

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-Q
April 24, 2007

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, 2007

DATE OF REPORTING PERIOD: FEBRUARY 28, 2007

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES	
	-----	-----
COMMON STOCK--79.4%		
BANKS--13.0%		
Bank of America Corporation.....	242,000	\$ 1

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

National City Corporation.....	100,000	
Old National Bancorporation.....	50,000	
Wachovia Corporation.....	40,000	
Washington Mutual, Inc.....	50,000	----- 2 -----
CONSUMER STAPLES--17.4%		
Altria Group, Inc.....	122,950	----- 1 -----
B&G Foods, Inc.....	41,000	
Coinmach Corporation, Class A.....	539,005	
Gatehouse Media, Inc.....	60,000	
Loews Corporation - Carolina Group.....	60,000	
National Cinemedia, Inc.*.....	2,600	
Reddy Ice Holdings, Inc.....	100,000	
Regal Entertainment Group, Class A.....	80,000	
Reynolds American, Inc.....	20,000	----- 2 -----
ENERGY--9.8%		
Atlas Energy Resource LLC*.....	20,000	
Calumet Specialty Products Partners LP*(c).....	5,000	
Constellation Energy Partners LLC*.....	5,000	
Diamond Offshore Drilling, Inc.....	40,000	
Duncan Energy Partners LP*(c).....	15,000	
Energy Transfer Partners LP(c).....	50,000	
Enterprise Products Partners LP(c).....	50,000	
Halliburton Company.....	40,000	
Linn Energy LLC(c).....	7,000	
Marathon Oil Corporation.....	6,400	
Precision Drilling.....	50,000	
Sunoco Logistics Partners LP(c).....	40,000	
Sunoco, Inc.....	30,000	----- 1 -----
FINANCIAL--12.0%		
AllianceBernstein Holding LP(c).....	73,800	
Allied Capital Corporation.....	50,000	
American Capital Strategies Limited.....	100,000	
Apollo Investment Corporation.....	149,800	
Fortress Investment Group LLC*.....	2,400	
MCG Capital Corporation.....	45,000	
Newcastle Investment Corporation.....	15,000	
Quadra Realty Trust, Inc.*.....	35,000	
Star Asia Financial Limited*.....	50,000	
Technology Investment Capital Corporation.....	100,595	----- 1 -----
HEALTHCARE--1.8%		
Health Management Associates, Inc., Class A.....	150,000	----- -----
REAL ESTATE INVESTMENT TRUSTS--7.5%		
Alesco Financial, Inc.*.....	279,000	
CapitalSource, Inc.....	75,000	
Deerfield Triarc Capital Corporation.....	70,000	
HomeBanc Corporation.....	450,000	
iStar Financial, Inc.....	65,000	
LTC Properties, Inc.....	50,000	

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

1

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES	
	-----	-----
COMMON STOCK (CONTINUED)		
REAL ESTATE INVESTMENT TRUSTS (CONTINUED)		
Northstar Realty Finance Corporation*.....	36,150	\$

		1

TELECOMMUNICATIONS--8.3%		
Alaska Communications Systems Group, Inc.....	175,000	
BCE, Inc.*.....	30,000	
Citizens Communications Company.....	200,000	
Consolidated Communications Holdings, Inc.....	40,000	
Fairpoint Communications, Inc.....	100,000	
Windstream Corporation.....	300,000	

		1

TRANSPORTATION--4.7%		
Aries Maritime Transport Limited.....	50,000	
Arlington Tankers Limited*.....	42,100	
General Maritime Corporation.....	75,000	
K-Sea Transportation Partners LP(c).....	10,000	
Nordic American Tanker Shipping*.....	16,440	
Seaspan Corporation*.....	33,400	
Teekay LNG Partners LP*(c).....	35,000	

UTILITIES--4.9%		
AmeriGas Partners LP(c).....	15,200	
Kinder Morgan Energy Partners LP(c).....	45,000	
Oneok Partners LP(c).....	50,900	
TEPPCO Partners LP(c).....	34,800	
Transmontaigne Partners LP*(c).....	15,000	

