

## **DIVIDEND AND INCOME FUND DECLARES QUARTERLY DIVIDEND**

NEW YORK – September 1, 2011 – A quarterly dividend distribution of \$0.102 per share was declared today by [Dividend and Income Fund, Inc.](#) (NYSE: DNI) (NAV: XDNIX), payable September 30, 2011 to shareholders of record as of September 15, 2011.

The \$0.102 per share quarterly dividend distribution reflects the current managed distribution policy to provide shareholders with a relatively stable cash flow and to attempt to reduce or eliminate the Fund's market price discount to its net asset value per share. The amount of the distribution may vary depending on the net asset value per share at the time of declaration, the distribution required for the Fund to continue to qualify as a regulated investment company under the Internal Revenue Code, or a combination of both. The policy may be changed or discontinued without notice. The distributions are paid primarily from ordinary income and any net capital gains, with the balance representing return of capital.

This notice discloses information on the sources of the distribution as required by SEC Rule 19(a) of the Investment Company Act of 1940. As of the date of this press release and based on the Fund's results and estimates for the current quarter, the current distribution of \$0.102 per share would include approximately 49%, 0%, and 51% from net investment income, capital gains, and return of capital, respectively. The Fund's fixed distributions are not tied to its investment income and realized capital gains and do not represent yield or investment return.

The amounts and sources of distributions reported in this press release are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the entirety of its fiscal year and may be subject to changes based on tax regulations. In early 2012, the Fund will send a Form 1099-DIV for the calendar year concerning the tax treatment of the dividend distributions that were paid to shareholders of record during the 12 months ended December 31.

### **About the Fund**

The Fund is a closed end fund with the primary investment objective of providing its shareholders a high level of 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. Recently, the Fund's net asset value per share was \$4.24 and closing market price was \$3.88. While investment return and value will vary and shares of the Fund may subsequently be worth more or less than their original cost, this represents an opportunity for investors to purchase the Fund's shares at a discount to their underlying value.

Bexil Advisers LLC is the Fund's investment manager. Bexil Advisers LLC is a wholly owned subsidiary of Bexil Corporation (BXLC), a holding company. To learn more about Bexil Corporation, including Rule 15c2-11 information, please visit [www.bexil.com](http://www.bexil.com). For Fund stockholder related questions, please call 212-785-0400. Certain affiliates of Bexil 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 release, and the Fund undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

Contact: Thomas O’Malley  
Chief Financial Officer  
1-212-785-0400, ext. 267  
[tomalley@DividendandIncomeFund.com](mailto:tomalley@DividendandIncomeFund.com)  
[www.DividendandIncomeFund.com](http://www.DividendandIncomeFund.com)

-END-