

DIVIDEND AND INCOME FUND DECLARES QUARTERLY DIVIDEND

NEW YORK – September 1, 2015 – A quarterly dividend distribution of \$0.408 per share was declared today by [Dividend and Income Fund](#) (NYSE: DNI) (NAV: XDNIX), payable September 30, 2015 to shareholders of record as of September 16, 2015.

The quarterly dividend distribution reflects the Fund's current 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 policy may be changed or discontinued without notice. The distributions are paid from net investment income (including excess gains taxable as 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 \$0.408 per share would include approximately 57%, 0%, and 43% from net investment income (including excess capital gains taxed as ordinary income), capital gains, and return of capital, respectively. Net capital gains recognized in the current year are distributable as ordinary income in accordance with tax regulations so long as the Fund has a capital loss carryforward and are referred to as excess gains. If, for any distribution, the sum of previously undistributed net investment income and net realized capital gains is less than the amount of the distribution, the difference is treated as a return of capital (tax-free for a shareholder up to the amount of its tax basis in its shares of the Fund). The amount treated as a tax-free return of capital will reduce a shareholder's adjusted basis in its shares, thereby increasing the shareholder's potential gain or reducing its potential loss on the subsequent sale of those shares.

The Fund's distributions are not tied to its investment income and net realized capital gains, if any, 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 2016, the Fund intends to 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, 2015.

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 \$14.63] and closing market price was \$12.44. While investment return and value

will vary and shares of the Fund may subsequently be worth more or less than their original cost, at this time, there may be an opportunity for investors to purchase the Fund's shares at a discount to their underlying value.

To learn more about the Fund visit www.DividendandIncomeFund.com. For Fund shareholder related questions, please call 212-785-0900. Certain affiliates of the Fund are engaged in stock market and [gold investing](#) through investment management of equity and [gold mutual funds](#) and [closed end funds](#).

Cautionary Note Regarding Forward Looking Statements

This release contains certain "forward looking statements" as defined under the U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," and similar expressions identify forward looking statements, which generally are not historical in nature. Forward looking statements are subject to certain risks and uncertainties that could cause actual results to materially differ from the Fund's historical experience and its current expectations or projections indicated in any forward looking statements. These risks include, but are not limited to, equity securities risk, corporate bonds risk, credit risk, interest rate risk, leverage and borrowing risk, additional risks of certain securities in which the Fund invests, market discount from net asset value, distribution policy risk, management risk, and other risks discussed in the Fund's filings with the SEC. You should not place undue reliance on forward looking statements, which speak only as of the date they are made. The Fund undertakes no obligation to update or revise any forward looking statements made herein. There is no assurance that the Fund's investment objectives will be attained.

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