

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-Q
April 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

INVESTMENT COMPANY ACT FILE NUMBER 811-8747

CHARTWELL DIVIDEND AND INCOME FUND, INC.
(Exact name of registrant as specified in charter)

1235 Westlakes Drive, Suite 400
Berwyn, PA 19312
(Address of principal executive offices) (Zip code)

PNC Bank, National Association
400 Bellevue Parkway
Wilmington, DE 19809
Attn: Closed-End Department
(Name and address of agent for service)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 1-610-296-1400

DATE OF FISCAL YEAR END: NOVEMBER 30, 2008

DATE OF REPORTING PERIOD: FEBRUARY 29, 2008

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND & INCOME FUND, INC. FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK - 83.7%		
BANKS - 12.4%		
Bank of America Corporation	200,000	\$ 7,948,000

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JPMorgan Chase & Company	50,000	2,032,500
US Bancorp	110,000	3,522,200
Wells Fargo & Company	60,000	1,753,800
		15,256,500
BASIC INDUSTRY - 2.5%		
Dow Chemical Company	75,000	2,826,750
Packaging Corp of America	10,000	227,900
		3,054,650
CONSUMER STAPLES - 11.3%		
Altria Group, Inc.	100,000	7,314,000
B&G Foods, Inc., Class A	100,000	994,000
B&G Foods, Inc.	41,000	728,160
Entercom Communications Corporation, Class A	100,000	1,117,000
Gatehouse Media, Inc.	145,000	909,150
Regal Entertainment Group, Class A	110,000	2,170,300
Reynolds American, Inc.	10,000	637,200
		13,869,810
ENERGY - 11.3%		
Baker Hughes, Inc.	20,000	1,345,800
Calumet Specialty Products Partners LP (A)	5,000	150,850
Duncan Energy Partners LP (A)	15,000	316,650
Energy Transfer Partners LP (A)	100,000	4,792,000
Enterprise Products Partners LP (A)	50,000	1,548,500
Exxon Mobil Corporation	40,000	3,480,400
Linn Energy LLC (A)	7,000	159,600
Sunoco Logistics Partners LP (A)	40,000	2,140,000
		13,933,800
FINANCIAL - 8.9%		
AllianceBernstein Holding LP (A)	83,800	5,199,790
American Capital Strategies Limited	47,200	1,712,888
Apollo Investment Corporation *	100,000	1,550,000
MCG Capital Corporation	100,000	1,200,000

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	NUMBER OF SHARES	MARKET VALUE
COMMON STOCK (CONTINUED)		
FINANCIAL (CONTINUED)		
Och-Ziff Capital Management Group LLC, Class A	36,095	\$ 835,238
Star Asia Financial Limited +	50,000	462,500
		10,960,416

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HEALTH CARE PROVIDERS & SERVICES - 1.7%		
Brookdale Senior Living, Inc.	80,000	2,087,200
HEALTHCARE - 3.6%		
Bristol-Myers Squibb Company	40,000	904,400
Pfizer, Inc.	160,000	3,564,800
HOTELS, RESTAURANTS & LEISURE - 1.6%		
Carnival Corporation	50,000	1,967,500
REAL ESTATE INVESTMENT TRUSTS - 9.2%		
Alesco Financial, Inc.	300,000	855,000
Annaly Capital Management, Inc.	110,000	2,275,900
CapitalSource, Inc.	220,000	3,484,800
Deerfield Capital Corporation	125,000	811,250
iStar Financial, Inc.	80,000	1,576,800
Liberty Property Trust	60,000	1,782,600
MFA Mortgage Investments, Inc.	58,000	554,480
		11,340,830
TELECOMMUNICATIONS - 8.4%		
AT&T, Inc.	80,000	2,786,400
Citizens Communications Company	200,000	2,148,000
Consolidated Communications Holdings, Inc.	110,824	1,596,974
Fairpoint Communications, Inc.	150,000	1,476,000
Windstream Corporation	200,000	2,352,000
		10,359,374
TRADING COMPANIES & DISTRIBUTORS - 2.5%		
Aircastle Limited	150,000	3,090,000