TOTAL COMMON STOCK (COST \$118,665,413).....		13

PREFERRED TERM SECURITIES+(a)--10.7%		
Alesco Preferred Funding IX, 06/23/36.....	10,000	
Alesco Preferred Funding X, 03/15/36.....	10,000	
Alesco Preferred Funding XI, 12/23/36.....	5,000	
Alesco Preferred Funding XII, 07/15/37.....	5,000	
Alesco Preferred Funding XIII, 09/23/37.....	2,500	

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

Alesco Preferred Funding XIV, 03/15/37.....	5,000
I-Preferred Term Securities IV, 06/24/34.....	10,000
Preferred Term Securities IV, 12/23/31.....	20,000
Preferred Term Securities XIII, 03/24/34.....	10,000
Preferred Term Securities XIV, 06/24/34.....	20,000
Preferred Term Securities XV, 09/24/34.....	20,000
Preferred Term Securities XVI, 03/23/35.....	10,000
Preferred Term Securities XVII, 09/23/35.....	6,000
Preferred Term Securities XVIII, 06/23/35.....	10,000
Preferred Term Securities XIX, 12/22/35.....	10,000
Preferred Term Securities XX, 03/22/38.....	10,000
Preferred Term Securities XXI, 03/22/38.....	10,000
Preferred Term Securities XXII, 03/22/37.....	10,000
Preferred Term Securities XXIII, 12/22/36.....	5,000
Preferred Term Securities XXIV, 03/22/37.....	5,000
Taberna Preferred Funding I, 07/05/35.....	2,500
Taberna Preferred Funding II, 06/30/35.....	5,000
Taberna Preferred Funding VI, Limited, 12/06/36.....	5,000
Taberna Preferred Funding VII, 02/05/37.....	5,000
TOTAL PREFERRED TERM SECURITIES (COST \$17,801,605).....	1

2

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	M
CORPORATE NOTES/BONDS--38.8%		
BASIC INDUSTRY--4.5%		
Baldor Electric Company		
8.625%, 02/15/17.....	\$ 1,050,000	\$
Buhrmann US, Inc.		
8.250%, 07/01/14.....	620,000	
Koppers Industries		
9.875%, 10/15/13.....	1,063,000	
Ply Gem Industries, Inc.		
9.000%, 02/15/12.....	1,000,000	
Quebecor Media		
7.750%, 03/15/16.....	1,060,000	
WII Components, Inc.		
10.000%, 02/15/12.....	1,000,000	
Williams Scotsman, Inc.		
8.500%, 10/01/15.....	1,370,000	
CAPITAL GOODS--1.0%		
Clarke American Corporation		
11.750%, 12/15/13.....	450,000	

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

Verso Paper Holdings LLC+	1,000,000
11.375%, 08/01/16.....	

CONSUMER CYCLICAL--5.2%	
Allied Security Escrow	
11.375%, 07/15/11.....	515,000
Boyd Gaming Corporation	
7.125%, 02/01/16.....	750,000
Buffets, Inc.	
12.500%, 11/01/14.....	750,000
H&E Equipment Services Inc.	
8.375%, 07/15/16.....	1,175,000
MTR Gaming Group, Inc.	
9.000%, 06/01/12.....	700,000
Rent-A-Center, Inc.	
7.500%, 05/01/10.....	1,220,000
Rental Service Corporation+	
9.500%, 12/01/14.....	725,000
Sonic Automotive, Inc., Series B	
8.625%, 08/15/13.....	1,390,000
TDS Investor Corporation+	
9.875%, 09/01/14.....	1,000,000

CONSUMER STAPLES--3.4%	
AMC Entertainment, Inc.	
9.875%, 02/01/12.....	1,000,000
Brown Shoe Company, Inc.	
8.750%, 05/01/12.....	800,000
Hanesbrand, Inc.+	
8.735%, 12/15/14.....	1,025,000
Idearc, Inc.+	
8.000%, 11/15/16.....	1,075,000
MTR Gaming Group, Inc., Series B	
9.750%, 04/01/10.....	520,000
Stater Brothers Holdings	
8.125%, 06/15/12.....	895,000

