

Edgar Filing: CHARTWELL DIVIDEND & INCOME FUND INC - Form N-Q

CHARTWELL DIVIDEND & INCOME FUND INC  
Form N-Q  
April 29, 2005

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, 2005

DATE OF REPORTING PERIOD: FEBRUARY 28, 2005

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES	M V
COMMON STOCK--76.9%		
BANKS--14.6%		
AmSouth Bancorporation.....	50,760	\$
Bank of America Corporation.....	212,000	

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Bank of New York Company, Inc.....	70,000	
Citigroup, Inc.....	100,000	
New York Community Bancorp, Inc.....	50,000	
U.S. Bancorp.....	100,000	---
		2
BASIC INDUSTRY--4.9%		
Alcoa, Inc.....	45,000	
Dow Chemical Company.....	30,000	
K-Sea Transportation Partners LP.....	10,000	
Packaging Corporation of America.....	50,000	
Weyerhaeuser Company.....	40,000	---
CONSUMER CYCLICAL--2.1%		
Coinmach Corporation(a).....	245,000	---
CONSUMER STAPLES--9.2%		
Altria Group, Inc.....	136,950	
B&G Foods, Inc.(a).....	34,300	
Loews Corporation - Carolina Group.....	128,225	---
		1
ENERGY--8.4%		
Halliburton Company.....	112,800	
Kerr-McGee Corporation.....	25,000	
Occidental Petroleum Corporation.....	50,000	
Schlumberger Limited.....	30,000	---
		1
FINANCIAL--12.5%		
Alliance Capital Management Holdings LP.....	100,000	
Fannie Mae.....	25,300	
Friedman Billings Ramsey Group, Inc.....	150,000	
Hartford Financial Services Group, Inc.....	39,200	
New Century Financial Corporation.....	60,000	
People's Choice Europe Limited.....	35,000	
Washington Mutual, Inc.....	87,700	---
		1
HEALTHCARE--0.2%		
Pfizer Inc.....	10,000	---
INDUSTRIAL--3.0%		
Arlington Tankers Limited(a).....	42,100	
General Electric Company.....	100,000	---
REAL ESTATE--9.5%		
Bimini Mortgage Management, Inc.....	8,000	
Boston Properties, Inc.....	30,000	
BRE Properties, Class A.....	19,500	
CarrAmerica Realty Corporation.....	32,600	

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CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES/ PRINCIPAL AMOUNT	M V
COMMON STOCK (CONTINUED)		
REAL ESTATE (CONTINUED)		
Duke Realty Corporation.....	80,320	\$
HomeBanc Corporation.....	225,000	
iStar Financial, Inc.....	50,000	
Mack-Cali Realty Corporation.....	27,682	
Reckson Associates Realty Corporation.....	80,000	
TECHNOLOGY--1.0%		
Microsoft Corporation.....	40,000	
Solectron Corporation.....	100,000	
TELECOMMUNICATIONS--7.5%		
Alaska Communications Systems Group, Inc.....	175,000	
BellSouth Corporation.....	100,000	
Citizens Communications Company.....	350,000	
Fairpoint Communications, Inc.....	75,000	
SBC Communications, Inc.....	50,000	
UTILITIES--4.0%		
AmeriGas Partners LP.....	15,200	
Duquesne Light Holdings, Inc.....	30,000	
Kinder Morgan Energy Partners LP.....	45,000	
Northern Border Partners LP.....	26,600	
TEPCO Partners LP.....	34,800	
TOTAL COMMON STOCK (COST \$102,020,683) .....		11
CORPORATE NOTES/BONDS--49.9%		
BASIC INDUSTRY--12.8%		
Aearo Company I		
8.250%, 04/15/12.....	\$ 755,000	
Ainsworth Lumber Company Limited+		
7.250%, 10/01/12.....	775,000	
BCP Caylux Holdings Luxembourg+		
9.625%, 06/15/14.....	850,000	
Buhrmann US, Inc.		

