obligations.

Some countries in which the Fund may invest require governmental approval for the repatriation of investment income, capital, or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a

country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad.

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

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

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

The Fund invests in REITs and is subject to the risks associated with that industry. If the Fund holds real estate directly as a result of defaults or receives rental income directly from real estate holdings, its tax status as a regulated investment company may be jeopardized. There were no direct real estate holdings during the year ended Nov. 30, 2018. The Fund's REIT holdings are also affected by interest rate changes, particularly if the REITs it holds use floating-rate debt to finance their ongoing operations.

(continues)

29

Table of Contents

Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

11. Credit and Market Risk (continued)

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

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

The Fund may invest up to 10% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A promulgated under the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Board has delegated to DMC, the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid securities. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Fund's 10% limit on investments in illiquid securities. Rule 144A securities have been identified on the Schedule of investments. Restricted securities are valued pursuant to the security valuation procedures noted in Note 1.

12. Contractual Obligations

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

13. General Motors Term Loan Litigation

The Fund received notice of a litigation proceeding related to a General Motors Corporation (G.M.) term loan participation previously held by the Fund in 2009. Management believes the matter subject to the litigation notice will likely lead to a recovery from the Fund of certain amounts received by the Fund because a US Court of Appeals has ruled that the Fund and similarly situated investors were unsecured creditors rather than secured lenders of G.M. as a result of an erroneous Uniform Commercial Code filing made by a third party. The Fund received the full principal on the loans in 2009 after the G.M. bankruptcy. However, based on the court ruling the estate is seeking to recover such amounts arguing that, as unsecured creditors, the Fund (and other similarly situated lenders) should not have received payment in full. Based on currently available information related to the litigation and the Fund's potential exposure, the Fund recorded a contingent liability of \$216,859 and an asset of \$65,058 based on the expected recoveries to unsecured creditors as of Nov. 30, 2018 that resulted in a decrease in the Fund's NAV to reflect this potential recovery.

14. Recent Accounting Pronouncements

On Nov. 17, 2016, the FASB issued an Accounting Standards Update (ASU), ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. This update intends to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement. Any restricted cash and restricted cash equivalents will be included as components of cash and cash equivalents as presented on the Statement of

Table of Contents

cash flows. For the Fund, the effective date of this update is for periods beginning after Dec. 15, 2017. At this time, management is evaluating the implications of ASU 2016-18 and believes it will not have a material impact on the financial statements.

In March 2017, the FASB issued ASU 2017-08, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities* which amends the amortization period for certain callable debt securities purchased at a premium, shortening such period to the earliest call date. The ASU 2017-08 does not require any accounting change for debt securities held at a discount; the discount continues to be amortized to maturity. The ASU 2017-08 is effective for fiscal years, and interim periods within those fiscal years, beginning after Dec. 15, 2018. At this time, management is evaluating the implications of these changes on the financial statements.

In August 2018, the FASB issued an ASU 2018-13, which changes certain fair value measurement disclosure requirements. The ASU 2018-13, in addition to other modifications and additions, removes the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for the timing of transfers between levels and the valuation process for Level 3 fair value measurements. The ASU 2018-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after Dec. 15, 2019. At this time, management is evaluating the implications of these changes on the financial statements.

In August 2018, the Securities and Exchange Commission (SEC) adopted amendments to Regulation S-X to update and simplify the disclosure requirements for registered investment companies by eliminating requirements that are redundant or duplicative of US GAAP requirements or other SEC disclosure requirements. The new amendments require the presentation of the total, rather than the components, of distributable earnings on the Statement of assets and liabilities and the total, rather than the components, of dividends from net investment income and distributions from net realized gains on the Statements of changes in net assets. The amendments also removed the requirement for the parenthetical disclosure of undistributed net investment income on the Statements of changes in net assets and certain tax adjustments that were reflected in the Notes to financial statements. All of these have been reflected in the Fund's financial statements.

15. Subsequent Events

Management has determined that no material events or transactions occurred subsequent to Nov. 30, 2018 that would require recognition or disclosure in the Fund's financial statements.

Table of Contents

Report of independent

registered public accounting firm

To the Board of Directors and Shareholders of Delaware Investments® Dividend and Income Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Delaware Investments® Dividend and Income Fund, Inc. (the Fund) as of November 30, 2018, the related statements of operations and cash flows for the year ended November 30, 2018, the statements of changes in net assets for each of the two years in the period ended November 30, 2018, including the related notes, and the financial highlights for each of the five years in the period ended November 30, 2018 (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of November 30, 2018, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended November 30, 2018 and the financial highlights for each of the five years in the period ended November 30, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of November 30, 2018 by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

January 22, 2019

We have served as the auditor of one or more investment companies in Delaware Funds® by Macquarie since 2010.

Table of Contents

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Proxy results**Annual meeting**

The Fund held its Annual Meeting of Shareholders on Aug. 15, 2018. At the Annual Meeting, the Fund's shareholders elected nine Directors. The results of the voting at the meeting were as follows:

Nominee	Shares Voted For	Shares Withheld	No Ballot Received
Shawn K. Lytle	4,574,887	106,670	3,006,602
Thomas L. Bennett	4,567,019	114,538	3,006,602
Ann D. Borowiec	4,577,888	103,669	3,006,602
Joseph W. Chow	4,572,072	109,485	3,006,602
John A. Fry	4,566,897	114,660	3,006,602
Lucinda S. Landreth	4,578,953	102,604	3,006,602
Frances A. Sevilla-Sacasa	4,573,428	108,129	3,006,602
Thomas K. Whitford	4,574,190	107,367	3,006,602
Janet L. Yeomans	4,578,359	103,198	3,006,602

Fund management

The composition of the Fund's portfolio management team did not change during the year, but on Oct. 31, 2018 the Fund announced that D. Tysen Nutt Jr., senior portfolio manager and team leader for Delaware Management Company's Large-Cap Value team, would retire on July 15, 2019. The Fund also announced that Nikhil G. Lalvani, CFA would succeed Mr. Nutt as the Large-Cap Value team leader, effective as of the same date. Mr. Lalvani has been a portfolio manager for the Fund since 2006. The Fund also announced that Mr. Nutt would remain an active member of the Large-Cap Value team and the Fund's portfolio management team through his retirement date. Listed below are the biographies for each member of the portfolio management team.

Roger A. Early, CPA, CFA

Executive Director, Global Co-Head of Fixed Income

Roger A. Early is global co-head of the firm's fixed income team. He rejoined Macquarie Investment Management (MIM) in March 2007 as a member of the firm's taxable fixed income portfolio management team, with primary responsibility for portfolio construction and strategic asset allocation. He became head of fixed income investments in the Americas in February 2015. During his previous time at the firm, from 1994 to 2001, he was a senior portfolio manager in the same area, and he left the firm as head of its US investment grade fixed income group. In recent years, Early was a senior portfolio manager at Chartwell Investment Partners and Rittenhouse Financial and was the chief investment officer for fixed income at Turner Investments. Prior to joining the firm in 1994, he worked for more than 10 years at Federated Investors where he managed more than \$25 billion in mutual fund and institutional portfolios in the short-term and investment grade markets. He left the firm as head of institutional fixed income management. Earlier in his career, he held management positions with the Federal Reserve Bank, PNC Financial, Touche Ross, and

Rockwell International. Early earned his bachelor's degree in economics from The Wharton School of the University of Pennsylvania and an MBA with concentrations in finance and accounting from the University of Pittsburgh. He is a member of the CFA Society of Philadelphia.

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

(continues)

33

Table of Contents

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Fund management (continued)

Babak Bob Zenouzi

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

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

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

Damon J. Andres, CFA

Vice President, Senior Portfolio Manager

Damon J. Andres joined Macquarie Investment Management (MIM) in 1994 as an analyst, and is currently a senior portfolio manager for the firm's real estate securities and income solutions (RESIS) group. From 1991 to 1994, he performed investment-consulting services as a consulting associate with Cambridge Associates. Andres earned a bachelor's degree in business administration with an emphasis in finance and accounting from the University of Richmond.

