

Dividend and Income Fund Announces Results of Rights Offering

NEW YORK, NY – September 30, 2013 – Dividend and Income Fund (NYSE: DNI) (NAV: XDNIX) (the “Fund”) is pleased to announce today the results of its non-transferable rights offering, which expired on September 27, 2013. The subscription price was determined to be \$13.62, based on a formula equal to 95% of the lower of (a) the Fund’s NAV per share or (b) the market price per share. For this purpose, the NAV per share was \$17.67, determined as of the expiration date and the market price per share was \$14.34, the average of the volume weighted average sales price of a share on the NYSE on the expiration date and the four preceding trading days.

The offering was over-subscribed. Because sufficient primary subscription shares were not available to honor all over-subscription requests, pursuant to the offering prospectus and at the discretion of its Board of Trustees, the Fund increased the number of shares subject to subscription by 25% of the primary subscription shares to cover such over-subscription requests. The available shares were allocated pro rata among those who over-subscribed based on the number of shares owned by them on the record date.

Shares will be issued promptly after completion of shareholder payments and the pro rata allocation of shares in respect of the over-subscription privilege.

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. Bexil Advisers LLC is the Fund’s investment manager.

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 www.dividendandincomefund.com, and should be read carefully before investing. This communication is not an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale is not permitted.

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.

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