3

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

PRINCIPAL
AMOUNT

CORPORATE NOTES/BONDS (CONTINUED)

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

ENERGY--2.1%		
Bluewater Finance Limited		
10.250%, 02/15/12.....	\$ 1,000,000	\$
Complete Product Services, Inc.+		
8.000%, 12/15/16.....	780,000	
Copano Energy LLC		
8.125%, 03/01/16.....	935,000	
Encore Acquisition Company		
7.250%, 12/01/17.....	600,000	

FINANCIAL--3.6%		
E*Trade Financial Corporation		
8.000%, 06/15/11.....	870,000	
Ford Motor Credit Company		
7.000%, 10/01/13.....	1,950,000	
General Motors Acceptance Corporation		
8.000%, 11/01/31.....	1,590,000	
Labranche & Company, Inc.		
11.000%, 05/15/12.....	1,260,000	

HEALTHCARE--2.3%		
Bio-Rad Laboratories, Inc.		
7.500%, 08/15/13.....	500,000	
Hanger Orthopedic Group		
10.250%, 06/01/14.....	1,000,000	
Iasis Healthcare Corporation		
8.750%, 06/15/14.....	1,000,000	
Universal Hospital Services		
10.125%, 11/01/11.....	995,000	

INDUSTRIALS--10.2%		
Allied Waste North America		
7.250%, 03/15/15.....	1,165,000	
Aramark Corporation+		
8.500%, 02/01/15.....	1,000,000	
Blount, Inc.		
8.875%, 08/01/12.....	750,000	
Cie Generale Geophysique		
7.750%, 05/15/17.....	1,000,000	
Crown Americas LLC		
7.750%, 11/15/15.....	1,020,000	
Georgia-Pacific Corporation+		
7.125%, 01/15/17.....	100,000	
Gibraltar Industries, Inc.		
8.000%, 12/01/15.....	1,340,000	
Hughes Network Systems		
9.500%, 04/15/14.....	855,000	
Ineos Group Holdings+		
8.500%, 02/15/16.....	520,000	
Lear Corporation		
8.750%, 12/01/16.....	585,000	
Momentive Performance+		
9.750%, 12/01/14.....	1,000,000	
Nalco Company		
7.750%, 11/15/11.....	1,050,000	
Opti Canada, Inc.+		

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

8.250%, 12/15/14.....	500,000
P H Glatfelter+	
7.125%, 05/01/16.....	680,000

4

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	M
CORPORATE NOTES/BONDS (CONTINUED)		
INDUSTRIALS--(CONTINUED)		
Quebecor World Capital Corporation+		
8.750%, 03/15/16.....	\$ 975,000	\$
Superior Essex Communications LLC		
9.000%, 04/15/12.....	1,450,000	
Tronox Worldwide Finance Corporation		
9.500%, 12/01/12.....	1,285,000	
Wimar Opco LLC+		
9.625%, 12/15/14.....	900,000	
REAL ESTATE--0.8%		
Geo Group, Inc.		
8.250%, 07/15/13.....	1,340,000	
TECHNOLOGY--0.6%		
Freescall Semiconductor, Inc.+		
10.125%, 12/15/16.....	975,000	
TELECOMMUNICATIONS--3.5%		
Albritton Communications Company		
7.750%, 12/15/12.....	1,315,000	
Cincinnati Bell, Inc.		
8.375%, 01/15/14.....	960,000	
CSC Holdings, Inc.		
7.875%, 02/15/18.....	785,000	
Intelsat Holdings Company		
8.625%, 01/15/15.....	1,155,000	
Mediacom Broadband LLC		
8.500%, 10/15/15.....	500,000	
Mediacom Broadband LLC+		
8.500%, 10/15/15.....	750,000	
TRANSPORTATION--0.6%		
Ship Finance International Limited		
8.500%, 12/15/13.....	1,000,000	

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

UTILITIES--1.0%	
Alion Science+	
10.250%, 02/01/15.....	1,000,000
NRG Energy, Inc.	
7.375%, 02/01/16.....	625,000

TOTAL CORPORATE NOTES/BONDS (COST \$61,651,646).....