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

Wayne A. Anglace, CFA

Senior Vice President, Senior Portfolio Manager

Wayne A. Anglace currently serves as a senior portfolio manager for the firm's corporate and convertible bond strategies. Prior to joining Macquarie Investment Management (MIM) in March 2007 as a research analyst for the firm's high grade, high yield, and convertible bond portfolios, he spent more than two years as a research analyst at Gartmore Global Investments for its convertible bond strategy. From 2000 to 2004, Anglace worked in private client

research at Deutsche Bank Alex Brown in Baltimore, where he focused on equity research, and he started his financial services career with Ashbridge Investment Management in 1999. Prior to moving to the financial industry, Anglace worked as a professional civil engineer. He earned his bachelor's degree in civil engineering from Villanova University and an MBA with a concentration in finance from Saint Joseph's University, and he is a member of the CFA Society of Philadelphia.

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

Kristen E. Bartholdson

Vice President, Senior Portfolio Manager

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

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

Table of Contents

Adam H. Brown, CFA

Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager

Adam H. Brown is a senior portfolio manager and co-head of the firm's high yield strategies. He manages the bank loan portfolios and is a co-portfolio manager for the high yield, fixed rate multisector, and core plus strategies. Brown joined Macquarie Investment Management (MIM) in April 2011 as part of the firm's integration of Macquarie Four Corners Capital Management, where he had worked since 2002. At Four Corners, he was a co-portfolio manager on the firm's collateralized loan obligations (CLOs) and a senior research analyst supporting noninvestment grade portfolios. Before that, Brown was with the predecessor of Wells Fargo Securities, where he worked in the leveraged finance group arranging senior secured bank loans and high yield bond financings for financial sponsors and corporate issuers. He earned a bachelor's degree in accounting from the University of Florida and an MBA from the A.B. Freeman School of Business at Tulane University.

Mr. Brown has been a co-portfolio manager of the Fund since July 2016.

Craig C. Dembek, CFA

Executive Director, Global Head of Credit Research

Craig C. Dembek is global head of credit research and a senior research analyst on the firm's taxable fixed income team with primary responsibility for banks, brokers, insurance companies, and real estate investment trusts (REITs). He rejoined Macquarie Investment Management (MIM) in March 2007. During his previous time at the firm, from April 1999 to January 2001, he was a senior investment grade credit analyst. Most recently, he spent four years at Chartwell Investment Partners as a senior fixed income analyst and Turner Investment Partners as a senior fixed income analyst and portfolio manager. Dembek also spent two years at Stein, Roe & Farnham as a senior fixed income analyst. Earlier in his career, he worked for two years as a lead bank analyst at the Federal Reserve Bank of Boston. Dembek earned a bachelor's degree in finance from Michigan State University and an MBA with a concentration in finance from the University of Vermont.

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

Nikhil G. Lalvani, CFA

Vice President, Senior Portfolio Manager, Team Leader – Large-Cap Value Equity

Nikhil G. Lalvani is a senior portfolio manager for the firm's Large-Cap Value team and assumed the role of team leader in October 2018. At Macquarie Investment Management (MIM) Lalvani has worked as both a fundamental and

quantitative analyst. Prior to joining the firm in 1997 as an account analyst, he was a research associate with Bloomberg. Lalvani holds a bachelor's degree in finance from The Pennsylvania State University. He is a member of the CFA Institute and the CFA Society of Philadelphia.

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

Paul A. Matlack, CFA

Senior Vice President, Senior Portfolio Manager, Fixed Income Strategist

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

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

(continues)

35

Table of Contents

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Fund management (continued)

John P. McCarthy, CFA

Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager

John P. McCarthy is a senior portfolio manager and co-head for the firm's high yield strategies, a role he assumed in July 2016. From December 2012 to June 2016, he was co-head of credit research on the firm's taxable fixed income team. McCarthy rejoined Macquarie Investment Management (MIM) in March 2007 as a senior research analyst, after he worked in the firm's fixed income area from 1990 to 2000 as a senior high yield analyst and high yield trader, and from 2001 to 2002 as a municipal bond trader. Prior to rejoining the firm, he was a senior high yield analyst/trader at Chartwell Investment Partners. McCarthy earned a bachelor's degree in business administration from Babson College, and he is a member of the CFA Society of Philadelphia.

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

D. Tysen Nutt Jr.

Senior Vice President, Senior Portfolio Manager

D. Tysen Nutt Jr. is a senior portfolio manager for the firm's Large-Cap Value team. Before joining Macquarie Investment Management (MIM) in 2004 as senior vice president and senior portfolio manager, Nutt led the US Active Large-Cap Value team within Merrill Lynch Investment Managers, where he managed mutual funds and separate accounts for institutions and private clients. Nutt earned his bachelor's degree from Dartmouth College, and he is a member of the CFA Society New York and the CFA Institute.

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

Robert A. Vogel Jr., CFA

Vice President, Senior Portfolio Manager

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

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

Dividend reinvestment plan

The Fund offers an automatic dividend reinvestment program (Plan). Shareholders who have shares registered in their own names are automatically considered participants in the Plan, unless they elect to withdraw from the Plan. Shareholders who hold their shares through a bank, broker, or other nominee should request the bank, broker, or nominee to participate in the Plan on their behalf. This can be done as long as the bank, broker, or nominee provides a dividend reinvestment service for the Fund. If the bank, broker, or nominee does not provide this service, such shareholders must have their shares taken out of street or nominee name and re-registered in their own name in order to participate in the Plan.

Computershare Trust Company, N.A. (Computershare) will apply all cash dividends, capital gains and other distributions (collectively, Distributions) on the Fund s shares of common stock which become payable to each Plan participant to the purchase of outstanding shares of the Fund s common stock for such participant. These purchases may be made on a securities exchange or in the over-the-counter market, and may be subject to such terms of price, delivery, and related matters to which Computershare may agree. The Fund will not issue new shares in connection with the Plan.

Distributions reinvested for participants are subject to income taxes just as if they had been paid directly to the shareholder in cash. Participants will receive a year-end statement showing distributions reinvested, and any brokerage commissions paid on such participant s behalf.

Table of Contents

Shareholders holding shares of the Fund in their own names who wish to terminate their participation in the Plan may do so by sending written instruction to Computershare so that Computershare receives such instructions by the Distribution record date. Shareholders with shares held in account by a bank, broker, or other nominee should contact such bank, broker, or other nominee to determine the procedure for withdrawal from the Plan.

If written instructions are not received by Computershare by the record date for a particular Distribution, that Distribution may be reinvested at the sole discretion of Computershare. After a shareholder's instructions to terminate participation in the Plan become effective, Distributions will be paid to shareholders in cash. Upon termination, a shareholder may elect to receive either stock or cash for all the full shares in the account. If cash is elected, Computershare will sell such shares at the weighted average sale price obtained by Computershare's broker for all shares sold on such batch on the applicable trade date or dates and then send the net proceeds to the shareholder, after deducting any applicable transaction fees, per share fees, and related expenses. Any fractional shares at the time of termination will be paid in cash at the current market price, less any applicable transaction fees, per share fees, and related expenses, if any. Shareholders may at any time request a full or partial withdrawal of shares from the Plan, without terminating participation in the Plan. When shares outside of the Plan are liquidated, Distributions on shares held under the Plan will continue to be reinvested unless Computershare is notified of the shareholder's withdrawal from the Plan.

An investor holding shares that participate in the Plan in a brokerage account may not be able to transfer the shares to another broker and continue to participate in the Plan. Please contact your broker/dealer for additional details.

Computershare will charge participants their proportional share of the per share fees on market purchases. Participants may obtain a certificate or certificates for all or part of the full shares credited to their accounts at any time by making a request in writing to Computershare. A fee may be charged to the participant for each certificate issuance.