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8.250%, 07/01/14.....	850,000
Danka Business Systems	
11.000%, 06/15/10.....	920,000
Euramax International, Inc.	
8.500%, 08/15/11.....	1,645,000
Goodman Global Holdings Company, Inc.+	
7.875%, 12/15/12.....	600,000
Imco Recycling, Inc.	
10.375%, 10/15/10.....	855,000
Koppers Industries+	
9.875%, 10/15/13.....	1,230,000

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CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	M V
CORPORATE NOTES/BONDS (CONTINUED)		
BASIC INDUSTRY (CONTINUED)		
KRATON Polymers LLC+		
8.125%, 01/15/14.....	\$ 985,000	\$
Nalco Company		
8.875%, 11/15/13.....	1,090,000	
Nortek, Inc.		
8.500%, 09/01/14.....	585,000	
Ply Gem Industries, Inc.		
9.000%, 02/15/12.....	855,000	
RH Donnelley Corporation+		
6.875%, 01/15/13.....	400,000	
Ryerson Tull, Inc.+		
8.250%, 12/15/11.....	835,000	
Sensus Metering Systems, Inc.		
8.625%, 12/15/13.....	700,000	
United Agri Products+		
8.250%, 12/15/11.....	651,000	
Universal City Florida Holdings Company, Inc.+		
8.375%, 05/01/10.....	755,000	
Vertis, Inc., Series B		
10.875%, 06/15/09.....	1,555,000	
Williams Scotsman, Inc.		
9.875%, 06/01/07.....	875,000	
Wolverine Tube, Inc.		
10.500%, 04/01/09.....	500,000	
CAPITAL GOODS--3.5%		
Allied Waste North America, Series B		
8.500%, 12/01/08.....	935,000	
GenCorp, Inc.		
9.500%, 08/15/13.....	451,000	
H&E Equipment Finance		

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11.125%, 06/15/12.....	970,000
Integrated Electrical Services, Inc., Series C	
9.375%, 02/01/09.....	300,000
K&F Acquisition, Inc.+	
7.750%, 11/15/14.....	680,000
Norcross Safety Products LLC, Series B	
9.875%, 08/15/11.....	1,070,000
Propex Fabrics, Inc.+	
10.000%, 12/01/12.....	600,000
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CONSUMER CYCLICAL--5.4%	
Allied Security Escrow Corporation	
11.375%, 07/15/11.....	1,020,000
Cenveo, Inc.	
9.625%, 03/15/12.....	1,455,000
Coinmach Corporation	
9.000%, 02/01/10.....	1,110,000
Denny's Corporation+	
10.000%, 10/01/12.....	600,000
LCE Acquisition Corporation+	
9.000%, 08/01/14.....	1,255,000
Mothers Work, Inc.	
11.250%, 08/01/10.....	935,000
Norcraft Companies	
9.000%, 11/01/11.....	570,000

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FEBRUARY

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SCHEDULE OF INVESTMENTS (Unaudited)

PRINCIPAL  
AMOUNT

M  
V

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CORPORATE NOTES/BONDS (CONTINUED)

CONSUMER CYCLICAL (CONTINUED)

Sonic Automotive, Inc., Series B	
8.625%, 08/15/13.....	\$ 635,000

CONSUMER STAPLES--5.7%

American Achievement Corporation	
8.250%, 04/01/12.....	625,000
American Seafood Group LLC	
10.125%, 04/15/10.....	1,005,000
Amscan Holdings, Inc.	
8.750%, 05/01/14.....	595,000
Chiquita Brands International, Inc.+	
7.500%, 11/01/14.....	950,000
FTD, Inc.	
7.750%, 02/15/14.....	400,000
General Nutrition Centers, Inc.	
8.500%, 12/01/10.....	945,000