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	NUMBER OF SHARES	MARKET VALUE
COMMON STOCK (CONTINUED)		
TRANSPORTATION - 3.7%		
FreeSeas Inc.	126,949	\$ 647,440
General Maritime Corporation	75,000	1,765,500
K-Sea Transportation Partners LP (A)	10,000	361,300
Paragon Shipping, Inc., Class A	50,000	802,000
Teekay LNG Partners LP (A)	30,930	929,447
		4,505,687

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UTILITIES - 6.6%

AmeriGas Partners LP (A)	15,200	494,760
Kinder Morgan Energy Partners LP (A)	45,000	2,585,700
ONEOK Partners LP (A)	50,900	3,157,327
Southern Company	10,000	345,300
TEPPCO Partners LP (A)	34,800	1,314,048
Transmontaigne Partners LP (A)	9,502	280,974

8,178,109

TOTAL COMMON STOCK (COST \$120,261,155) 103,073,076
=====

PREFERRED TERM SECURITIES + (C) - 10.5%

Alesco Preferred Funding VI, 12/23/37	2,500	175,000
Alesco Preferred Funding IX, 06/23/36	1,000	500,000
Alesco Preferred Funding X, 09/23/36	1,000	400,000
Alesco Preferred Funding XI, 12/23/36	5,000	325,000
Alesco Preferred Funding XII, 07/15/37	5,000	310,000
Alesco Preferred Funding XIII, 09/23/37	2,500	162,500
Alesco Preferred Funding XIV, 03/15/37	5,000	275,000
Alesco Preferred Funding XVI, 03/23/38	5,000	375,000
I-Preferred Term Securities IV, 06/24/34	10,000	750,000
Preferred Term Securities IV, 12/23/31	20,000	650,000
Preferred Term Securities XIII, 09/23/37	10,000	660,500
Preferred Term Securities XIV, 06/24/34	20,000	1,315,000
Preferred Term Securities XV, 09/24/34	20,000	1,619,600
Preferred Term Securities XVI, 03/23/35	10,000	766,400
Preferred Term Securities XVII, 09/23/35	6,000	385,380
Preferred Term Securities XVIII, 06/23/35	10,000	643,800

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	NUMBER OF SHARES	MARKET VALUE

PREFERRED TERM SECURITIES (CONTINUED)		
Preferred Term Securities XIX, 12/22/35	10,000	\$ 650,500
Preferred Term Securities XX, 03/22/38	10,000	640,700
Preferred Term Securities XXI, 03/22/38	10,000	707,600
Preferred Term Securities XXII, 03/22/37	1,000	375,000
Preferred Term Securities XXIII, 12/22/36	5,000	225,000
Preferred Term Securities XXIV, 03/22/37	5,000	399,900
Preferred Term Securities XXV, 06/22/37	5,000	413,200
Taberna Preferred Funding I Limited, 07/05/35	2,500	5,000
Taberna Preferred Funding II Limited, 06/30/35	5,000	5,000
Taberna Preferred Funding VI Limited, 12/05/36	5,000	25,000
Taberna Preferred Funding VII Limited, 02/05/37	5,000	10,000
U.S. Capital Funding VI Limited Corporation, 07/10/43	5,000	150,000

TOTAL PREFERRED TERM SECURITIES (COST \$18,427,666) 12,920,080
=====

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CONVERTIBLE PREFERRED STOCK - 0.5%

FINANCIAL - 0.5%		
ACE Limited, 7.800%	26,025	650,104

TOTAL CONVERTIBLE PREFERRED STOCK (COST \$663,297)		650,104
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PREFERRED STOCK - 2.5%

FINANCIAL - 1.9%		
Aspen Insurance Holdings Limited	20,000	1,080,000
Solar Cayman Limited * +	80,000	1,217,600

		2,297,600
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REAL ESTATE INVESTMENT TRUSTS - 0.6%

FelCor Lodging Trust, Inc.	40,000	804,000
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TOTAL PREFERRED STOCK (COST \$3,346,490)		3,101,600
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CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
CORPORATE NOTES/BONDS - 46.2%		
AUTOMOBILES - 1.4%		
Lear Corporation, Series B		
8.750%, 12/01/16	\$ 885,000	\$ 767,738
TRW Automotive, Inc. +		
7.250%, 03/15/17	1,000,000	915,000
		1,682,738
AUTOMOTIVE - 0.8%		
Autonation, Inc.		
7.000%, 04/15/14	1,000,000	920,000
BASIC INDUSTRY - 2.9%		
Abitibi-Consolidated, Inc.		
8.550%, 08/01/10	615,000	346,706
Blount, Inc.		
8.875%, 08/01/12	750,000	733,125
Bowater Canada Finance Corporation		
7.950%, 11/15/11	615,000	405,900
H&E Equipment Services, Inc.		