If you have any questions and shares are registered in your name, contact Computershare at 866 437-0252 or P.O. Box 505000, Louisville, KY 40233-5000. If you have any questions and shares are registered in street name, contact the broker/dealer holding the shares or your financial advisor.

Effective Aug. 1, 2008, the Dividend Reinvestment Plan may be amended by the Fund upon 20 days written notice to the Plan's participants.

Section 19(a) notices

The following table sets forth the estimated amount of the sources of distribution for purposes of Section 19 of the 1940 Act, as amended, and the related rules adopted there under. The Fund estimates the following percentages, of the total distribution amount per share, attributable to (i) net investment income, (ii) net realized short-term capital gain, (iii) net realized long-term capital gain, and (iv) return of capital or other capital source. These percentages are

disclosed for the fiscal year-to-date cumulative distribution amount per share for the Fund.

The amounts and sources of distributions reported in these 19(a) notices are only estimates and not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. Shareholders will receive a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

Total Cumulative Distributions for the year ended November 30, 2018

	Net Realized Short-Term Capital Gains	Net Realized Long-Term Capital Gains	Return of Capital	Total Per Common Share
Net Investment Income	\$0.2839	\$0.9372	\$0.0368	\$1.2899

Percentage Breakdown of the Total Cumulative Distributions for the year ended November 30, 2018

	Net Realized Short-Term Capital Gains	Net Realized Long-Term Capital Gains	Return of Capital	Total Per Common Share
Net Investment Income	22.0%	72.70%	2.80%	100.00%

Shareholders should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the Fund's managed distribution policy. The Fund estimates (as of the date hereof) that it has distributed more than its income and net realized capital gains for the current fiscal year; therefore, a portion of your distribution may be a return of capital. A return of capital may occur

(continues)

Table of Contents

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Section 19(a) notices (continued)

for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income. The Fund's managed distribution policy is described in more detail on the inside front cover of this report.

Tax information

The information set forth below is for the Fund's fiscal year as required by federal income tax laws. Shareholders, however, must report distributions on a calendar year basis for income tax purposes, which may include distributions for portions of two fiscal years of the Fund. Accordingly, the information needed by shareholders for income tax purposes will be sent to them in January of each year. Please consult your tax advisor for proper treatment of this information.

All disclosures are based on financial information available as of the date of this annual report and, accordingly are subject to change. For any and all items requiring reporting, it is the intention of the Fund to report the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

For the fiscal year ended Nov. 30, 2018, the Fund reports distributions paid during the year as follows:

(A)	(B)		
Long-Term	Ordinary		
Capital Gain	Income		(C)
Distributions	Distributions	Total	Qualifying
(Tax Basis)	(Tax Basis)*	Distributions	Dividends ¹
77.77%	22.23%	100.00%	83.18%

(A) and (B) are based on a percentage of the Fund's total distributions.

(C) is based on a percentage of the Fund's ordinary income distributions.

¹Qualifying dividends represent dividends which qualify for the corporate dividends received deduction.

*For the fiscal year ended Nov. 30, 2018, certain dividends paid by the Fund may be subject to a maximum tax rate of 20%. The percentage of dividends paid by the Fund from ordinary income reported as qualified dividend income is

85.85%. Complete information will be computed and reported in conjunction with your 2018 Form 1099-DIV.

Bylaws

On Nov. 15, 2018, the Fund's Board approved changes to the Fund's Bylaws designed to allow for the more orderly conduct of shareholder meetings, which are effective as of Jan. 16, 2019. The Fund's Bylaws were amended to provide as follows:

- For nominations or a proposal to be properly brought before an annual meeting by a proponent: (i) the proponent must have given a timely shareholder notice in writing to the Secretary of the Fund at the principal executive offices of the Fund; and (ii) the proponent or its representative must attend the annual meeting in person and present the nominations or the proposal to be considered. To be timely, a shareholder notice must be made in writing and received by the Secretary of the Fund by close of business not more than 150 days and not less than 120 days before the first anniversary of the date that the Fund's proxy statement was released to Shareholders in connection with the previous year's annual meeting.
- Special meetings of shareholders may be called by the Board, and also upon the written request of the holders of at least a majority of the shares entitled to vote at such meeting. A written request from shareholders entitled to call a special meeting must state the purpose of the meeting and the matters proposed to be acted on at the meeting. To be properly brought before a special meeting of shareholders, business must be specified in the notice of meeting.
- A proponent representative must be either (i) a duly authorized officer, manager or partner of the proponent, as evidenced by an incumbency certificate delivered to the acting Secretary at the meeting, or (ii) authorized by a writing executed by the proponent to act as proxy for the proponent at the meeting, and delivered to the acting Secretary at the meeting.

Table of Contents

The Fund's Bylaws contain other requirements for the conduct of shareholder meetings and are available in their entirety upon request to the Fund's Secretary, c/o Delaware Management Company, 2005 Market Street, Philadelphia, PA 19103.

As a result of the amendments to the Fund's Bylaws, the deadlines for shareholder proposals for the Fund's 2019 Annual Meeting of Shareholders have changed from the deadlines included in the proxy statement related to the Fund's 2018 Annual Meeting of Shareholders under the section entitled "Shareholder Proposals." In accordance with the Fund's Bylaws, as amended, the relevant deadlines for the Fund's 2019 Annual Meeting of Shareholders are as follows:

For the Fund's annual meeting of shareholders in 2019, shareholder proposals and Board nominations must be received no earlier than Feb. 3, 2019 and no later than March 5, 2019. Such proposals and nominations should be sent to the Fund, directed to the attention of its Secretary, at the address of its principal executive office c/o Delaware Management Company, 2005 Market Street, Philadelphia, PA 19103. The inclusion and/or presentation of any such proposal or nominee is subject to the applicable requirements of the proxy rules under the Securities Exchange Act of 1934, as amended, other applicable law and the Fund's governing instruments. The persons designated as proxies will vote in their discretion on any matter if the Fund does not receive notice of such matter prior to May 17, 2019.

Board consideration of advisory agreement for Delaware Investments Dividend and Income Fund, Inc. at a meeting held August 15-16, 2018

At a meeting held on Aug. 15-16, 2018 (the "Annual Meeting"), the Board of Directors (the "Board"), including a majority of disinterested or independent Directors (the "Independent Directors"), approved the renewal of the Investment Advisory Agreement for Delaware Investments Dividend and Income Fund, Inc. (the "Fund"). In making its decision, the Board considered information furnished at regular quarterly Board meetings, including reports detailing Fund performance, investment strategies, and expenses, as well as information prepared specifically in connection with the renewal of the investment advisory contract. Information furnished specifically in connection with the renewal of the Investment Management Agreement with Delaware Management Company ("DMC"), a series of Macquarie Investment Management Business Trust ("MIMBT"), included materials provided by DMC and its affiliates (collectively, "Macquarie Investment Management") concerning, among other things, the nature, extent, and quality of services provided to the Fund; the costs of such services to the Fund; economies of scale; and the investment manager's financial condition and profitability. In addition, in connection with the Annual Meeting, materials were provided to the Directors in May 2018, including reports provided by Broadridge Financial Solutions ("Broadridge"). The Broadridge reports compared the Fund's investment performance and expenses with those of other comparable mutual funds. The Independent Directors reviewed and discussed the Broadridge reports with independent legal counsel to the Independent Directors. In addition to the information noted above, the Board also requested and received information regarding DMC's policy with respect to advisory fee levels and its breakpoint philosophy; the structure of portfolio manager compensation; comparative client fee information; and any constraints or limitations on the availability of securities for certain investment styles, which had in the past year inhibited, or which were likely in the

future to inhibit, the investment manager's ability to invest fully in accordance with Fund policies.

In considering information relating to the approval of the Fund's advisory agreement, the Independent Directors received assistance and advice from and met separately with independent legal counsel to the Independent Directors and also received assistance and advice from an experienced and knowledgeable independent fund consultant, JDL Consultants, LLC (JDL). Although the Board gave attention to all information furnished, the following discussion identifies, under separate headings, the primary factors taken into account by the Board during its contract renewal considerations.