NUMBER OF
SHARES

CONVERTIBLE PREFERRED STOCK--2.5%

FINANCIAL--2.5%	
ACE Limited, 7.800%.....	26,025
Merrill Lynch & Company, RIG CAP APP Notes Transocean, 11.000% (a).....	27,148
Metlife, Inc., 6.375%.....	25,000
XL Capital Limited, 6.500%.....	10,000
XL Capital Limited, 7.000%.....	13,859

TOTAL CONVERTIBLE PREFERRED STOCKS (COST \$3,884,764).....

5

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY

SCHEDULE OF INVESTMENTS (Unaudited)

PREFERRED STOCK--0.9%	
FINANCIAL--0.9%	
Felcor Lodging Trust, Inc.....	40,000
TransCanada Corporation.....	14,905

TOTAL PREFERRED STOCK (COST \$1,381,501).....

CASH EQUIVALENT(b)--4.5%

SEI Daily Income Trust, Prime Obligations Fund, Class A Shares, 5.320%.....	5,053,341
SEI Daily Income Trust, Treasury Fund, Class A Shares, 5.230%.....	2,305,689

TOTAL CASH EQUIVALENT (COST \$7,359,030).....

TOTAL INVESTMENTS--136.8%

(COST \$210,743,959)**.....

22

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

	WRITTEN CONTRACTS	

COVERED CALL OPTIONS WRITTEN--(0.1)%		
Alliancebernstein Holding, Expires: 03/16/07, Strike Price: \$95.....	(150)	\$
Allied Capital Corporation, Expires: 03/16/07, Strike Price: \$30.....	(449)	
Bank of America Corporation, Expires: 03/16/07, Strike Price: \$53.....	(200)	
Diamond Offshore Drill, Expires: 03/16/07, Strike Price: \$85.....	(400)	
Halliburton Company, Expires: 03/16/07, Strike Price: \$33.....	(400)	
Marathon Oil Corporation, Expires: 03/16/07, Strike Price: \$90.....	(64)	
Regal Entertainment Group, Expires: 03/16/07, Strike Price: \$23.....	(500)	
Reynolds American Inc., Expires: 04/20/07, Strike Price: \$65.....	(200)	
Sunoco, Inc., Expires: 03/16/07, Strike Price: \$65.....	(300)	
Wachovia Corporation, Expires: 03/16/2007, Strike Price: \$58.....	(400)	
Washington Mutual, Inc., Expires: 03/16/07, Strike Price: \$45.....	(500)	

TOTAL COVERED CALL OPTIONS WRITTEN (PREMIUM RECEIVED \$243,446).....		

OTHER LIABILITIES IN EXCESS OF ASSETS--(36.7)%.....		(6)

NET ASSETS--100.0%.....		\$ 16
		=====

* Non Income Producing Security.

** At February 28, 2007, the tax basis cost of the Fund's investments was \$210,743,959, and the unrealized appreciation and depreciation were \$18,152,268 and \$(4,572,361), respectively.

++ As of February 28, 2007, \$55,000,000 of commercial paper was outstanding with an amortized cost of \$54,628,603. The average discount rate of commercial paper outstanding at February 28, 2007, was 5.37%. The average daily balance of commercial paper outstanding for the quarter ended February 28, 2007 was \$54,642,120 at a weighted average discount rate of 5.37%. The maximum face amount of commercial paper outstanding at any time during the quarter ended February 28, 2007, 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, 2007.

+ 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, 2007, these securities amounted to \$32,094,238 or 19.6% of net assets.

(a) Securities considered illiquid. The total value of such securities as of February 28, 2007 was \$19,566,829 and 11.9% of net assets.

(b) Rate shown is the 7-day effective yield as of February 28, 2007.

(c) Securities are considered Master Limited Partnerships. At

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

February 28, 2007, these securities amounted to \$23,374,952 or 14.3% of net assets.

LLC Limited Liability Company

6

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2007

SCHEDULE OF INVESTMENTS (Unaudited)

LP Limited Partnership

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.

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

7

CHARTWELL

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

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

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 17, 2007

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 17, 2007

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

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

Date April 17, 2007

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