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8.375%, 07/15/16	1,175,000	981,125
Trimas Corporation		
9.875%, 06/15/12	1,272,000	1,162,290

		3,629,146

BROADCASTING & CABLE - 1.1%		
Allbritton Communications Company		
7.750%, 12/15/12	1,315,000	1,315,000

BUILDING MATERIALS - 1.6%		
Gibraltar Industries, Inc.		
8.000%, 12/01/15	1,340,000	1,118,900
WII Components, Inc.		
10.000%, 02/15/12	1,000,000	855,000

		1,973,900

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SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
CABLE TELEVISION - 3.8%		
CSC Holdings, Inc.		
7.875%, 02/15/18	\$ 1,285,000	\$ 1,191,837
DIRECTV Holdings LLC		
6.375%, 06/15/15	750,000	699,375
Echostar DBS Corporation		
6.625%, 10/01/14	1,000,000	965,000
Mediacom Broadband LLC		
8.500%, 10/15/15	1,250,000	993,750
Quebecor Media, Inc.		
7.750%, 03/15/16	895,000	825,638

		4,675,600

CHEMICALS - 3.9%		
Chemtura Corporation		
6.875%, 06/01/16	1,000,000	910,000
Ineos Group Holdings +		
8.500%, 02/15/16	1,020,000	770,100
Momentive Performance Materials, Inc.		
9.750%, 12/01/14	1,000,000	900,000
Nova Chemicals Corporation		
7.863%, 11/15/13	1,300,000	1,111,500
Tronox Worldwide LLC		
9.500%, 12/01/12	1,285,000	1,134,013

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		4,825,613
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CONSUMER PRODUCTS - 1.3%		
Hanesbrands, Inc.		
8.204%, 12/15/14	1,025,000	907,125
Levi Strauss & Company		
9.750%, 01/15/15	675,000	673,313
		<hr/> 1,580,438 <hr/>
ELECTRONIC EQUIPMENT & INSTRUMENTS - 1.8%		
Flextronics International Limited		
6.500%, 05/15/13	885,000	851,812

CHARTWELL DIVIDEND & INCOME FUND, INC. FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	<hr/>	<hr/>
CORPORATE NOTES/BONDS (CONTINUED)		
ELECTRONIC EQUIPMENT & INSTRUMENTS (CONTINUED)		
Superior Essex Communications LLC		
9.000%, 04/15/12	\$ 1,450,000	\$ 1,399,250
		<hr/> 2,251,062 <hr/>
ENERGY - 3.7%		
Cie Generale de Geophysique		
7.750%, 05/15/17	1,000,000	1,012,500
Cimarex Energy Company		
7.125%, 05/01/17	650,000	640,250
Complete Production Services, Inc.		
8.000%, 12/15/16	780,000	753,675
Copano Energy LLC		
8.125%, 03/01/16	935,000	958,375
Pioneer Natural Resources Company		
6.650%, 03/15/17	1,000,000	963,809
Range Resources Corporation		
7.500%, 05/15/16	250,000	259,375
		<hr/> 4,587,984 <hr/>
FINANCIAL - 2.3%		
Ford Motor Credit Company LLC		
7.000%, 10/01/13	1,950,000	1,601,857
GMAC LLC		
7.000%, 02/01/12	1,470,000	1,186,807
		<hr/> 2,788,664 <hr/>

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GAMING - 2.4%

Boyd Gaming Corporation		
7.125%, 02/01/16	1,100,000	902,000
MTR Gaming Group, Inc., Series B		
9.750%, 04/01/10	520,000	507,000
MTR Gaming Group, Inc.		
9.000%, 06/01/12	700,000	619,500
Seneca Gaming Corporation		
7.250%, 05/01/12	1,000,000	960,000