Nature, extent, and quality of services. The Board considered the services provided by DMC to the Fund and its shareholders. In reviewing the nature, extent, and quality of services, the Board considered reports furnished to it throughout the year, which covered matters such as the relative performance of the Fund; compliance of portfolio managers with the investment policies, strategies, and restrictions for the Fund; compliance by DMC (Management) personnel with the Code of Ethics adopted throughout the Delaware Funds® by Macquarie (Delaware Funds); and adherence to fair value pricing procedures as established by the Board. The Board was pleased with the current staffing of DMC and the emphasis placed on research in the investment process. The Board recognized DMC's receipt of certain favorable industry distinctions during the past several years. The Board gave favorable consideration to DMC's efforts to control expenses while maintaining service levels committed to Fund matters. The Board was satisfied with the nature, extent, and quality of the overall services provided by DMC.

Investment performance. The Board placed significant emphasis on the investment performance of the Fund in view of the importance of investment performance to shareholders. Although the Board considered performance reports and discussions with portfolio managers at Board

(continues)

39

Table of Contents

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Board consideration of advisory agreement for Delaware Investments Dividend and Income Fund, Inc. at a meeting held August 15-16, 2018 (continued)

meetings throughout the year, the Board gave particular weight to the Broadridge reports furnished for the Annual Meeting. The Broadridge reports prepared for the Fund showed the investment performance of its shares in comparison to a group of similar funds as selected by Broadridge (the Performance Universe). A fund with the highest performance ranked first, and a fund with the lowest ranked last. The highest/best performing 25% of funds in the Performance Universe make up the first quartile; the next 25%, the second quartile; the next 25%, the third quartile; and the lowest/worst performing 25% of funds in the Performance Universe make up the fourth quartile. Comparative annualized performance for the Fund was shown for the past 1-, 3-, 5-, and 10-year periods, to the extent applicable, ended Jan. 31, 2018. The Board's objective is that the Fund's performance for the 1-, 3-, and 5-year periods be at or above the median of its Performance Universe.

The Performance Universe for the Fund consisted of the Fund and all leveraged closed-end income and preferred stock funds as selected by Broadridge. The Broadridge report comparison showed that the Fund's total return for the 1-, 3-, and 5-year periods was in the first quartile of its Performance Universe. The report further showed that the Fund's total return for the 10-year period was in the second quartile of its Performance Universe. The Board was satisfied with performance.

Comparative expenses. The Board considered expense data for the Delaware Funds. Management provided the Board with information on pricing levels and fee structures for the Fund as of its most recently completed fiscal year. The Board also focused on the comparative analysis of effective management fees and total expense ratios of the Fund versus effective management fees and expense ratios of a group of similar closed-end funds as selected by Broadridge (the Expense Group). In reviewing comparative costs, the Fund's contractual management fee and the actual management fee incurred by the Fund were compared with the contractual management fees (assuming all funds in the Expense Group were similar in size to the Fund) and actual management fees (as reported by each fund) within the Expense Group, taking into account any applicable breakpoints and fee waivers. The Fund's total expenses were also compared with those of its Expense Group. The Board's objective is for the Fund's total expense ratio to be competitive with those of the peer funds within its Expense Group.

The expense comparisons for the Fund showed that its actual management fee was in the quartile with the lowest expenses of its Expense Group and its total expenses were in the quartile with the second highest expenses of its Expense Group. The Fund's total expenses were not in line with the Board's objective. In evaluating total expenses, the Board considered the limited number of funds in the Expense Group. The Board was satisfied with Management's efforts to improve the Fund's total expense ratio and to bring it in line with the Board's objective.

Management profitability. The Board considered the level of profits, if any, realized by DMC in connection with the operation of the Fund. In this respect, the Board reviewed the Investment Management Profitability Analysis that addressed the overall profitability of DMC's business in providing management and other services to each of the individual funds and the Delaware Funds as a whole. Specific attention was given to the methodology used by DMC

in allocating costs for the purpose of determining profitability. Management stated that the level of profits of DMC, to a certain extent, reflects recent operational cost savings and efficiencies initiated by DMC. The Board considered DMC's efforts to improve services provided to Fund shareholders and to meet additional regulatory and compliance requirements resulting from recent industry-wide Securities and Exchange Commission initiatives. The Board also considered the extent to which DMC might derive ancillary benefits from fund operations, including the potential for procuring additional business as a result of the prestige and visibility associated with its role as service provider to the Delaware Funds and the benefits from allocation of fund brokerage to improve trading efficiencies. As part of its work, the Board also reviewed a report prepared by JDL regarding MIMBT profitability as compared to certain peer fund complexes and the Independent Directors met with JDL personnel to discuss DMC's profitability in such context. The Board found that the management fees were reasonable in light of the services rendered and the profitability of DMC.

Economies of scale. As a closed-end fund, the Fund does not issue shares on a continuous basis. Fund assets, therefore, increase primarily as a result of the increase in value of the underlying securities in the Fund. Accordingly, the Board determined that the Fund was not likely to experience significant economies of scale due to asset growth and, therefore, a fee schedule with breakpoints to pass the benefit of economies of scale on to shareholders was not likely to provide the intended effect.

Table of Contents

Board consideration of sub-advisory agreement for Delaware Investments® Dividend and Income Fund, Inc. at a meeting held November 14-15, 2018

At a meeting held on Nov. 14-15, 2018, the Board of Directors of Delaware Investments Dividend and Income Fund, Inc. (the Fund), including a majority of non-interested or independent Directors (the Independent Directors), approved a new Sub-Advisory Agreement between Delaware Management Company (DMC or Management) and Macquarie Investment Management Austria Kapitalanlage AG (MIMAK) for the Fund. MIMAK may also be referenced as sub-advisor below.

In reaching the decision to approve the Sub-Advisory Agreement, the Board considered and reviewed information about MIMAK, including its personnel, operations, and financial condition, which had been provided by MIMAK. The Board also reviewed material furnished by DMC, including: a memorandum from DMC reviewing the Sub-Advisory Agreement and the various services proposed to be rendered by MIMAK; information concerning MIMAK s organizational structure and the experience of its key investment management personnel; copies of MIMAK s Form ADV, financial statements, compliance policies and procedures, and Codes of Ethics; relevant performance information provided with respect to MIMAK; and a copy of the Sub-Advisory Agreement.

In considering such information and materials, the Independent Directors received assistance and advice from and met separately with independent counsel. The materials prepared by Management in connection with the approval of the Sub-Advisory Agreement were sent to the Independent Directors in advance of the meeting. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board s decision. This discussion of the information and factors considered by the Board (as well as the discussion above) is not intended to be exhaustive, but rather summarizes certain factors considered by the Board. In view of the wide variety of factors considered, the Board did not, unless otherwise noted, find it practicable to quantify or otherwise assign relative weights to the following factors. In addition, individual Directors may have assigned different weights to various factors.

Nature, extent, and quality of services. The Board considered the nature, extent, and quality of services that MIMAK would provide as a sub-advisor to the Fund. The Directors considered the type of services to be provided by MIMAK in connection with DMC s management of the Fund, and the qualifications and experience of MIMAK s research team. The Board considered MIMAK s organization, personnel, and operations. The Directors also considered Management s review and recommendation process with respect to MIMAK, and Management s favorable assessment as to the nature, extent, and quality of the research services expected to be provided by MIMAK to DMC. Based on its consideration and review of the foregoing factors, the Board concluded that the nature, extent, and quality of the research services to be provided by MIMAK, as well as MIMAK s ability to render such services based on its experience, organization and resources, were appropriate for the Fund, in light of the Fund s investment objective, strategies, and policies.

In discussing the nature of the services proposed to be provided by MIMAK, several Board members observed that, unlike traditional sub-advisors, who make the investment-related decisions with respect to the sub-advised portfolio, the relationship contemplated in this case is limited to access to MIMAK's on-the-ground research expertise, perspective, and resources.

