

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-Q
October 26, 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

DATE OF REPORTING PERIOD: AUGUST 31, 2005

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND AND INCOME FUND INC.
SCHEDULE OF INVESTMENTS (Unaudited)

AUGUST

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

	NUMBER OF SHARES	M V
	-----	-----
COMMON STOCK--74.4%		
BANKS--12.6%		
AmSouth Bancorporation.....	46,760	\$
Bank of America Corporation.....	242,000	1
Citigroup, Inc.....	50,000	
New York Community Bancorp, Inc.....	100,000	
U.S. Bancorp.....	100,000	

		1

BASIC INDUSTRY--3.1%		
Dow Chemical Company.....	30,000	
Packaging Corporation of America.....	50,000	
Reddy Ice Holdings, Inc.....	59,280	
Weyerhaeuser Company.....	12,900	

CONSUMER CYCLICAL--2.3%		
Coinmach Corporation.....	245,000	

CONSUMER STAPLES--11.6%		
Altria Group, Inc.....	132,950	
B&G Foods, Inc.....	34,300	
Loews Corporation - Carolina Group.....	128,225	
Regal Entertainment Group, Class A.....	110,000	

		1

ENERGY--9.5%		
Baker Hughes, Inc.....	30,000	
Chevron Corporation.....	30,000	
ConocoPhillips.....	75,000	
Exxon Mobil Corporation.....	20,000	
Halliburton Company.....	800	
Schlumberger Limited.....	30,000	
Sunoco Logistics Partners LP.....	40,000	

		1

FINANCIAL--8.9%		
Alliance Capital Management Holdings LP.....	100,000	
Hartford Financial Services Group, Inc.....	39,200	
Montpelier Re Holdings Limited.....	80,000	
People's Choice Europe Limited+.....	35,000	
Washington Mutual, Inc.....	67,700	

		1

INDUSTRIAL--1.4%		
Arlington Tankers Limited.....	42,100	
Teekay LNG Partners LP.....	35,000	

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

REAL ESTATE--11.6%	
Boston Properties, Inc.....	30,000
BRE Properties, Class A.....	19,500
CarrAmerica Realty Corporation.....	32,600
Deerfield Triarc Capital Corporation.....	50,000
Duke Realty Corporation.....	80,320
HomeBanc Corporation.....	225,000

1

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES/PRINCIPAL AMOUNT	
	-----	-----
COMMON STOCK (CONTINUED)		
REAL ESTATE (CONTINUED)		
iStar Financial, Inc.....	50,000	\$
Mack-Cali Realty Corporation.....	27,682	
New Century Financial Corporation.....	40,000	
Reckson Associates Realty Corporation.....	80,000	
	-----	1

TELECOMMUNICATIONS--7.6%		
Alaska Communications Systems Group, Inc.....	175,000	
BellSouth Corporation.....	100,000	
Citizens Communications Company.....	350,000	
Consolidated Communications Holdings, Inc.....	50,000	
Fairpoint Communications, Inc.....	75,000	
	-----	1

TRANSPORTATION--1.7%		
Aries Maritime Transport Limited.....	50,000	
K-Sea Transportation Partners LP.....	10,000	
Seaspan Corporation.....	43,400	
Transmontaigne Partners LP.....	15,000	
	-----	1

UTILITIES--4.1%		
AmeriGas Partners LP.....	15,200	
Duquesne Light Holdings, Inc.....	30,000	
Kinder Morgan Energy Partners LP.....	45,000	

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

Northern Border Partners LP.....	26,600
TEPPCO Partners LP.....	34,800

TOTAL COMMON STOCK (COST \$96,339,124) 10

CORPORATE NOTES/BONDS--48.0%

BASIC INDUSTRY--8.5%

Buhrmann US, Inc.	
8.250%, 07/01/14.....	\$ 850,000
Commercial Vehicle Group+	
8.000%, 07/01/13.....	755,000
Domtar, Inc.	
7.125%, 08/15/15.....	500,000
Georgia-Pacific Corporation	
7.700%, 06/15/15.....	500,000
Goodman Global Holdings Company, Inc.+	
7.875%, 12/15/12.....	1,100,000
K. Hovnanian Enterprises	
6.500%, 01/15/14.....	500,000
Koppers Industries	
9.875%, 10/15/13.....	1,560,000
Lamar Media Corporation+	
6.625%, 08/15/15.....	900,000
Nortek, Inc.	
8.500%, 09/01/14.....	1,085,000

