

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSR
January 28, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number: 811-07460

Exact name of registrant as specified in charter:
Delaware Investments® Dividend and Income Fund, Inc.

Address of principal executive offices:
2005 Market Street
Philadelphia, PA 19103

Name and address of agent for service:
David F. Connor, Esq.
2005 Market Street
Philadelphia, PA 19103

Registrant's telephone number, including area code: (800) 523-1918

Date of fiscal year end: November 30

Date of reporting period: November 30, 2010

Item 1. Reports to Stockholders

Annual Report

Delaware
Investments®
Dividend and
Income Fund, Inc.

November 30, 2010

The figures in the annual report for Delaware Investments Dividend and Income Fund, Inc. represent past results, which are not a guarantee of future results. A rise or fall in interest rates can have a significant impact on bond prices. Funds that invest in bonds can lose their value as interest rates rise.

Closed-end fund

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Unless otherwise noted, views expressed herein are current as of Nov. 30, 2010, and are subject to change.

Funds are not FDIC insured and are not guaranteed. It is possible to lose the principal amount invested.

Mutual fund advisory services are provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor. Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

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Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

December 7, 2010

Performance preview (for the year ended Nov. 30, 2010)

Delaware Investments Dividend and Income Fund, Inc. @ market price	1-year return	+25.59%
Delaware Investments Dividend and Income Fund, Inc. @ NAV	1-year return	+19.61%
Lipper Closed-end Income and Preferred Stock Funds Average @ market price	1-year return	+30.93%
Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	1-year return	+22.10%

Past performance does not guarantee future results.

For complete, annualized performance for Delaware Investments Dividend and Income Fund, Inc., please see the table on page 3.

Index performance returns do not reflect any management fees, transaction costs, or expenses. Indices are unmanaged and one cannot invest directly in an index.

Delaware Investments Dividend and Income Fund, Inc. returned +19.61% at net asset value and +25.59% at market price (both figures reflect all distributions reinvested) for the fiscal year ended Nov. 30, 2010. Complete annualized performance information for the Fund is shown in the table on page 3.

Relatively favorable market results, despite sovereign debt concerns

The S&P 500 Index, a measure of the broad stock market in the United States, experienced uneven performance during the past year. Despite its fluctuations, that index gained close to 10% for the 12-month period ended Nov. 30, 2010.

Equity-market volatility was precipitated by mounting fears about debt levels in European countries with the biggest financial challenges. The first concerns began in Greece in January 2010, as many investors became worried about the ability of the heavily indebted country to repay its financial obligations. Although the market resumed its upward momentum in early February, an even steeper decline in stock prices began in late April. The drop accelerated throughout the rest of the spring, as fears about Greece's financial situation increased and many investors began to question whether the problems could spread to other economically troubled European nations with outsized debt levels, such as Portugal, Italy, Ireland, and Spain. The European Union and International Monetary Fund eventually came to the Greek government's rescue, with a 110 billion euro (approximately \$140 billion) loan package designed to keep the government afloat while it implements a series of austerity programs.

Other factors also dampened financial markets during this time, including new economic data from the U.S. that seemed to indicate an increased potential for a stalled recovery, and the Chinese government's efforts to slow the pace of that country's fast-growing economy.

Beginning in early summer 2010, equities bounced back, enjoying strong gains between early July and early November, as fears about a return to recession in the U.S. eased and confidence in the strength of European banks grew. In the final month of the Fund's fiscal year, however, financial markets encountered renewed difficulties, with Ireland's government appearing to be on the brink of bankruptcy (source: Bloomberg). European monetary policy makers implemented emergency rescue measures in an effort to stave off the spread of this "contagion" to other challenged economies in the region.

Fixed income assets saw a generally positive backdrop during the fiscal year. Bonds were a key beneficiary of the Federal Reserve's efforts to stimulate economic growth by keeping interest rates down. The Fed sought to accomplish this goal through several rounds of quantitative easing, in which the U.S. central bank bought back debt securities in an attempt to generally drive down yields providing more economic stimulus, through lowered cost of credit.