Sub-advisory fees. The Board considered that DMC would not pay MIMAK fees in connection with MIMAK's services. The Board concluded that, in light of the quality and extent of the services to be provided and the nature of the business relationships between DMC and MIMAK, the proposed fee arrangement was understandable and reasonable.

Investment performance. In evaluating performance, the Board considered that MIMAK would provide investment recommendations and ideas, including with respect to specific securities, but that DMC's portfolio managers for the Fund would retain portfolio management discretion over the Fund.

Economies of scale and fall-out benefits. The Board considered whether the proposed fee arrangement would reflect economies of scale for the benefit of Fund investors as assets in the Fund increased, as applicable. The Board also considered that DMC and its affiliates may benefit by leveraging the global resources of its affiliates.

(continues)

41

Table of Contents

Board of trustees / directors and officers addendum

Delaware Funds® by Macquarie

A fund is governed by a Board of Trustees / Directors (Trustees), which has oversight responsibility for the management of a fund s business affairs. Trustees establish procedures and oversee and review the performance of the investment manager and others who perform services for the fund. The independent fund trustees, in particular, are advocates for shareholder interests. Each trustee has served in that capacity since he or she was elected to or appointed to the Board of Trustees, and will continue to serve until his or her retirement or the election of a new trustee in his or her place. The following is a list of the Trustees and Officers with certain background and related information.

	Position(s)	Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee or Officer	Director or Officer
Date steen ytle ^{1,2} Street A 19103 970	President, Chief Executive Officer, and Trustee	Trustee since September 2015	President Macquarie Investment Management ³ (June 2015-Present)	59	UBS Rel SMA Rel and U (May 20
Trustees ennett Street A 19103 047	Chair and Trustee	Trustee since March 2005 Chair since March 2015	Private Investor (March 2004 Present)	59	

<p>ernathy Street A 19103 9</p>	<p>Trustee</p>	<p>Since January 2019</p>	<p>Managing Member, Stonebrook Capital Management, LLC (financial technology: macro factors and databases) (January 1993-Present)</p>	<p>59</p>	
<p>owicz Street A 19103 1958</p>	<p>Trustee</p>	<p>Since March 2015</p>	<p>Chief Executive Officer, Private Wealth Management (2011-2013) and Market Manager, New Jersey Private Bank (2005-2011) J.P. Morgan Chase & Co.</p>	<p>59</p>	<p>D Banco Inter (October D Santand (December</p>
<p>Chow Street A 19103 053</p>	<p>Trustee</p>	<p>Since January 2013</p>	<p>Private Investor (April 2011-Present)</p>	<p>59</p>	<p>Directo Co Membr Techno Cap (July 20</p>

Table of Contents

Name,	Position(s)		Principal	Number of	Other
Address,	Held with	Length of Time	Occupation(s)	Portfolios in Fund	Directorships
Birth Date	Fund(s)	Served	During the	Complex Overseen	Held by
Trustees (continued)			Past Five Years	by Trustee	Trustee
				or Officer	or Officer
an A. Fry	Trustee	Since January 2001	President	59	Director; Comp
Market Street			Drexel University		Committee
phia, PA 19103			(August 2010 Present)		and Govern
ay 1960					Committee M
			President Franklin & Marshall College		Community I
			(July 2002 July 2010)		Systems
					Director
					Drexel Morgan
					Director; A
					Committee M
					vTv Therapeut
					Director; Audit C
					Member

Name	Role	Tenure	Employer	Age	Other Roles
<p>a S. Landreth Market Street phia, PA 19103 ne 1947</p>	Trustee	Since March 2005	<p>Private Investor (2004 - Present)</p>	59	<p>FS Credit Rea Income Trus None</p>
<p>. Sevilla-Sacasa Market Street phia, PA 19103 uary 1956</p>	Trustee	Since September 2011	<p>Private Investor (January 2017-Present) Chief Executive Officer Banco Itaú International (April 2012 - December 2016)</p>	59	<p>Trust Manag Audit Comm Chair Ca Property T (August 2011-)</p>
<p>s K. Whitford Market Street phia, PA 19103 rch 1956</p>	Trustee	Since January 2013	<p>Executive Advisor to Dean (August 2011 - March 2012) and Interim Dean (January 2011 - July 2011) University of Miami School of Business Administration President U.S. Trust, Bank of America Private Wealth Management (Private Banking) (July 2007-December 2008)</p>	59	<p>Director Carr Gas, Inc. (M 2018-Pres</p>
<p>s K. Whitford Market Street phia, PA 19103 rch 1956</p>	Trustee	Since January 2013	<p>Vice Chairman (2010 - April 2013) PNC Financial</p>	59	<p>Director HSI America Holdi (December 2013)</p>

Services Group

Director

HSBC USA

(July 2014-Present)

Director

HSBC Bank

National Association

(July 2014-March 2018)

Director

Finance Corporation

(December 2014-

2018)

(continues)

43

Table of Contents

Board of trustees / directors and officers addendum

Delaware Funds[®] by Macquarie

Date	Position(s) Held with Fund(s)	Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee or Officer	Other Director Held Trustee or Officer
Wood	Trustee	Since January 2019	Chief Executive Officer and President Gore Creek Capital, Ltd. (August 2009-Present)	59	Director Corporation 2008-Present Granger (2013-Present) The M (2013-Present) Merger (2013-Present) Alternatives: Fund (2013- WCM Altern Event Fund 2017-1
romans	Trustee	Since April 1999	Vice President and Treasurer (January 2006 July 2012), Vice President Mergers & Acquisitions	59	Director (2 Person Compensatio

48 (January 2003 January 2006), and Chair; M
 Vice President and Treasurer Nominating
 (July 1995 January 2003) and Audit C
 3M Company various
 throughout
 Oktober

Connor Senior Vice Senior Vice President, David F. Connor has served in 59 No
 t Street President, General since May 2013; various capacities at different times
 PA 19103 Counsel, and General Counsel at Macquarie Investment Management.
 1963 Secretary since May 2015;
 Secretary since
 October 2005

Geatens Vice President Vice President and Daniel V. Geatens has served in 59 No
 t Street and Treasurer Treasurer since various capacities at different times
 PA 19103 October 2007 at Macquarie Investment Management.

1972
 Salus Senior Vice President Senior Vice President and Chief Financial Richard Salus has served in 59 No
 t Street and Chief Financial Officer since various capacities at different times
 PA 19103 Officer November 2006 at Macquarie Investment Management.

1963

¹ Shawn K. Lytle is considered to be an Interested Trustee because he is an executive officer of the Fund s(s) investment advisor.

² Shawn K. Lytle, David F. Connor, Daniel V. Geatens, and Richard Salus serve in similar capacities for the six portfolios of the Optimum Fund Trust, which have the same investment advisor as the registrant. Mr. Geatens also

serves as the Chief Financial Officer and Treasurer for Macquarie Global Infrastructure Total Return Fund Inc., which has an affiliated investment manager.

³ Macquarie Investment Management is the marketing name for Macquarie Management Holdings, Inc. and its subsidiaries, including the Fund's investment manager.

Table of Contents

About the organization

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may, from time to time, purchase shares of its common stock on the open market at market prices. Your Fund's Board of Directors approved a new share repurchase program in 2017 that authorizes the Fund to purchase up to 10% of its outstanding shares.

Board of Trustees

Shawn K. Lytle

President and

Chief Executive Officer

Delaware Funds® by Macquarie Philadelphia, PA

Thomas L. Bennett

Chairman of the Board

Delaware Funds by Macquarie Private Investor

Rosemont, PA

Jerome D. Abernathy

Managing Member

Stonebrook Capital

Management, LLC

New York, NY

Ann D. Borowiec

Former Chief Executive Officer Private Wealth Management

J.P. Morgan Chase & Co.

