

CHARTWELL DIVIDEND & INCOME FUND INC
Form N-Q
April 26, 2006

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: FEBRUARY 28, 2006

ITEM 1. SCHEDULE OF INVESTMENTS

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2006

SCHEDULE OF INVESTMENTS (Unaudited)

NUMBER OF
SHARES

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

COMMON STOCK--74.5%

BANKS--13.5%

AmSouth Bancorporation.....	46,760	\$
Bank of America Corporation.....	242,000	1
National City Corporation.....	100,000	
New York Community Bancorp, Inc.....	119,000	
U.S. Bancorp.....	66,000	

BASIC INDUSTRY--3.4%

Dow Chemical Company.....	30,000
Packaging Corporation of America.....	40,000
Reddy Ice Holdings, Inc.....	100,000
Weyerhaeuser Company.....	11,500

CONSUMER CYCLICAL--3.4%

Coinmach Corporation.....	245,000
Coinmach Corporation, Class A.....	110,000

CONSUMER STAPLES--10.4%

Altria Group, Inc.....	132,950
B&G Foods, Inc.....	34,300
Loews Corporation - Carolina Group.....	70,000
Regal Entertainment Group, Class A.....	100,000

ENERGY--6.5%

Calumet Specialty Products Partners LP.....	5,000
Chevron Corporation.....	30,000
ConocoPhillips.....	75,000
Halliburton Company.....	20,000
Linn Energy LLC(c).....	7,000
Sunoco Logistics Partners LP(c).....	40,000

FINANCIAL--11.2%

AllianceBernstein Holding LP(c).....	100,000
American Capital Strategies Limited.....	15,000
CapitalSource, Inc.....	131,995
Hartford Financial Services Group, Inc.....	39,200
People's Choice Europe Limited+.....	35,000
Technology Investment Capital Corporation.....	55,595
Washington Mutual, Inc.....	50,000

HEALTHCARE--0.4%

Bristol-Myers Squibb Company.....	25,000
-----------------------------------	--------

INDUSTRIALS--1.4%

Arlington Tankers Limited.....	42,100
Teekay LNG Partners LP(c).....	35,000

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

REAL ESTATE INVESTMENT TRUSTS--13.2%	
Boston Properties, Inc.....	30,000
BRE Properties, Class A.....	19,500
CarrAmerica Realty Corporation.....	32,600
Deerfield Triarc Capital Corporation.....	50,000

1

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2014

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES/PRINCIPAL AMOUNT	
COMMON STOCK (CONTINUED)		
REAL ESTATE INVESTMENT TRUSTS (CONTINUED)		
Duke Realty Corporation.....	80,320	\$
HomeBanc Corporation.....	300,000	
iStar Financial, Inc.....	50,000	
Mack-Cali Realty Corporation.....	27,682	
New Century Financial Corporation.....	51,200	
Reckson Associates Realty Corporation.....	80,000	
TELECOMMUNICATIONS--6.2%		
Alaska Communications Systems Group, Inc.....	175,000	
BellSouth Corporation.....	17,100	
Citizens Communications Company.....	150,000	
Consolidated Communications Holdings, Inc.....	40,000	
Fairpoint Communications, Inc.....	75,000	
Valor Communications Group, Inc.....	250,000	
TRANSPORTATION--1.4%		
Aries Maritime Transport Limited.....	50,000	
K-Sea Transportation Partners LP(c).....	10,000	
Seaspan Corporation.....	33,400	
Transmontaigne Partners LP(c).....	15,000	
UTILITIES--3.5%		
AmeriGas Partners LP(c).....	15,200	
Kinder Morgan Energy Partners LP(c).....	45,000	
Northern Border Partners LP(c).....	26,600	
TEPPCO Partners LP(c).....	34,800	

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

TOTAL COMMON STOCK (COST \$91,408,977)		11
CORPORATE NOTES/BONDS--45.9%		
BASIC INDUSTRY--7.2%		
Buhrmann US, Inc.		
8.250%, 07/01/14.....	\$ 620,000	
Commercial Vehicle Group		
8.000%, 07/01/13.....	755,000	
Goodman Global Holdings		
7.875%, 12/15/12.....	600,000	
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.....	400,000	
Nortek, Inc.		
8.500%, 09/01/14.....	585,000	
Ply Gem Industries, Inc.		
9.000%, 02/15/12.....	1,120,000	
Quebecor Media+		
7.750%, 03/15/16.....	1,060,000	
TRW Automotive, Inc.		
9.375%, 02/15/13.....	1,005,000	

2

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	
	-----	-----
CORPORATE NOTES/BONDS (CONTINUED)		
BASIC INDUSTRY (CONTINUED)		
United Agri Products		
8.250%, 12/15/11.....	\$ 651,000	\$
Vertis, Inc., Series B		
10.875%, 06/15/09.....	500,000	
Williams Scotsman, Inc.		
8.500%, 10/01/15.....	1,070,000	
CAPITAL GOODS--3.0%		
Allied Waste North America, Series B		
8.500%, 12/01/08.....	1,165,000	
Clarke American Corporation+		
11.750%, 12/15/13.....	450,000	