2

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

PRINCIPAL
AMOUNT

CORPORATE NOTES/BONDS (CONTINUED)

BASIC INDUSTRY (CONTINUED)

Ply Gem Industries, Inc.	
9.000%, 02/15/12.....	\$ 855,000
Sensus Metering Systems, Inc.	
8.625%, 12/15/13.....	700,000
Tenneco Automotive, Inc.	
8.625%, 11/15/14.....	800,000
United Agri Products	
8.250%, 12/15/11.....	651,000
Vertis, Inc., Series B	
10.875%, 06/15/09.....	500,000

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

Williams Scotsman, Inc.		
9.875%, 06/01/07.....	875,000	-----
		1

CAPITAL GOODS--2.5%		
Allied Waste North America, Series B		
8.500%, 12/01/08.....	935,000	
H&E Equipment Finance		
11.125%, 06/15/12.....	970,000	
Norcross Safety Products LLC, Series B		
9.875%, 08/15/11.....	850,000	
Propex Frabrics, Inc.		
10.000%, 12/01/12.....	600,000	-----

CONSUMER CYCLICAL--4.2%		
Allied Security Escrow		
11.375%, 07/15/11.....	1,020,000	
Cenveo, Inc.		
9.625%, 03/15/12.....	1,200,000	
Coinmach Corporation		
9.000%, 02/01/10.....	1,110,000	
LCE Acquisition Corporation+		
9.000%, 08/01/14.....	1,255,000	
Norcraft Companies		
9.000%, 11/01/11.....	570,000	
Sonic Automotive, Inc., Series B		
8.625%, 08/15/13.....	865,000	-----

CONSUMER STAPLES--5.7%		
American Seafood Group LLC		
10.125%, 04/15/10.....	1,005,000	
Brown Shoe Company, Inc.		
8.750%, 05/01/12.....	800,000	
Chiquita Brands International, Inc.		
7.500%, 11/01/14.....	950,000	
Jean Countu Group (PJC), Inc.		
8.500%, 08/01/14.....	1,225,000	
MTR Gaming Group, Inc., Series B		
9.750%, 04/01/10.....	520,000	
Solo Cup Company		
8.500%, 02/15/14.....	1,100,000	
Starwood Hotels & Resorts		
7.375%, 11/15/15.....	960,000	
Stater Brothers Holdings		
8.125%, 06/15/12.....	715,000	

3

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

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

	PRINCIPAL AMOUNT	M V
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
CONSUMER STAPLES (CONTINUED)		
WH Holdings Limited		
9.500%, 04/01/11.....	\$ 294,000	\$
Wynn Las Vegas, LLC		
6.625%, 12/01/14.....	500,000	
ENERGY--2.5%		
Bluewater Finance Limited		
10.250%, 02/15/12.....	1,000,000	
Chesapeake Energy Corporation+		
6.250%, 01/15/18.....	500,000	
Kerr-McGee Corporation		
7.000%, 11/01/11.....	1,010,000	
Reliant Energy, Inc.		
6.750%, 12/15/14.....	500,000	
Whiting Petroleum Corporation		
7.250%, 05/01/13.....	600,000	
FINANCIAL--2.4%		
E*Trade Financial Corporation		
8.000%, 06/15/11.....	870,000	
Labranche & Company, Inc.		
11.000%, 05/15/12.....	1,160,000	
Western Financial		
9.625%, 05/15/12.....	1,120,000	
HEALTHCARE--2.5%		
HCA, Inc.		
5.750%, 03/15/14.....	910,000	
Iasis Healthcare Corporation		
8.750%, 06/15/14.....	1,005,000	
Mylan Laboratories, Inc.+		
6.375%, 08/15/15.....	500,000	
Town Sports International		
9.625%, 04/15/11.....	1,100,000	
INDUSTRIAL--5.0%		
Ainsworth Lumber		
7.250%, 10/01/12.....	665,000	
Douglas Dynamics, LLC+		
7.750%, 01/15/12.....	610,000	
Freeport-McMoRan Copper & Gold, Inc.		
10.125%, 02/01/10.....	1,010,000	
General Cable Corporation		
9.500%, 11/15/10.....	420,000	
INVISTA+		
9.250%, 05/01/12.....	1,690,000	