New York, NY

Joseph W. Chow

Former Executive Vice President State Street Corporation

Boston, MA

John A. Fry

President

Drexel University

Philadelphia, PA

Lucinda S. Landreth

Former Chief Investment Officer Assurant, Inc.

New York, NY

Frances A. Sevilla-Sacasa

Former Chief Executive Officer

Banco Itaú International

Miami, FL

Thomas K. Whitford

Former Vice Chairman

PNC Financial Services Group Pittsburgh, PA

Audit committee member

Christianna Wood

Chief Executive Officer and President

Gore Creek Capital, Ltd.

Golden, CO

Janet L. Yeomans

Former Vice President and Treasurer

3M Company

St. Paul, MN

Affiliated officers

David F. Connor

Senior Vice President,

General Counsel, and Secretary Delaware Funds by Macquarie Philadelphia, PA

Daniel V. Geatens

Vice President and Treasurer Delaware Funds by Macquarie Philadelphia, PA

Richard Salus

Senior Vice President and

Chief Financial Officer

Delaware Funds by Macquarie Philadelphia, PA

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

Information (if any) regarding how the Fund voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the Fund's website at delawarefunds.com/proxy; and (ii) on the SEC's website at sec.gov.

Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (MIMBT)
Philadelphia, PA

Principal office of the Fund

2005 Market Street

Philadelphia, PA 19103-7094

Independent registered public accounting firm

PricewaterhouseCoopers LLP

Two Commerce Square

Suite 1800

2001 Market Street

Philadelphia, PA 19103-7042

Registrar and stock transfer agent

Computershare, Inc.

480 Washington Blvd.

Jersey City, NJ 07310

866 437-0252

computershare.com/investor

Website

delawarefunds.com/closed-end

Your reinvestment options

Delaware Investments Dividend and Income Fund, Inc. offers an automatic dividend reinvestment program. If you would like to reinvest dividends, and shares are registered in your name, contact Computershare, Inc. at 866 437-0252. You will be asked to put your request in writing. If you have shares registered in street name, contact the broker/dealer holding the shares or your financial advisor.

If you choose to receive your dividends in cash, you may now elect to receive them by ACH transfer. Contact Computershare at the number above for more information.

Item 2. Code of Ethics

The registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party. A copy of the registrant's Code of Business Ethics has been posted on the Delaware Fund® by Macquarie Internet Web site at www.delawarefunds.com. Any amendments to the Code of Business Ethics, and information on any waiver from its provisions granted by the registrant, will also be posted on this Web site within five business days of such amendment or waiver and will remain on the Web site for at least 12 months.

Item 3. Audit Committee Financial Expert

The registrant's Board of Directors has determined that certain members of the registrant's Audit Committee are audit committee financial experts, as defined below. For purposes of this item, an "audit committee financial expert" is a person who has the following attributes:

- a. An understanding of generally accepted accounting principles and financial statements;
- b. The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- c. Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- d. An understanding of internal controls and procedures for financial reporting; and
- e. An understanding of audit committee functions.

An "audit committee financial expert" shall have acquired such attributes through:

- a. Education and experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor or experience in one or more positions that involve the performance of similar functions;
- b. Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions;
- c. Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements; or
- d. Other relevant experience.

The registrant's Board of Directors has also determined that each member of the registrant's Audit Committee is independent. In order to be "independent" for purposes of this item, the Audit Committee member may not: (i) other than in his or her capacity as a member of the Board of Directors or any committee thereof, accept directly or indirectly any consulting, advisory or other compensatory fee from the issuer; or (ii) be an "interested person" of the registrant as defined in Section 2(a)(19) of the Investment Company Act of 1940.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

The names of the audit committee financial experts on the registrant's Audit Committee are set forth below:

John A. Fry
Lucinda S. Landreth
Thomas K. Whitford
Christianna Wood
Janet L. Yeomans

Item 4. Principal Accountant Fees and Services

(a) Audit fees.

The aggregate fees billed for services provided to the registrant by its independent auditors for the audit of the registrant's annual financial statements and for services normally provided by the independent auditors in connection with statutory and regulatory filings or engagements were \$37,090 for the fiscal year ended November 30, 2018.

The aggregate fees billed for services provided to the registrant by its independent auditors for the audit of the registrant's annual financial statements and for services normally provided by the independent auditors in connection with statutory and regulatory filings or engagements were \$36,050 for the fiscal year ended November 30, 2017.

(b) Audit-related fees.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the registrant's financial statements and not reported under paragraph (a) of this Item were \$0 for the fiscal year ended November 30, 2018.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the financial statements of the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$640,000 for the registrant's fiscal year ended November 30, 2018. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These audit-related services were as follows: year-end audit procedures; group reporting and subsidiary statutory audits.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the registrant's financial statements and not reported under paragraph (a) of this Item were \$0 for the fiscal year ended November 30, 2017.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the financial statements of the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$640,000 for the registrant's fiscal year ended November 30, 2017. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These audit-related services were as follows: year-end audit procedures; group reporting and subsidiary statutory audits.

(c) Tax fees.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant were \$5,737 for the fiscal year ended November 30, 2018. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These tax-related services were as follows: review of income tax returns and review of annual excise distribution calculations.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2018.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant were \$5,732 for the fiscal year ended November 30, 2017. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These tax-related services were as follows: review of income tax returns and review of annual excise distribution calculations.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2017.

(d) All other fees.

The aggregate fees billed for all services provided by the independent auditors to the registrant other than those set forth in paragraphs (a), (b) and (c) of this Item were \$0 for the fiscal year ended November 30, 2018.

The aggregate fees billed for all services other than those set forth in paragraphs (b) and (c) of this Item provided by the registrant's independent auditors to the registrant's adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2018. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%.

The aggregate fees billed for all services provided by the independent auditors to the registrant other than those set forth in paragraphs (a), (b) and (c) of this Item were \$0 for the fiscal year ended November 30, 2017.

The aggregate fees billed for all services other than those set forth in paragraphs (b) and (c) of this Item provided by the registrant's independent auditors to the registrant's adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2017. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

(e) The registrant’s Audit Committee has established pre-approval policies and procedures as permitted by Rule 2-01(c)(7)(i)(B) of Regulation S-X (the “Pre-Approval Policy”) with respect to services provided by the registrant’s independent auditors. Pursuant to the Pre-Approval Policy, the Audit Committee has pre-approved the services set forth in the table below with respect to the registrant up to the specified fee limits. Certain fee limits are based on aggregate fees to the registrant and other registrants within the Delaware Funds® by Macquarie.

Service	Range of Fees
Audit Services	
Statutory audits or financial audits for new Funds	up to \$40,000 per Fund
Services associated with SEC registration statements (e.g., Form N-1A, Form N-14, etc.), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters for closed-end Fund offerings, consents), and assistance in responding to SEC comment letters	up to \$10,000 per Fund
Consultations by Fund management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be considered “audit-related services” rather than “audit services”)	up to \$25,000 in the aggregate
Audit-Related Services	
Consultations by Fund management as to the accounting or disclosure treatment of transactions or events and /or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be considered “audit services” rather than “audit-related services”)	up to \$25,000 in the aggregate
Tax Services	
U.S. federal, state and local and international tax planning and advice (e.g., consulting on statutory, regulatory or administrative developments, evaluation of Funds’ tax compliance function, etc.)	up to \$25,000 in the aggregate up to \$5,000 per Fund
U.S. federal, state and local tax compliance (e.g., excise distribution reviews, etc.)	up to \$5,000 per Fund
Review of federal, state, local and international income, franchise and other tax returns	Fund
Under the Pre-Approval Policy, the Audit Committee has also pre-approved the services set forth in the table below with respect to the registrant’s investment adviser and other entities controlling, controlled by or under common control with the investment adviser that provide ongoing services to the registrant (the “Control Affiliates”) up to the specified fee limit. This fee limit is based on aggregate fees to the investment adviser and its Control Affiliates.	
Service	
Non-Audit Services	
Services associated with periodic reports and other documents filed with the SEC and assistance in responding to SEC comment letters	up to \$10,000 in the aggregate

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

The Pre-Approval Policy requires the registrant's independent auditors to report to the Audit Committee at each of its regular meetings regarding all services initiated since the last such report was rendered, including those services authorized by the Pre-Approval Policy.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's independent auditors for services rendered to the registrant and to its investment adviser and other service providers under common control with the adviser were \$11,748,000 and \$11,180,000 for the registrant's fiscal years ended November 30, 2018 and November 30, 2017, respectively.