Real estate investment trusts (REITs) also experienced a highly supportive environment during the annual period as credit was widely available and grew less expensive as the year went on. REITs often finance new investment and development projects through debt, and when credit is affordable, it can provide issuing companies such as REITs with increased financial flexibility. REITs rose more than 30% during the 12-month period ended Nov. 30, 2010, as measured by the FTSE NAREIT Equity REITs Index.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2010, and are subject to change.

Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

Meanwhile, low interest rates led to healthy results from high yield bonds, as many investors seemed willing to take on additional credit risk in exchange for higher levels of income. As such, credit spreads narrowed throughout most of the period, extending a trend of the past several years. Credit spreads are the differences between yields of Treasury bonds and riskier securities of varying credit qualities, and they provide a measure of the market's outlook for riskier assets. The narrowing of credit spreads can generally be taken to signal a more normalized market environment. (Source: Barclays Capital.)

Fund positioning: An emphasis on credit

The Fund's primary investment objective is to seek high current income, with a secondary objective of capital appreciation. In managing the Fund, we pursue these goals by investing broadly in a range of income-generating securities. These include "core" fixed income holdings (such as Treasury and agency securities), as well as investment grade and high yield corporate bonds, convertible bonds, REITs, and large-cap value stocks.

With several notable exceptions, the Fund's positioning remained relatively stable throughout the fiscal year. As the Fund's fiscal year began, the Fund had a modest overweighting in credit-oriented investments. Credit exposure is most obvious in the fixed income asset class, but it also runs through a variety of other asset classes, including convertible bonds and REITs.

For much of the Fund's fiscal year, we felt that credit-oriented investments had good total-return characteristics, and emphasized high yield bonds in particular. At the end of the Fund's fiscal year, high yield bonds were the Fund's largest asset-class weighting at roughly 45% of the portfolio, up from 35% a year earlier. The increased allocation resulted partially from market movements, but also reflected additional investments in the asset class. We favored these securities for their attractive yields and because we felt that high yield bonds could be supported by increasingly favorable economic conditions. To a lesser extent, we looked to REITs because of their credit-sensitive nature. Over time, however, as REITs gained in value and as we anticipated less-favorable credit costs going forward, we were more cautious about adding to our holdings in the asset class.

At the same time, we generally maintained sizable positions in investments nearer the top of issuers' capital structures. In light of macroeconomic risks such as sovereign debt troubles in Europe and the potential for higher interest rates down the road, we felt it would be prudent to own defensive income-oriented investments that would likely be among the first to be paid back if the issuers encountered financial problems. This approach enabled us to still capture relatively attractive yields while maintaining what we believed to be greater downside protection by avoiding lower-credit-rated securities.

Our emphasis on credit was helpful for the Fund's performance until late in its fiscal year. When the Fed announced its second round of quantitative easing in October 2010, equity investors generally became more optimistic, and equities began outperforming (source: Bloomberg). The Fund had less exposure to stocks than to high yield and other more credit-sensitive investments. In hindsight, our decision to maintain an overweight position in high yield was too defensive and did not allow the Fund to take full advantage of the equity market rally.

A recent shift toward equities

As the Fund's fiscal year came to a close, we were gradually seeing more investment opportunities in stocks, so we began to shift the Fund's portfolio holdings in this direction. In our opinion, the U.S. economy appears to be slowly expanding, and credit-oriented securities, following a long run upward, have started to give back some of their gains. In this environment, we began favoring shares of large-cap companies with good cash flow and lower debt levels, because they are less credit sensitive and we believe they could benefit from an improving economy.

Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Please obtain the performance data for the most recent month end by calling 800 523-1918.

Fund performance

Average annual total returns

through Nov. 30, 2010	1 year	5 years	10 years	Lifetime
At market price	+25.59%	+1.85%	+6.46%	+6.96%
At net asset value	+19.61%	+2.01%	+6.89%	+7.46%

Instances of high double-digit returns are unusual, cannot be sustained, and were primarily achieved during favorable market conditions.

Diversification may not protect against market risk.

Fixed income securities and bond funds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

The Fund may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the Fund may be prepaid prior to maturity, potentially forcing the Fund to reinvest that money at a lower interest rate.