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

L-3 Communications Corporation+	
6.375%, 10/15/15.....	500,000
Noble Group Limited+	
6.625%, 03/17/15.....	900,000
Rayovac Corporation	
8.500%, 10/01/13.....	395,000

4

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	M V
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
INDUSTRIAL (CONTINUED)		
Superior Essex Communications, LLC		
9.000%, 04/15/12.....	\$ 900,000	\$ -----
REAL ESTATE--4.0%		
Aztar Corporation		
7.875%, 06/15/14.....	880,000	-----
Geo Group, Inc.		
8.250%, 07/15/13.....	1,120,000	-----
Intrawest Corporation		
7.500%, 10/15/13.....	890,000	-----
La Quinta Properties		
8.875%, 03/15/11.....	1,430,000	-----
Tech Olympic USA, Inc.		
9.000%, 07/01/10.....	1,320,000	-----
TELECOMMUNICATIONS--7.0%		
Albritton Communications Company		
7.750%, 12/15/12.....	990,000	-----
Cablevision Systems Corporation		
8.000%, 04/15/12.....	670,000	-----
Charter Communications Operating, LLC+		
8.000%, 04/30/12.....	900,000	-----
Cincinnati Bell, Inc.		
8.375%, 01/15/14.....	875,000	-----
Cincinnati Bell, Inc.+		
8.375%, 01/15/14.....	515,000	-----
Directv Holdings/Finance+		
6.375%, 06/15/15.....	845,000	-----
Echostar DBS Corporation		

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

6.625%, 10/01/14.....	500,000	
Intelsat Bermuda Limited+		
8.695%, 01/15/12.....	630,000	
MediaCom Broadband, LLC		
11.000%, 07/15/13.....	1,775,000	
Qwest Corporation+		
7.625%, 06/15/15.....	1,075,000	
Time Warner, Inc.		
9.750%, 07/15/08.....	1,150,000	

		1

TRANSPORTATION--0.9%		
Ship Finance International Limited		
8.500%, 12/15/13.....	1,365,000	

UTILITIES--2.8%		
AES Corporation		
9.500%, 06/01/09.....	900,000	
CE Generation, LLC		
7.416%, 12/15/18.....	668,395	
CMS Energy Corporation		
6.300%, 02/01/12.....	1,035,000	
MSW Energy Holdings		
7.375%, 09/01/10.....	130,000	
Tenaska Alabama Part+		
7.000%, 06/30/21.....	600,000	

5

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT/NUMBER OF SHARES	M V
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
UTILITIES (CONTINUED)		
TXU Corporation+		
5.550%, 11/15/14.....	\$ 500,000	\$