(h) In connection with its selection of the independent auditors, the registrant's Audit Committee has considered the independent auditors' provision of non-audit services to the registrant's investment adviser and other service providers under common control with the adviser that were not required to be pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X. The Audit Committee has determined that the independent auditors' provision of these services is compatible with maintaining the auditors' independence.

Item 5. Audit Committee of Listed Registrants

The registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the registrant's Audit Committee are John A. Fry, Lucinda S. Landreth, Thomas K. Whitford, Christianna Wood and Janet L. Yeomans.

Item 6. Investments

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

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

Not applicable.

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

The registrant has formally delegated to its investment adviser (the "Adviser") the responsibility for making all proxy voting decisions in relation to portfolio securities held by the registrant. If and when proxies need to be voted on behalf of the registrant, the Adviser will vote such proxies pursuant to its Proxy Voting Policies and Procedures (the "Procedures"). The Adviser has established a Proxy Voting Committee (the "Committee"), which is responsible for overseeing the Adviser's proxy voting process for the registrant. One of the main responsibilities of the Committee is to review and approve the Procedures to ensure that the Procedures are designed to allow the Adviser to vote proxies in a manner consistent with the goal of voting in the best interests of the registrant.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

In order to facilitate the actual process of voting proxies, the Adviser has contracted with Institutional Shareholder Services Inc. (“ISS”) to analyze proxy statements on behalf of the registrant and other Adviser clients and vote proxies generally in accordance with the Procedures. The Committee is responsible for overseeing ISS’s proxy voting activities. If a proxy has been voted for the registrant, ISS will create a record of the vote. By no later than August 31 of each year, information (if any) regarding how the registrant voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the registrant’s website at delawarefunds.com/proxy; and (ii) on the Securities and Exchange Commission’s website at sec.gov.

The Procedures contain a general guideline stating that recommendations of company management on an issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. However, the Adviser will normally vote against management’s position when it runs counter to its specific Proxy Voting Guidelines (the “Guidelines”), and the Adviser will also vote against management’s recommendation when it believes that such position is not in the best interests of the registrant.

As stated above, the Procedures also list specific Guidelines on how to vote proxies on behalf of the registrant. Some examples of the Guidelines are as follows: (i) generally vote for shareholder proposals asking that a majority or more of directors be independent; (ii) generally vote against proposals to require a supermajority shareholder vote; (iii) votes on mergers and acquisitions should be considered on a case-by-case basis; (iv) generally vote against proposals at companies with more than one class of common stock to increase the number of authorized shares of the class that has superior voting rights; (v) generally vote re-incorporation proposals on a case-by-case basis; (vi) votes with respect to equity-based compensation plans are generally determined on a case-by-case basis; and (vii) generally vote for requests for reports on the feasibility of developing renewable energy resources unless the report is duplicative of existing disclosure or irrelevant to the company’s line of business.

Because the registrant has delegated proxy voting to the Adviser, the registrant is not expected to encounter any conflict of interest issues regarding proxy voting and therefore does not have procedures regarding this matter. However, the Adviser does have a section in its Procedures that addresses the possibility of conflicts of interest. Most proxies that the Adviser receives on behalf of the registrant are voted by ISS in accordance with the Procedures. Because almost all of the registrant proxies are voted by ISS pursuant to the predetermined Procedures, it normally will not be necessary for the Adviser to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for the Adviser during the proxy voting process. In the very limited instances where the Adviser is considering voting a proxy contrary to ISS’s recommendation, the Committee will first assess the issue to see if there is any possible conflict of interest involving the Adviser or affiliated persons of the Adviser. If a member of the Committee has actual knowledge of a conflict of interest, the Committee will normally use another independent third party to do additional research on the particular proxy issue in order to make a recommendation to the Committee on how to vote the proxy in the best interests of the registrant. The Committee will then review the proxy voting materials and recommendation provided by ISS and the independent third party to determine how to vote the issue in a manner that the Committee believes is consistent with the Procedures and in the best interests of the registrant.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

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

The information in the annual report under “Other Fund information – Fund management” is incorporated by reference into this Item 8.

Other Accounts Managed

The following chart lists certain information about types of other accounts for which each Fund manager is primarily responsible as of November 30, 2018. Any accounts managed in a personal capacity appear under “Other Accounts” along with the other accounts managed on a professional basis. The personal account information is current as of June 30, 2018.

	<u>No. of Accounts Managed</u>	<u>Total Assets</u>	<u>No. of Accounts with Performance- Based Fees</u>	<u>Total Assets in Accounts with Performance- Based Fees</u>
Damon J. Andres				
Registered Investment Companies	8	\$1.6 billion	0	\$0
Other Pooled Investment Vehicles	2	\$63.1 million	0	\$0
Other Accounts	3	\$275.2 million	0	\$0
Wayne A. Anglace				
Registered Investment Companies	4	\$1.7 billion	0	\$0
Other Pooled Investment Vehicles	5	\$214.4 million	2	\$116.4 million
Other Accounts	10	\$93.4 million	0	\$0
Kristen E. Bartholdson				
Registered Investment Companies	9	\$16.7 billion	0	\$0
Other Pooled Investment Vehicles	4	\$1.1 billion	0	\$0
Other Accounts	26	\$6.0 billion	1	\$1.5 billion
Adam H. Brown				
Registered Investment Companies	14	\$16.6 billion	0	\$0
Other Pooled Investment Vehicles	3	\$354.4 million	0	\$0
Other Accounts	4	\$846.9 million	0	\$0
Craig C. Dembek				
Registered Investment Companies	9	\$2.4 billion	0	\$0
Other Pooled Investment Vehicles	2	\$116.4 million	2	\$116.4 million
Other Accounts	0	\$0	0	\$0
Roger A. Early				
Registered Investment Companies	13	\$19.5 billion	0	\$0
Other Pooled Investment Vehicles	3	\$721.5 million	0	\$0
Other Accounts	45	\$6.9 billion	0	\$0
Nikhil G. Lalvani				
Registered Investment Companies	9	\$16.7 billion	0	\$0
Other Pooled Investment Vehicles	4	\$1.1 billion	0	\$0
Other Accounts	26	\$6.0 billion	1	\$1.5 billion
Paul A. Matlack				
Registered Investment Companies	10	\$2.5 billion	0	\$0
Other Pooled Investment Vehicles	2	\$354.3 million	0	\$0

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

Other Accounts	1	\$104.5 million 0	\$0
John P. McCarthy			
Registered Investment Companies	15	\$17.9 billion 0	\$0
Other Pooled Investment Vehicles	2	\$335.9 million 0	\$0
Other Accounts	4	\$846.9 million 0	\$0
D. Tysen Nutt			
Registered Investment Companies	10	\$16.9 billion 0	\$0
Other Pooled Investment Vehicles	5	\$1.1 billion 0	\$0
Other Accounts	26	\$6.0 billion 1	\$1.5 billion
Robert A. Vogel			
Registered Investment Companies	9	\$16.7 billion 0	\$0
Other Pooled Investment Vehicles	4	\$1.1 billion 0	\$0
Other Accounts	26	\$6.0 billion 1	\$1.5 billion
Babak Zenouzi			
Registered Investment Companies	9	\$1.9 billion 0	\$0
Other Pooled Investment Vehicles	4	\$179.5 million 2	\$116.4 million
Other Accounts	4	\$285.0 million 0	\$0

DESCRIPTION OF MATERIAL CONFLICTS OF INTEREST

Individual portfolio managers may perform investment management services for other funds or accounts similar to those provided to the Funds and the investment action for such other fund or account and the Funds may differ. For example, an account or fund may be selling a security, while another account or fund may be purchasing or holding the same security. As a result, transactions executed for one fund or account may adversely affect the value of securities held by another fund, account or the Funds. Additionally, the management of multiple other funds or accounts and the Funds may give rise to potential conflicts of interest, as a portfolio manager must allocate time and effort to multiple other funds or accounts and the Funds. A portfolio manager may discover an investment opportunity that may be suitable for more than one account or fund. The investment opportunity may be limited, however, so that all funds or accounts for which the investment would be suitable may not be able to participate. The Adviser has adopted procedures designed to allocate investments fairly across multiple funds or accounts.