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

H&E Equipment Finance	
11.125%, 06/15/12.....	970,000
Norcross Safety Products LLC, Series B	
9.875%, 08/15/11.....	850,000
Trinity Industries, Inc.	
6.500%, 03/15/14.....	800,000

CONSUMER CYCLICAL--1.4%	
Allied Security Escrow	
11.375%, 07/15/11.....	515,000
Conveo, Inc.	
9.625%, 03/15/12.....	500,000
Sonic Automotive, Inc., Series B	
8.625%, 08/15/13.....	990,000

CONSUMER STAPLES--5.6%	
American Seafood Group LLC	
10.125%, 04/15/10.....	1,330,000
Brown Shoe Company, Inc.	
8.750%, 05/01/12.....	800,000
Chiquita Brands International, Inc.	
7.500%, 11/01/14.....	950,000
Crown Americas LLC+	
7.750%, 11/15/15.....	1,020,000
MGM Mirage, Inc.	
8.500%, 09/15/10.....	1,125,000
MTR Gaming Group, Inc., Series B	
9.750%, 04/01/10.....	520,000
Quicksilver, Inc.	
6.875%, 04/15/15.....	725,000
Stater Brothers Holdings	
8.125%, 06/15/12.....	715,000
Steinway Musical Instruments+	
7.000%, 03/01/14.....	830,000

ENERGY--3.7%	
Bluewater Finance Limited	
10.250%, 02/15/12.....	1,000,000
Chesapeake Energy Corporation	
7.500%, 06/15/14.....	1,000,000
Copano Energy LLC+	
8.125%, 03/01/16.....	935,000
Encore Acquisition Company	
7.250%, 12/01/17.....	825,000

3

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2

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

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT	
CORPORATE NOTES/BONDS (CONTINUED)		
ENERGY (CONTINUED)		
Transcontinental Gas Pipe Line Corporation, Class B		
7.000%, 08/15/11.....	\$ 915,000	\$
Whiting Petroleum Corporation		
7.250%, 05/01/13.....	600,000	---
FINANCIAL--5.0%		
Arch Western Finance LLC		
6.750%, 07/01/13.....	965,000	
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	
6.750%, 12/01/14.....	1,220,000	
Labranche & Company, Inc.		
11.000%, 05/15/12.....	1,160,000	---
HEALTHCARE--1.9%		
HCA, Inc.		
7.875%, 02/01/11.....	910,000	
Town Sports International		
9.625%, 04/15/11.....	1,020,000	
Universal Hospital Services		
10.125%, 11/01/11.....	745,000	---
INDUSTRIALS--5.6%		
Ainsworth Lumber		
7.250%, 10/01/12.....	665,000	
Douglas Dynamics LLC+		
7.750%, 01/15/12.....	535,000	
DRS Technologies, Inc.		
7.625%, 02/01/18.....	780,000	
Freeport-McMoRan Copper & Gold, Inc.		
10.125%, 02/01/10.....	1,010,000	
General Cable Corporation		
9.500%, 11/15/10.....	420,000	
Gibraltar Industries, Inc.+		
8.000%, 12/01/15.....	1,110,000	
Ineos Group Holdings+		
8.500%, 02/15/16.....	930,000	
INVISTA+		
9.250%, 05/01/12.....	1,315,000	
Rathgibson, Inc.+		
11.250%, 02/15/14.....	380,000	
Superior Essex Communications LLC		

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

9.000%, 04/15/12.....	900,000
REAL ESTATE--4.2%	
Aztar Corporation	
7.875%, 06/15/14.....	1,450,000
Boyd Gaming Corporation	
7.750%, 12/15/12.....	1,090,000
Geo Group, Inc.	
8.250%, 07/15/13.....	1,120,000

4

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2012

SCHEDULE OF INVESTMENTS (Unaudited)

	PRINCIPAL AMOUNT/NUMBER OF SHARES
CORPORATE NOTES/BONDS (CONTINUED)	
REAL ESTATE (CONTINUED)	
Intrawest Corporation	
7.500%, 10/15/13.....	\$ 890,000
Starwood Hotels & Resorts Worldwide, Inc.	
7.875%, 05/01/12.....	1,315,000
TELECOMMUNICATIONS--5.5%	
Albritton Communications Company	
7.750%, 12/15/12.....	990,000
Charter Communications Operating LLC+	
8.000%, 04/30/12.....	900,000
Cincinnati Bell, Inc.	
8.375%, 01/15/14.....	1,390,000
CSC Holdings, Inc.	
7.875%, 02/15/18.....	785,000
DirecTV Holdings LLC	
6.375%, 06/15/15.....	345,000
Echostar DBS Corporation	
6.625%, 10/01/14.....	520,000
L-3 Communications Corporation	
7.625%, 06/15/12.....	500,000
Qwest Corporation	
8.875%, 03/15/12.....	1,390,000
Rogers Wireless, Inc.	
7.250%, 12/15/12.....	1,060,000

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

TRANSPORTATION--0.9%	
Ship Finance International Limited	
8.500%, 12/15/13.....	1,365,000
UTILITIES--1.9%	
Amerigas Partners/Eagles Finance	
7.125%, 05/20/16.....	935,000
CE Generation LLC	
7.416%, 12/15/18.....	618,000
NRG Energy, Inc.	
7.375%, 02/01/16.....	625,000
Tenaska Alabama Part+	
7.000%, 06/30/21.....	595,971
TOTAL CORPORATE NOTES/BONDS (COST \$67,907,143).....	