		2,988,500

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
HEALTHCARE - 3.7%		
Bio-Rad Laboratories, Inc.		
7.500%, 08/15/13	\$ 1,000,000	\$ 1,012,500
Hanger Orthopedic Group, Inc.		
10.250%, 06/01/14	1,000,000	1,012,500
HCA Inc. +		
9.125%, 11/15/14	1,000,000	1,022,500
Iasis Healthcare Corporation		
8.750%, 06/15/14	1,000,000	992,500
Omnicare, Inc.		
6.875%, 12/15/15	650,000	570,375

		4,610,375

METALS & MINING - 1.6%		
Freeport-McMoRan Copper & Gold Inc.		
8.375%, 04/01/17	1,000,000	1,062,500
Steel Dynamics, Inc.		
6.750%, 04/01/15	945,000	928,463

		1,990,963

PAPER & FOREST PRODUCTS - 2.3%		
P H Glatfelter		
7.125%, 05/01/16	1,190,000	1,187,025
U.S. Corrugated		
0.000%, 06/01/13	1,000,000	770,000
Verso Paper Holdings LLC		
11.375%, 08/01/16	1,000,000	910,000

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2,867,025

PUBLISHING - 0.5%		
Idearc, Inc.		
8.000%, 11/15/16	1,075,000	639,625
REAL ESTATE MANAGEMENT - 1.2%		
Corrections Corp of America		
7.500%, 05/01/11	100,000	102,500

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
REAL ESTATE MANAGEMENT (CONTINUED)		
Geo Group, Inc.		
8.250%, 07/15/13	\$ 1,340,000	\$ 1,351,725

		1,454,225

RETAIL - 2.0%		
Brown Shoe Company, Inc.		
8.750%, 05/01/12	800,000	804,000
Couche-Tard US LP		
7.500%, 12/15/13	400,000	400,000
Sonic Automotive, Inc., Series B		
8.625%, 08/15/13	1,390,000	1,301,387

		2,505,387

SERVICES - 3.7%		
Allied Security Escrow Corporation		
11.375%, 07/15/11	1,015,000	895,737
ARAMARK Corporation		
8.500%, 02/01/15	1,000,000	990,000
Buhrmann US, Inc.		
8.250%, 07/01/14	620,000	592,100
KAR Holdings, Inc. +		
8.750%, 05/01/14	1,270,000	1,143,000
Lamar Media Corporation		
6.625%, 08/15/15	1,000,000	920,000

		4,540,837

TELECOMMUNICATIONS - 1.5%		

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Cincinnati Bell, Inc. 8.375%, 01/15/14	960,000	926,400
Hughes Network Systems LLC 9.500%, 04/15/14	855,000	857,137
		----- 1,783,537 -----
TRANSPORTATION - 0.4%		
Stena AB 7.500%, 11/01/13	550,000	543,813

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

	PRINCIPAL AMOUNT	MARKET VALUE
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
UTILITIES - 2.3%		
Edison Mission Energy 7.000%, 05/15/17	\$ 650,000	\$ 641,875
Elwood Energy LLC 8.159%, 07/05/26	959,946	958,321
NSG Holdings LLC + 7.750%, 12/15/25	1,200,000	1,168,500
		----- 2,768,696 -----
TOTAL CORPORATE NOTES/BONDS (COST \$61,178,446)		56,923,128 =====
	NUMBER OF SHARES	

CASH EQUIVALENTS - 0.7%		
SEI Daily Income Trust, Prime Obligations Fund, Class A Shares, 3.590% (B)	782,152	782,152

TOTAL CASH EQUIVALENTS (COST \$782,152)		782,152 =====
TOTAL INVESTMENTS - 144.1% (COST \$204,659,206) **		177,450,140 =====

COVERED CALL OPTIONS WRITTEN - (0.9)%

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	WRITTEN CONTRACTS	

American Capital Strategies Limited, Expires: 03/22/08, Strike Price: \$35	(310)	(46,500)
Annaly Capital Management Inc., Expires: 04/19/08, Strike Price: \$20	(1,000)	(145,000)
AT&T, Inc., Expires: 04/19/08, Strike Price: \$38	(800)	(51,200)
Baker Hughes, Inc., Expires: 03/22/08, Strike Price: \$70	(100)	(11,500)
Baker Hughes, Inc., Expires: 04/19/08, Strike Price: \$80	(100)	(4,000)

CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

COVERED CALL OPTIONS WRITTEN (CONTINUED)

	WRITTEN CONTRACTS		MARKET VALUE
	-----		-----
Bank of America Corporation, Expires: 03/22/08, Strike Price: \$45	(500)	\$	(3,500)
Bank of America Corporation, Expires: 03/22/08, Strike Price: \$43	(500)		(17,500)
Bank of America Corporation, Expires: 04/19/08, Strike Price: \$45	(1,000)		(52,500)
Bristol-Myers Squibb Company, Expires: 03/22/08, Strike Price: \$25	(100)		(1,000)
Brookdale Senior Living, Inc., Expires: 04/19/08, Strike Price: \$25	(400)		(76,000)
CapitalSource, Inc., Expires: 03/22/08, Strike Price: \$18	(700)		(14,000)
CapitalSource, Inc., Expires: 04/19/08, Strike Price: \$18	(1,500)		(67,500)
Carnival Corporation, Expires: 03/22/08, Strike Price: \$43	(500)		(15,000)
Dow Chemical Company, Expires: 03/22/08, Strike Price: \$40	(750)		(22,500)
iStar Financial, Inc., Expires: 03/22/08, Strike Price: \$25	(800)		(8,000)
JPMorgan Chase & Company, Expires: 03/22/08, Strike Price: \$45	(250)		(11,250)
JPMorgan Chase & Company, Expires: 04/19/08, Strike Price: \$45	(250)		(32,500)
MFA Mortgage Investments, Inc., Expires: 04/19/08, Strike Price: \$10	(380)		(15,200)
Och-Ziff Capital Management Group LLC, Expires: 06/21/08, Strike Price: \$25	(360)		(48,600)
Packaging Corp of America, Expires: 03/22/08, Strike Price: \$25	(100)		(2,000)
Paragon Shipping, Inc., Expires: 03/22/08, Strike Price: \$20	(500)		(7,500)
Pfizer Inc., Expires: 03/22/08, Strike Price: \$23	(100)		(4,000)
PHLX Bank Index, Expires: 03/22/08, Strike Price: \$90	(500)		(42,500)
Regal Entertainment Group, Expires: 04/19/08, Strike Price: \$20	(1,100)		(57,750)
Reynolds American, Inc., Expires: 03/22/08, Strike			

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Price: \$65	(100)	(5,000)
S&P 500 Index, Expires: 03/22/08, Strike Price: \$1,400	(300)	(195,000)
Southern Company, Expires: 05/17/08, Strike Price: \$40	(100)	(1,000)
Sunoco Logistics Partners LP, Expires: 03/22/08, Strike Price: \$55	(400)	(14,000)
US Bancorp, Expires: 03/22/08, Strike Price: \$33	(500)	(37,500)
Wells Fargo & Company, Expires: 03/22/08, Strike Price: \$30	(600)	(54,000)
TOTAL COVERED CALL OPTIONS WRITTEN		
(PREMIUMS RECEIVED \$1,808,366)		(1,063,500)
OTHER LIABILITIES IN EXCESS OF ASSETS - (43.2)% +++		(53,203,809)
NET ASSETS - 100.0%		\$ 123,182,831

CHARTWELL DIVIDEND & INCOME FUND, INC. FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

* NON-INCOME PRODUCING SECURITY.

** AT FEBRUARY 29, 2008, THE TAX BASIS COST OF THE FUND'S INVESTMENTS WAS \$204,659,206, AND THE UNREALIZED APPRECIATION AND DEPRECIATION WERE \$5,208,789 AND \$(32,417,855), RESPECTIVELY.

