

**DIVIDEND AND INCOME FUND
ANNOUNCES SHAREHOLDER APPROVAL OF
NEW INVESTMENT MANAGEMENT AGREEMENT**

NEW YORK, NY – September 19, 2012 – Dividend and Income Fund (NYSE: DNI) (NAV: XDNIX) (the “Fund”) announced today that, at the Fund’s Special Meeting of Shareholders adjourned to September 19, 2012, shareholders voted to approve a new investment management agreement (“New Management Agreement”) between the Fund and Bexil Advisers LLC, its investment manager (“Investment Manager”).

Under the New Management Agreement and as described in the Fund’s proxy statement dated August 14, 2012, the Investment Manager will continue to provide the same services at the same management fee rate as it did under the prior investment management agreement with the Fund (the “Prior Management Agreement”). The New Management Agreement is materially identical to the Prior Management Agreement except to clarify that the Fund is responsible for the cost of certain reports and statistical data requested or approved by the Board of Trustees and the procedures for the payment of certain Fund expenses will change. Additionally, as approved by the Board of Trustees, the termination of the fee waiver agreement between the Fund and the Investment Manager became effective upon shareholder approval of the New Management Agreement.

About the Fund

The Fund is a diversified, closed end investment company. The Fund’s primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities. Investors should consider the Fund’s investment objectives, strategies, risks and expenses carefully before investing. This information, and other information concerning the Fund, can be found on file with the U.S. Securities and Exchange Commission and at www.DividendandIncomeFund.com. An investor should carefully read the Fund’s registration statement before investing.

Bexil Advisers LLC, the Fund’s investment manager, is a wholly owned subsidiary of Bexil Corporation (BXL), a holding company. To learn more about Bexil Corporation, including Rule 15c2-11 information, please visit www.bexil.com. For Fund shareholder related questions, please call 1-212-785-0400. Certain affiliates of Bexil Corporation are engaged in stock market and gold investing through investment management of equity and gold mutual funds, closed end funds, and proprietary trading.

Safe Harbor Note

This release contains certain “forward looking statements” made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Fund, which may cause the Fund’s actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this announcement, and the Fund undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state, or an exemption therefrom.

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