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Jean Coutu Group (PJC), Inc.+ 8.500%, 08/01/14.....	1,225,000
MTR Gaming Group, Inc. 9.750%, 04/01/10.....	520,000
Solo Cup Company 8.500%, 02/15/14.....	1,100,000
Stater Brothers Holdings 8.125%, 06/15/12.....	715,000
WH Holdings Limited 9.500%, 04/01/11.....	294,000
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ENERGY--1.8%	
Belden & Blake Corporation 8.750%, 07/15/12.....	1,490,000
Bluewater Finance Limited 10.250%, 02/15/12.....	1,000,000
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FINANCIAL--3.4%	
E*TRADE Financial Corporation 8.000%, 06/15/11.....	870,000
Labranche & Company, Inc.(b) 11.000%, 05/15/12.....	1,580,000
United Rentals North America, Inc. 7.750%, 11/15/13.....	1,200,000
Western Financial 9.625%, 05/15/12.....	1,120,000
-----	
HEALTHCARE--2.2%	
Iasis Healthcare Corporation 8.750%, 06/15/14.....	1,005,000
Town Sports International 9.625%, 04/15/11.....	1,100,000
VWR International, Inc. 8.000%, 04/15/14.....	1,010,000
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CHARTWELL DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF INVESTMENTS (Unaudited)

PRINCIPAL  
AMOUNT

CORPORATE NOTES/BONDS (CONTINUED)

INDUSTRIAL--5.7%

Autocam Corporation 10.875%, 06/15/14.....	\$ 600,000	\$
Douglas Dynamics, LLC+		

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7.750%, 01/15/12.....	610,000
General Cable Corporation	
9.500%, 11/15/10.....	420,000
HLI Operating Company, Inc.	
10.500%, 06/15/10.....	230,000
INVISTA+	
9.250%, 05/01/12.....	1,690,000
MediaCom Broadband, LLC	
11.000%, 07/15/13.....	1,775,000
Rayovac Corporation	
8.500%, 10/01/13.....	395,000
Superior Essex Communications LLC	
9.000%, 04/15/12.....	900,000
Tenneco Automotive, Inc.+	
8.625%, 11/15/14.....	1,265,000
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REAL ESTATE--2.4%	
Geo Group, Inc.	
8.250%, 07/15/13.....	1,120,000
Intrawest Corporation	
7.500%, 10/15/13.....	890,000
Tech Olympic USA, Inc.	
9.000%, 07/01/10.....	1,320,000
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TELECOMMUNICATIONS--4.5%	
Albritton Communications Company	
7.750%, 12/15/12.....	990,000
Cablevision Systems Corporation+	
8.000%, 04/15/12.....	445,000
Centennial Cellular Operating Company	
10.125%, 06/15/13.....	1,110,000
Charter Communications Holdings, LLC	
10.750%, 10/01/09.....	400,000
Charter Communications Operating, LLC+	
8.000%, 04/30/12.....	425,000
Cincinnati Bell, Inc. (b)	
8.375%, 01/15/14.....	875,000
Cincinnati Bell, Inc.+	
8.375%, 01/15/14.....	15,000
Intelsat Bermuda Limited	
7.794%, 01/15/12.....	630,000
Time Warner, Inc.	
9.750%, 07/15/08.....	655,000
UbiquiTel Operating Company+	
9.875%, 03/01/11.....	310,000
UbiquiTel Operating Company	
9.875%, 03/01/11.....	550,000
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TRANSPORTATION--1.3%	
Continental Airlines, Inc.	
8.000%, 12/15/05.....	470,000