+++ AS OF FEBRUARY 29, 2008, \$55,000,000 OF COMMERCIAL PAPER WAS OUTSTANDING WITH AN AMORTIZED COST OF \$54,997,611. THE AVERAGE DISCOUNT RATE OF COMMERCIAL PAPER OUTSTANDING AT FEBRUARY 29, 2008, WAS 5.07%. THE AVERAGE DAILY BALANCE OF COMMERCIAL PAPER OUTSTANDING FOR THE QUARTER ENDED FEBRUARY 29, 2008 WAS \$54,717,443 AT A WEIGHTED AVERAGE DISCOUNT RATE OF 5.07%. THE MAXIMUM FACE AMOUNT OF COMMERCIAL PAPER OUTSTANDING AT ANYTIME DURING THE QUARTER ENDED FEBRUARY 29, 2008, WAS \$55,000,000. IN CONJUNCTION WITH THE ISSUANCE OF THE COMMERCIAL PAPER, THE FUND HAS ENTERED ONTO A LINE OF CREDIT ARRANGEMENT WITH A BANK FOR \$30,000,000. INTEREST ON BORROWING IS BASED ON MARKET RATES IN EFFECT AT THE TIME OF BORROWING. THE COMMITMENT FEE IS COMPUTED AT THE RATE OF 0.30% PER ANNUM ON THE UNUSED BALANCE. THERE WERE NO BORROWINGS UNDER THIS ARRANGEMENT DURING THE QUARTER ENDED FEBRUARY 28, 2008.

+ SECURITIES ARE EXEMPT FROM REGISTRATION UNDER RULE 144A OF THE SECURITIES ACT OF 1933. THESE SECURITIES MAY BE RESOLD IN TRANSACTIONS EXEMPT FROM REGISTRATION NORMALLY TO QUALIFIED INSTITUTIONS. AT FEBRUARY 29, 2008, THESE SECURITIES AMOUNTED TO \$19,619,280 OR 15.9% OF NET ASSETS.

(A) SECURITIES CONSIDERED MASTER LIMITED PARTNERSHIPS. AT FEBRUARY 29, 2008, THESE SECURITIES AMOUNTED TO \$23,430,946 OR 19.0% OF NET ASSETS.

(B) THE RATE SHOWN REPRESENTS THE 7-DAY EFFECTIVE YIELD AS OF FEBRUARY 29, 2008.

(C) SECURITIES CONSIDERED ILLIQUID. THE TOTAL VALUE OF SUCH SECURITIES AS OF FEBRUARY 29, 2008 WAS \$12,920,080 OR 10.5% OF NET ASSETS.

LLC LIMITED LIABILITY COMPANY
LP LIMITED PARTNERSHIP

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CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

FINANCIAL ACCOUNTING STANDARDS BOARD STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 157, FAIR VALUE MEASUREMENTS ("FAS 157"), IS EFFECTIVE FOR THE FUND'S FINANCIAL STATEMENTS ISSUED AFTER DECEMBER 1, 2007. IN ACCORDANCE WITH FAS 157, FAIR VALUE IS DEFINED AS THE PRICE THAT THE FUND WOULD RECEIVE UPON SELLING AN INVESTMENT IN A TIMELY TRANSACTION TO AN INDEPENDENT BUYER IN THE PRINCIPAL OR MOST ADVANTAGEOUS MARKET OF THE INVESTMENT. FAS 157 ESTABLISHED A THREE-TIER HIERARCHY TO MAXIMIZE THE USE OF THE OBSERVABLE MARKET DATA AND MINIMIZE THE USE OF UNOBSERVABLE INPUTS AND TO ESTABLISH CLASSIFICATION OF THE FAIR VALUE MEASUREMENTS FOR DISCLOSURE PURPOSES. INPUTS REFER BROADLY TO THE ASSUMPTIONS THAT MARKET PARTICIPANTS WOULD USE IN PRICING AN ASSET. INPUTS MAY BE OBSERVABLE OR UNOBSERVABLE. OBSERVABLE INPUTS ARE INPUTS THAT REFLECT THE ASSUMPTIONS MARKET PARTICIPANTS WOULD USE IN PRICING THE ASSET OR LIABILITY DEVELOPED BASED ON MARKET DATA OBTAINED FROM SOURCES INDEPENDENT OF THE REPORTING ENTITY. UNOBSERVABLE INPUTS ARE INPUTS THAT REFLECT THE REPORTING ENTITY'S OWN ASSUMPTIONS ABOUT THE ASSUMPTIONS MARKET PARTICIPANTS WOULD USE IN PRICING THE ASSET OR LIABILITY DEVELOPED BASED ON THE BEST INFORMATION AVAILABLE IN THE CIRCUMSTANCES.