TOTAL CORPORATE NOTES/BONDS (COST \$69,577,229).....		7

CONVERTIBLE PREFERRED STOCK--3.3%

CONSUMER STAPLES--0.8%

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

Albertson's, Inc.....	54,400	-----
FINANCIAL--1.8%		
ACE Limited.....	26,025	
Chubb Corporation.....	10,000	
Felcor Lodging Trust, Inc.....	40,000	
Hartford Financial Services Group, Inc.....	5,000	
XL Capital Limited.....	10,000	-----
REAL ESTATE--0.7%		
LTC Properties, Inc.....	25,000	-----
TOTAL CONVERTIBLE PREFERRED STOCK (COST \$4,269,583).....		
PREFERRED STOCK--0.7%		
FINANCIAL--0.7%		
Metlife, Inc.....	25,000	
TransCanada Corporation.....	14,905	-----
TOTAL PREFERRED STOCK (COST \$1,006,501).....		
PREFERRED TERM SECURITIES (A)--7.4%		
I-Preferred Term Securities IV.....	10,000	
Preferred Term Securities IV.....	20,000	
Preferred Term Securities XIII.....	10,000	
Preferred Term Securities XIV.....	20,000	
Preferred Term Securities XV.....	20,000	
Preferred Term Securities XVI.....	10,000	
Preferred Term Securities XVII.....	6,000	
Preferred Term Securities XVIII.....	10,000	
Taberna Preferred Funding I+.....	2,500	
Taberna Preferred Funding II+.....	5	
TOTAL PREFERRED TERM SECURITIES (COST \$10,137,277).....		
CASH EQUIVALENTS--3.8%		
SEI Daily Income Trust, Prime Obligations Fund, Class A.....	1,386,312	
SEI Daily Income Trust, Treasury Fund.....	4,174,687	-----
TOTAL CASH EQUIVALENTS (COST \$5,560,999).....		
TOTAL INVESTMENTS--137.6%		
(COST \$186,890,713)*.....		20

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

CHARTWELL DIVIDEND AND INCOME FUND INC.

AUGUST

SCHEDULE OF INVESTMENTS (Unaudited)

	WRITTEN CONTRACTS	
	-----	-----
COVERED CALL OPTIONS WRITTEN--(0.3)%		
Altria Group, Inc. Oct. 75 Call.....	(200)	\$
Baker Hughes, Inc. Sept. 60 Call.....	(200)	
BellSouth Corporation Sept. 27.5 Call.....	(1,000)	
Chevron Corporation Oct. 65 Call.....	(300)	
ConocoPhillips Sept. 65 Call.....	(750)	
Dow Chemical Company Oct. 50 Call.....	(300)	
Exxon Mobil Corporation Sept. 60 Call.....	(200)	
Hartford Financial Services Group, Inc. Sept. 80 Call.....	(392)	
New Century Financial Corporation Sept. 45 Call.....	(400)	
Schulmberger Limited Aug. 80 Call.....	(300)	
Weyerhaeuser Company Sept. 65 Call.....	(129)	
	-----	-----
TOTAL COVERED CALL OPTIONS WRITTEN (PREMIUM RECEIVED \$376,350).....		

OTHER LIABILITIES IN EXCESS OF OTHER ASSETS -- (37.3)%.....		(5)

NET ASSETS -- 100.0%.....		\$ 14
		=====

* At August 31, 2005, the tax basis cost of the Fund's investments was \$186,890,713, and the unrealized appreciation and depreciation were \$18,686,200 and \$(4,168,902), respectively.

+ Security exempt from registration under Rule 144A of the Securities Act of 1933. The securities may be resold in transactions exempt from registration normally to qualified institutions. At August 31, 2005, these securities amounted to \$15,578,041 or 10.3% net assets.

++ As of August 31, 2005, \$55,000,000 of commercial paper was outstanding with an amortized cost of \$54,751,735. The average discount rate of commercial paper outstanding at August 31, 2005, was 3.57%. The average daily balance of commercial paper outstanding the quarter ended August 31, 2005, was \$54,767,970 at a weighted average discount rate of 1.92%. The maximum face amount of commercial paper outstanding at any time during the quarter ended August 31, 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 August 31, 2005.

(a) Securities are illiquid.

LLC Limited Liability Company

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 annual financial statements.

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 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

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 October 17, 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.

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

By (Signature and Title)*

/s/ Winthrop S. Jessup

Winthrop S. Jessup, President
(Principal Executive Officer)

Date October 17, 2005

By (Signature and Title)*

/s/ G. Gregory Hagar

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

Date October 17, 2005

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