Some of the accounts managed by the portfolio managers have a performance-based fee. This compensation structure presents a potential conflict of interest. The portfolio manager has an incentive to manage this account so as to enhance its performance, to the possible detriment of other accounts for which the investment manager does not receive a performance-based fee.

A portfolio manager's management of personal accounts also may present certain conflicts of interest. While Delaware's code of ethics is designed to address these potential conflicts, there is no guarantee that it will do so.

Compensation Structure

Each portfolio manager's compensation consists of the following:

Base Salary Each named portfolio manager receives a fixed base salary. Salaries are determined by a comparison to industry data prepared by third parties to ensure that portfolio manager salaries are in line with salaries paid at peer investment advisory firms.

Bonus (Mr. Nutt, Ms. Bartholdson, Mr. Lalvani and Mr. Vogel only) Each named portfolio manager is eligible to receive an annual cash bonus. The bonus pool is determined by the revenues associated with the products a portfolio manager manages. Macquarie Investment Management keeps a percentage of the revenues and the remaining percentage of revenues (minus appropriate expenses associated with relevant product and the investment management team) creates the "bonus pool" for the product. Various members of the team have the ability to earn a percentage of the bonus pool. The pool is allotted based on subjective factors and objective factors. The primary objective factor is the 1-, 3-, and 5-year performance of the funds managed relative to the performance of the appropriate Broadridge Financial Solutions, Inc. (formerly, Lipper Inc.) (Broadridge) peer groups and the performance of institutional composites relative to the appropriate indices. Three- and five-year performance is weighted more heavily and there is no objective award for a fund whose performance falls below the 50th percentile for a given time period.

Individual allocations of the bonus pool are based on individual performance measurements, both objective and subjective, as determined by senior management.

(Mr. Andres and Mr. Zenouzi only) Each named portfolio manager is eligible to receive an annual cash bonus. The bonus pool is determined by the revenues associated with the products a portfolio manager manages. Macquarie Investment Management keeps a percentage of the revenues and the remaining percentage of revenues (minus appropriate expenses associated with relevant product and the investment management team) creates the "bonus pool" for the product. Various members of the team have the ability to earn a percentage of the bonus pool with the most senior contributor generally having the largest share. The pool is allotted based on subjective factors (50%) and objective factors (50%). The primary objective factor is the 1-, 3-, and 5-year performance of the funds managed relative to the performance of the appropriate Broadridge peer groups and the performance of institutional composites relative to the appropriate indices. Three- and five-year performance is weighed more heavily and there is no objective award for a fund whose performance falls below the 50th percentile for a given time period.

Individual allocations of the bonus pool are based on individual performance measurements, both objective and subjective, as determined by senior management.

(Mr. Anglace, Mr. Brown, Mr. Dembek, Mr. Early, Mr. Matlack and Mr. McCarthy only) An objective component is added to the bonus for each manager that is reflective of account performance relative to an appropriate peer group or database. The following paragraph describes the structure of the non-guaranteed bonus.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

Each portfolio manager is eligible to receive an annual cash bonus, which is based on quantitative and qualitative factors. There is one pool for bonus payments for the fixed income department. The pool is allotted based on subjective factors and objective factors. The amount of the pool for bonus payments is determined by assets managed (including investment companies, insurance product-related accounts and other separate accounts), management fees and related expenses (including fund waiver expenses) for registered investment companies, pooled vehicles, and managed separate accounts. For investment companies, each manager is compensated according to the Fund's Broadridge or Morningstar peer group percentile ranking on a 1-, 3-, and 5-year basis, with longer term performance more heavily weighted. For managed separate accounts the portfolio managers are compensated according to the composite percentile ranking against the eVestment Alliance database (or similar sources of relative performance data) on a one-, three-, and five-year basis, with longer term performance more heavily weighted; composite performance relative to the benchmark is also evaluated for the same time periods. Incentives reach maximum potential at the top 25th-30th percentile. The remaining portion of the bonus is discretionary as determined by Macquarie Investment Management and takes into account subjective factors.

For new and recently transitioned portfolio managers, the compensation may be weighted more heavily towards a portfolio manager's actual contribution and ability to influence performance, rather than longer-term performance. Management intends to move the compensation structure towards longer-term performance for these portfolio managers over time.

Portfolio managers participate in retention programs, including the Macquarie Investment Management Notional Investment Plan and the Macquarie Group Employee Retained Equity Plan, for alignment of interest purposes.

Macquarie Investment Management Notional Investment Plan - A portion of a portfolio manager's retained profit share may be notionally exposed to the return of certain funds within the MIM Funds pursuant to the terms of the Macquarie Investment Management Notional Investment Plan. The retained amount will vest in equal tranches over a period ranging from four to five years after the date of investment (depending on the level of the employee).

Macquarie Group Employee Retained Equity Plan - A portion of a portfolio manager's retained profit share may be invested in the Macquarie Group Employee Retained Equity Plan ("MEREP"), which is used to deliver remuneration in the form of Macquarie equity. The main type of award currently being offered under the MEREP is units comprising a beneficial interest in a Macquarie share held in a trust for the employee, subject to the vesting and forfeiture provisions of the MEREP. Subject to vesting conditions, vesting and release of the shares occurs in a period ranging from four to five years after the date of investment (depending on the level of the employee).

Other Compensation - Portfolio managers may also participate in benefit plans and programs available generally to all similarly situated employees.

Ownership of Securities

As of November 30, 2018, the portfolio managers did not own any shares of the Fund.

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSR

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

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Program	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1 (6/1/2018 - 6/30/2018)	0	-	0	7,688,158.1587
Month #2 (7/1/2018 - 7/31/2018)	0	-	0	7,688,158.1587
Month #3 (8/1/2018 - 8/31/2018)	0	-	0	7,688,158.1587
Month #4 (9/1/2018 - 9/30/2018)	0	-	0	7,688,158.1587
Month #5 (10/1/2018 - 10/31/2018)	0	-	0	7,688,158.1587
Month #6 (11/1/2018 - 11/30/2018)	0	-	0	7,688,158.1587
Total	0	-	0	7,688,158.1587

The Board previously authorized an open-market share repurchase program pursuant to which the Fund may purchase, from time to time, Fund shares in open-market transactions, at the discretion of management. Effective August 1, 2017, the Board approved a modification to the Fund's previously announced open-market share repurchase program to authorize the Fund to repurchase up to 10% of the Fund's shares outstanding in open market transactions as of that date, at the discretion of management. Since the inception of the program, the Fund had repurchased a total of 0 shares.

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

Not applicable.

Item 11. Controls and Procedures

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

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

Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies

Not applicable.

Item 13. Exhibits

(a) (1) Code of Ethics

Not applicable.

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

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

Not applicable.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf, by the undersigned, thereunto duly authorized.

DELAWARE INVESTMENTS® DIVIDEND AND INCOME FUND, INC.

SHAWN K. LYTLE

By: Shawn K. Lytle

Title: President and Chief Executive Officer

Date: February 4, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SHAWN K. LYTLE

By: Shawn K. Lytle

Title: President and Chief Executive Officer

Date: February 4, 2019

RICHARD SALUS

By: Richard Salus

Title: Chief Financial Officer

Date: February 4, 2019