THE THREE-TIER HIERARCHY OF INPUTS IS SUMMARIZED IN THE THREE BROAD LEVELS LISTED BELOW:

- o LEVEL 1 - QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL INVESTMENTS
- o LEVEL 2 - OTHER SIGNIFICANT OBSERVABLE INPUTS (INCLUDING QUOTED PRICES FOR SIMILAR INVESTMENTS, INTEREST RATES, PREPAYMENT SPEEDS, CREDIT RISKS, ETC.)
- o LEVEL 3 - SIGNIFICANT UNOBSERVABLE INPUTS (INCLUDING THE FUND'S OWN ASSUMPTIONS IN DETERMINING THE FAIR VALUE OF INVESTMENTS)

THE VALUATION TECHNIQUES USED BY THE FUND TO MEASURE FAIR VALUE IN ACCORDANCE WITH FAS 157 DURING THE THREE MONTHS ENDED FEBRUARY 29, 2008 MAXIMIZED THE USE OF OBSERVABLE INPUTS AND MINIMIZED THE USE OF UNOBSERVABLE INPUTS.

THE FOLLOWING IS A SUMMARY OF THE INPUTS USED AS OF FEBRUARY 29, 2008 IN VALUING THE FUND'S INVESTMENTS IN ACCORDANCE WITH FAS 157 CARRIED AT VALUE:

VALUATION INPUTS	INVESTMENTS IN SECURITIES	OTHER FINANCIAL INSTRUMENTS*
LEVEL 1 - QUOTED PRICES	\$ 105,689,495	\$ (1,063,500)
LEVEL 2 - OTHER SIGNIFICANT OBSERVABLE INPUTS	57,156,865	--
LEVEL 3 - SIGNIFICANT UNOBSERVABLE INPUTS	14,603,780	--
TOTAL	\$ 177,450,140	\$ (1,063,500)

* OTHER FINANCIAL INSTRUMENTS ARE DERIVATIVE INSTRUMENTS NOT REFLECTIVE IN THE PORTFOLIO OF INVESTMENTS, SUCH AS FUTURES, FORWARDS AND SWAP CONTRACTS, WHICH ARE VALUED AT THE UNREALIZED APPRECIATION/DEPRECIATION ON THE INSTRUMENT.

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CHARTWELL DIVIDEND & INCOME FUND, INC.

FEBRUARY 29, 2008

SCHEDULE OF INVESTMENTS (UNAUDITED)

THE FOLLOWING IS A RECONCILIATION OF THE INVESTMENTS IN WHICH SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) WERE USED IN DETERMINING VALUE:

	INVESTMENTS IN SECURITIES

BEGINNING BALANCE AS OF 11/30/07	\$ 17,320,680
CHANGE IN UNREALIZED APPRECIATION/(DEPRECIATION)	(1,728,938)
NET PURCHASE/(SALES)	(211,862)
NET TRANSFERS IN/AND OR OUT OF LEVEL 3	(776,100)

ENDING BALANCE AS OF 2/29/08	\$ 14,603,780 =====

FOR INFORMATION ON THE FUND'S POLICY REGARDING VALUATION OF INVESTMENTS AND OTHER SIGNIFICANT ACCOUNTING POLICIES, PLEASE REFER TO THE FUND'S MOST RECENT SEMI-ANNUAL OR ANNUAL FINANCIAL STATEMENTS.

ITEM 2. CONTROLS AND PROCEDURES

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended, (the "1940 Act")) are effective as of a date within 90 days of the filing of this report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures, required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

(a) A separate certification for the principal executive officer and the principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)), are filed herewith.

SIGNATURES

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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.

(Registrant) Chartwell Dividend and Income Fund, Inc.

By (Signature and Title)* /s/ Winthrop S. Jessup

Winthrop S. Jessup, President
(Principal Executive Officer)

Date April 24, 2008

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.

By (Signature and Title)* /s/ Winthrop S. Jessup

Winthrop S. Jessup, President
(Principal Executive Officer)

Date April 24, 2008

By (Signature and Title)* /s/ G. Gregory Hagar

G. Gregory Hagar, Vice President and CFO
(Principal Financial Officer)

Date April 24, 2008

* Print the name and title of each signing officer under his or her signature.