High yielding, noninvestment grade bonds (junk bonds) involve higher risk than investment grade bonds.

The Fund may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that an underlying security or securities index moves in the opposite direction from what the portfolio manager anticipated. A derivative transaction depends upon the counterparties' ability to fulfill their contractual obligations.

Narrowly focused investments may exhibit higher volatility than investments in multiple industry sectors. REIT investments are subject to many of the risks associated with direct real estate ownership, including changes in economic conditions, credit risk, and interest rate fluctuations.

The Fund borrows through a line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's net asset value could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to leverage.

The "Fund performance" table and the "Performance of a \$10,000 investment" graph do not reflect the deduction of taxes the shareholder would pay on Fund distributions or redemptions of Fund shares.

Returns reflect the reinvestment of all distributions. Dividends and distributions, if any, are assumed, for the purpose of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment policy. Shares of the Fund were initially offered with a sales charge of 6%. Performance since inception does not include the sales charge or any other brokerage commission for purchases made since inception. Past performance is not a guarantee of future results.

Fund basics

As of Nov. 30, 2010

Fund objectives

The Fund seeks to achieve high current income. Capital appreciation is a secondary objective.

Total Fund net assets

\$72 million

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Number of holdings

386

Fund start date

March 26, 1993

NYSE symbol

DDF

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Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

Market price versus net asset value (see notes below)

Nov. 30, 2009, through Nov. 30, 2010

	Starting value (Nov. 30, 2009)	Ending value (Nov. 30, 2010)
— Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$7.04	\$7.68
— Delaware Investments Dividend and Income Fund, Inc. @ Market Price	\$6.60	\$7.56

Past performance is not a guarantee of future results.

Performance of a \$10,000 Investment

Average annual total returns from Nov. 30, 2000, through Nov. 30, 2010

	Starting value (Nov. 30, 2000)	Ending value (Nov. 30, 2010)
— Delaware Investments Dividend and Income Fund, Inc. @ NAV	\$10,000	\$19,464
—		
— Delaware Investments Dividend and Income Fund, Inc. @ Market price	\$10,000	\$18,733
— Lipper Closed-end Income and Preferred Stock Funds Average @ Market price	\$10,000	\$18,620
— Lipper Closed-end Income and Preferred Stock Funds Average @ NAV	\$10,000	\$15,937
—		

The chart assumes \$10,000 invested in the Fund on Nov. 30, 2000, and includes the reinvestment of all distributions at market value. The chart assumes \$10,000 in the Lipper Closed-end Income and Preferred Stock Funds Average at market price and at NAV. Performance of the Fund and the Lipper class at market value is based on market performance during the period. Performance of the Fund and Lipper class at NAV is based on the fluctuations in NAV during the period. Delaware Investments Dividend and Income Fund, Inc. was initially offered with a sales charge of 6%. Performance shown in both charts above does not include fees, the initial sales charge, or any brokerage commissions for purchases. Investments in the Fund are not available at NAV.

The Lipper Closed-end Income and Preferred Stock Funds Average represents the average return of closed-end income and preferred stock mutual funds tracked by Lipper (source: Lipper).

The FTSE NAREIT Equity REITs Index, mentioned on page 1, measures the performance of all publicly traded real estate investment trusts traded on U.S. exchanges.

Market price is the price an investor would pay for shares of the Fund on the secondary market. NAV is the total value of one fund share, generally equal to a fund's net assets divided by the number of shares outstanding.

Past performance is not a guarantee of future results.

Security type and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

As of November 30, 2010

Sector designations may be different than the sector designations presented in other Fund materials. The sector designations may represent the investment manager's internal sector classifications, which may result in the sector designations for one fund being different than another fund's sector designations.