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	PRINCIPAL AMOUNT/ NUMBER OF SHARES	M V
CORPORATE NOTES/BONDS (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Ship Finance International Limited 8.500%, 12/15/13.....	\$1,525,000	\$
UTILITIES--1.2%		
AES Corporation 9.500%, 06/01/09.....	900,000	
CE Generation, LLC 7.416%, 12/15/18.....	684,028	
TOTAL CORPORATE NOTES/BONDS (COST \$72,920,931) .....		7
CONVERTIBLE PREFERRED STOCK--2.5%		
FINANCIAL--1.0%		
ACE Limited.....	26,025	
Chubb Corporation.....	10,000	
Hartford Financial Services Group, Inc.....	5,000	
XL Capital Limited.....	10,000	
REAL ESTATE--1.5%		
LTC Properties, Inc.....	25,000	
Ramco-Gershenson Properties.....	40,000	
TOTAL CONVERTIBLE PREFERRED STOCK (COST \$3,171,097) .....		
PREFERRED STOCK--0.3%		
FINANCIAL--0.3%		
TransCanada Corporation.....	14,905	
TOTAL PREFERRED STOCK (COST \$381,501) .....		
PREFERRED TERM SECURITIES (C)--5.8%		
I-Preferred Term Securities IV.....	1,000,000	
Preferred Term Securities IV.....	2,000,000	
Preferred Term Securities XIII.....	1,000,000	
Preferred Term Securities XIV.....	2,000,000	



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Preferred Term Securities XV.....	2,000,000
Preferred Term Securities XVI.....	1,000,000
TOTAL PREFERRED TERM SECURITIES (COST \$8,195,706) .....	
TOTAL INVESTMENTS--135.4%	
(COST \$186,689,918)* .....	20

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CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	WRITTEN CONTRACTS	M V
COVERED CALL OPTIONS WRITTEN--(0.3)%		
Altria Group, Inc. Mar. 70 Call.....	(600)	\$
Dow Chemical Company Mar. 55 Call.....	(300)	
Friedman Billings Ramsey Group, Inc. Mar. 20 Call.....	(500)	
Hartford Financial Services Group, Inc. Mar. 75 Call.....	(390)	
Microsoft Corporation Mar. 27.5 Call.....	(400)	
Occidental Petroleum Corporation Mar. 70 Call.....	(500)	
Schlumberger Limited Mar. 70 Call.....	(200)	
Schlumberger Limited Mar. 75 Call.....	(100)	
U.S. Bancorp Mar. 30 Call.....	(1,000)	
Weyerhaeuser Company Mar. 65 Call.....	(400)	
TOTAL COVERED CALL OPTIONS WRITTEN (PREMIUM RECEIVED \$286,750) .....		
OTHER LIABILITIES IN EXCESS OF OTHER ASSETS--(35.1)% .....		(5
NET ASSETS--100% .....		\$15

\* At February 28, 2005, the tax basis cost of the Fund's investments was \$186,689,918, and the unrealized appreciation and depreciation were \$19,606,681 and \$(2,818,624), respectively.

+ Security 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 28, 2005, these securities amounted to \$18,237,478 or 12.1% of net assets.

++ As of February 28, 2005, \$55,000,000 of commercial paper was outstanding with an amortized cost of \$54,935,535. The average discount rate of commercial paper outstanding at February 28, 2005 was 2.58%. The average daily balance of commercial paper

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outstanding for the quarter ended February 28, 2005 was \$54,832,197 at a weighted average discount rate of 1.552%. The maximum face amount of commercial paper outstanding at any time during the quarter ended February 28, 2005 was \$55,000,000. In conjunction with the issuance of the commercial paper, the Fund has entered into 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, 2005.

- (a) Non-income producing security.
- (b) Security purchased on a when-issued basis.
- (c) Securities are illiquid.

LLC Limited Liability Company

LP Limited Partnership

Amounts designated as "--" are either \$0 or have been rounded to \$0

For information regarding 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.

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### ITEM 2. CONTROLS AND PROCEDURES

(a) The certifying officers, whose certifications are included herewith, have evaluated the registrant's disclosure controls and procedures within 90 days of the filing date of this report. In their opinion, based on their evaluation, the registrant's disclosure controls and procedures are adequately designed, and are operating effectively to ensure, that information required to be disclosed by the registrant in the reports it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

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

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 29, 2005

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 29, 2005

By (Signature and Title)\* /s/ G. Gregory Hagar  
-----  
G. Gregory Hagar, Vice President and CFO  
(Principal Financial Officer)

Date: April 29, 2005

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