CONVERTIBLE PREFERRED STOCK--2.8%	
FINANCIAL--2.8%	
ACE Limited.....	26,025
Chubb Corporation.....	10,000
Felcor Lodging Trust, Inc.....	40,000
Hartford Financial Services Group, Inc.....	5,000
LTC Properties, Inc.....	25,000
XL Capital Limited.....	23,859
TOTAL CONVERTIBLE PREFERRED STOCK (COST \$3,384,771).....	

5

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC. FEBRUARY 28, 2014

SCHEDULE OF INVESTMENTS (Unaudited)

	NUMBER OF SHARES/WRITTEN CONTRACTS	
PREFERRED STOCK--1.8%		
FINANCIAL--1.8%		
Merrill Lynch & Company, Inc.....	16,653	\$
Metlife, Inc.....	25,000	
Quanta Capital Holdings Limited.....	20,000	
TransCanada Corporation.....	14,905	
TOTAL PREFERRED STOCK (COST \$2,506,814).....		

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

PREFERRED TERM SECURITIES(A)--10.5%		
Alesco Preferred Funding IV.....	150,000	
Alesco Preferred Funding IX.....	1,000	
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	
Preferred Term Securities XV.....	2,000,000	
Preferred Term Securities XVI.....	1,000,000	
Preferred Term Securities XVII.....	600,000	
Preferred Term Securities XVIII.....	1,000,000	
Preferred Term Securities XX.....	1,000,000	
Preferred Term Securities XXI.....	1,000,000	
Preferred Term Services XIX.....	1,000,000	
Taberna Preferred Funding I+.....	250,000	
Taberna Preferred Funding II.....	500	
TOTAL PREFERRED TERM SECURITIES (COST \$15,078,530).....		1
CASH EQUIVALENT(B)--0.7%		
SEI Daily Income Trust, Treasury Fund, Class A Shares, 4.410%.....	1,049,557	
TOTAL CASH EQUIVALENT (COST \$1,049,557).....		
TOTAL INVESTMENTS--136.2%		
(COST \$181,335,792)*.....		20
COVERED CALL OPTIONS WRITTEN--(0.1)%		
Altria Group, Inc. Mar. 80.....	(129)	
BellSouth Corporation Mar. 30.....	(171)	
BRE Properties, Inc. Apr. 55.....	(195)	
Chevron Corporation Mar. 60.....	(300)	
ConocoPhillips Corporation Mar. 65.....	(750)	
Halliburton Company Mar. 72.5.....	(200)	
Hartford Financial Services Group Mar. 90.....	(392)	
National City Corporation Jul. 37.5.....	(1,000)	
New Century Financial Mar. 40.....	(262)	
New Century Financial Mar. 45.....	(250)	
Packaging Corporation of America Apr. 25.....	(30)	
Seaspan Corporation Mar. 20.....	(334)	
Washington Mutual, Inc. Apr. 45.....	(500)	
TOTAL COVERED CALL OPTIONS WRITTEN (PREMIUM RECEIVED \$330,261).....		
OTHER LIABILITIES IN EXCESS OF OTHER ASSETS -- (36.1)%.....		(
NET ASSETS -- 100.0%.....		\$14 ==

* At February 28, 2006, the tax basis cost of the Fund's investments was \$181,335,792, and the unrealized appreciation and depreciation were \$22,911,574 and \$(3,020,854), respectively.

+ 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 28, 2006, these securities amounted to \$10,752,263 or 7.3%

of net assets.

6

CHARTWELL

CHARTWELL DIVIDEND AND INCOME FUND, INC.

FEBRUARY 28, 2006

SCHEDULE OF INVESTMENTS (Unaudited)

++ As of February 28, 2006, \$55,000,000 of commercial paper was outstanding at an amortized cost of \$54,676,156. The average discount rate of commercial paper outstanding at February 28, 2006, was 4.52%. The average daily balance of commercial paper outstanding for the quarter ended February 28, 2006, was \$54,700,397 at a weighted average discount rate of 2.24%. The maximum amount of commercial paper outstanding at any time during the quarter ended February 28, 2006, was \$55,000,000. In conjunction with the issuance of 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 the arrangement during the quarter ended February 28, 2006.

(a) Securities are illiquid. At February 28, 2006, these securities amounted to \$15,538,200, or 10.5% of net assets.

(b) Rate shown is the 7-day effective yield as of February 28, 2006.

(c) Securities are considered Master Limited Partnerships. At February 28, 2006, these securities amounted to \$15,220,994 or 10.3% of net assets.

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 or annual financial statements.

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

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

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 (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the 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 attached hereto as EX-99Cert.

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 12, 2006

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 12, 2006

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

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

Date April 12, 2006

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

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