

## Dividend and Income Fund Declares September 2020 Quarterly Distribution Notification of Sources of Distribution

Statement Pursuant to Section 19(a) of the Investment Company Act of 1940

**NEW YORK, NY – September 1, 2020** – A quarterly distribution of \$0.25 per share of [Dividend and Income Fund](#) (NYSE: DNI) (NASDAQ: XDNIX) (the “Fund”) will be payable September 25, 2020 to shareholders of record as of September 15, 2020 (ex-dividend date: September 14, 2020).

Under U.S. tax rules applicable to the Fund, the amount and character of distributable income for each tax year can be finally determined only as of the end of the Fund’s tax year. However, under Section 19 of the Investment Company Act of 1940, as amended, and related Rules, the Fund may be required to indicate to shareholders the source of certain distributions to shareholders. The information provided herein does not represent information for tax reporting purposes. Earnings and profits on a tax basis may differ.

This notice discloses information on the sources of the distribution as required by Section 19(a) of the Investment Company Act of 1940, as amended. As of September 1, 2020, and based on the Fund’s results and estimates for the current quarter, the current distribution of \$0.25 per share would include approximately 22%, 0%, and 78% from net investment income, capital gains, and return of capital, respectively.

Shareholders should not draw any conclusions about the Fund’s investment performance from the amount of this distribution or from the terms of the Fund’s distribution policy.

Distributions may be paid in part or in full from net investment income, realized capital gains, and by returning capital, or a combination thereof. To the extent that the Fund has estimated that it has distributed more than its income and net realized capital gains, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund’s investment performance and should not be confused with “yield” or “income.” Additionally, a return of capital is not taxable; rather it reduces a shareholder’s tax basis in his or her shares of the Fund, thereby increasing the shareholder’s potential gain or reducing its potential loss on the subsequent sale of those shares.

The amounts and sources of distributions reported in this 19(a) Notice are only estimates based on book earnings, are likely to change over time 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.

## **THE FUND INTENDS TO SEND YOU A FORM 1099-DIV FOR THE CALENDAR YEAR THAT WILL INSTRUCT YOU HOW TO REPORT THESE DISTRIBUTIONS FOR FEDERAL INCOME TAX PURPOSES.**

This quarterly distribution reflects the Fund's current distribution policy to provide shareholders with a relatively stable cash flow per share. There is no guarantee that the Fund's current distribution policy will reduce or eliminate the Fund's market price discount to its net asset value ("NAV") per share, if any, and the Fund's trustees have no fiduciary duty to take action, or to consider taking any action, to narrow any such discount. The distribution policy may be amended, suspended, or terminated at any time without prior notice.

### **About the Fund**

The Fund is a closed end fund with the primary investment objective of seeking 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. From time to time, shares of the Fund may trade at a premium to NAV or a discount to NAV. During such periods when the Fund's NAV per share is above the market price, there may be an opportunity for investors to purchase shares of the Fund at a discount to their underlying value. The Fund's premium or discount to NAV may vary over time and shares of the Fund may subsequently be worth more or less than their original cost.

Shares of closed end funds frequently trade at a discount from their NAV. This characteristic is a risk separate and distinct from the risk that the Fund's NAV has decreased in the past, and may decrease in the future, as a result of its investment activities and other events. Neither the Investment Manager nor the Fund can predict whether shares of the Fund will trade at, below, or above NAV. The risk of holding shares of the Fund that might trade at a discount is more pronounced for investors expecting to sell their shares in a relatively short period of time after acquiring them because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. The shares of the Fund are designed primarily for long term investors and should not be considered a vehicle for trading purposes. The NAV of the Fund's shares typically will fluctuate with price changes of the Fund's portfolio securities, and these fluctuations are likely to be greater in the case of a fund which uses leverage, as the Fund may from time to time. In the event that shares of the Fund trade at a premium to NAV, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares of the Fund will not trade at a discount to NAV thereafter. The market price for the Fund is based on supply and demand which fluctuates daily based on many factors, such as economic conditions and global events, investor sentiment, and security-specific factors.

There is no assurance that the Fund's investment objectives will be attained. Past performance is no guarantee of future results. You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Fund's investment policies, management fees and other matters of interest to prospective investors may be found in its filings with the U.S. Securities and Exchange Commission, including its annual and semi-annual reports. To obtain a copy of the reports, please call us at 212-785-0900 or download them at <http://dividendandincomefund.com/literature/>. Please read the reports carefully before investing.

# DIVIDEND AND INCOME FUND

## Press Release

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# DNI

To learn more about the Fund visit [www.DividendandIncomeFund.com](http://www.DividendandIncomeFund.com). For Fund shareholder services, please call the Fund's transfer agent, American Stock Transfer & Trust Company, at 800-937-5449. Dividend and Income Fund is part of a fund complex which includes the [Midas Funds](#) and [Foxby Corp.](#)

This notice is provided for informational purposes only. This is not a prospectus, circular, or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this notice. This notice 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.

Investment products, including shares of closed end, are not federally or FDIC insured, are not deposits or obligations of, or guaranteed by, any financial institution and involve investment risk, including possible loss of principal and fluctuation in value. Consult with your tax advisor or attorney regarding specific tax issues.

### Cautionary Note Regarding Forward Looking Statements

Certain information presented in this release may contain "forward looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward looking statements include, but are not limited to, statements concerning the Fund's plans, objectives, goals, strategies, future events, future performance, or intentions, and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as "believes," "expects," "estimates," "may," "will," "should," "anticipates" or "intends," or the negative of such terms or other comparable terminology, or by discussions of strategy. All forward looking statements by the Fund 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 Fund may also make additional forward looking statements from time to time. All such subsequent forward looking statements, whether written or oral, by the Fund or on its behalf, are also expressly qualified by these cautionary statements. Investors should carefully consider the risks, uncertainties, and other factors, together with all of the other information included in the Fund's filings with the SEC, and similar information. All forward looking statements apply only as of the date made. The Fund undertakes no obligation to publicly update or revise forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

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