Security Type	Percentage of Net Assets
Common Stock	67.25%
Consumer Discretionary	3.00%
Consumer Staples	7.44%
Diversified REITs	1.23%
Energy	8.38%
Financials	7.54%
Healthcare	9.24%
Healthcare REITs	2.88%
Hotel REITs	0.61%
Industrial REITs	0.05%
Industrials	3.06%
Information Technology	5.86%
Mall REITs	2.36%
Materials	1.55%
Mortgage REITs	0.41%
Multifamily REITs	2.02%
Office REITs	0.69%
Office/Industrial REITs	0.75%
Real Estate Operating REITs	0.44%
Self-Storage REIT	0.69%
Shopping Center REITs	0.87%
Single Tenant REIT	0.24%
Specialty REITs	0.74%
Telecommunications	3.80%
Utilities	3.40%
Convertible Preferred Stock	2.14%
Convertible Bonds	12.67%
Aerospace & Defense	0.47%
Auto Parts & Equipment	0.33%
Banking, Finance & Insurance	0.51%
Basic Materials	1.42%
Cable, Media & Publishing	0.55%
Computers & Technology	2.89%
Energy	0.49%
Healthcare & Pharmaceuticals	1.98%
Leisure, Lodging & Entertainment	0.56%
Real Estate	0.39%
Retail	0.24%
Telecommunications	2.12%
Transportation	0.25%
Utilities	0.47%
Corporate Bonds	43.35%
Banking	0.70%
Basic Industry	4.27%
Brokerage	0.45%
Capital Goods	3.27%
Consumer Cyclical	5.52%
Consumer Non-Cyclical	3.67%
Energy	4.54%
Finance & Investments	2.33%
Media	3.43%
Real Estate	0.23%

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Services Cyclical	5.10%
Services Non-Cyclical	2.13%
Technology & Electronics	1.37%
Telecommunications	5.15%
Utilities	1.19%
Senior Secured Loans	1.23%
Limited Partnership	0.22%
Preferred Stock	0.52%
Warrants	0.00%
Discount Note	0.42%
Securities Lending Collateral	15.29%
Total Value of Securities	143.09%
Obligation to Return Securities Lending Collateral	(15.51%)
Borrowing Under Line of Credit	(27.91%)
Receivables and Other Assets Net of Liabilities	0.33%
Total Net Assets	100.00%

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Security type and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

Holdings are for informational purposes only and are subject to change at any time. They are not a recommendation to buy, sell, or hold any security.

Top 10 Equity Holdings	Percentage of Net Assets
National Oilwell Varco	2.12%
Cardinal Health	1.63%
ConocoPhillips	1.62%
International Business Machines	1.60%
Chevron	1.59%
Verizon Communications	1.58%
Baxter International	1.58%
Progress Energy	1.57%
Comcast Class A	1.57%
Travelers	1.56%

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Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.
November 30, 2010

	Number of Shares	Value
Common Stock – 67.25%		
Consumer Discretionary – 3.00%		
= †Avado Brands	1,390	\$ 0
Comcast Class A	56,900	1,138,000
†DIRECTV Class A	1,550	64,372
Lowe's	42,800	971,560
		2,173,932
Consumer Staples – 7.44%		
Archer-Daniels-Midland	34,700	1,005,953
CVS Caremark	36,300	1,125,300
Kimberly-Clark	17,100	1,058,319
Kraft Foods Class A	37,000	1,119,250
*Safeway	47,100	1,082,829
		5,391,651
Diversified REITs – 1.23%		
*DuPont Fabros Technology	3,400	76,806
*Investors Real Estate Trust	10,300	91,155
Lexington Realty Trust	12,900	101,265
Vornado Realty Trust	7,665	625,311
		894,537
Energy – 8.38%		
Chevron	14,200	1,149,774
ConocoPhillips	19,500	1,173,315
Marathon Oil	32,500	1,087,775
National Oilwell Varco	25,100	1,538,378
Williams	49,200	1,122,252
		6,071,494
Financials – 7.54%		
Allstate	36,600	1,065,426
Bank of New York Mellon	38,300	1,033,717
*Fifth Street Finance	34,041	392,493
Marsh & McLennan	44,600	1,118,568
Solar Capital	30,561	717,572
Travelers	21,000	1,133,790
		5,461,566
Healthcare – 9.24%		
*†Alliance HealthCare Services	7,323	27,461
Baxter International	23,600	1,145,780
Cardinal Health	33,200	1,181,255
Johnson & Johnson	17,900	1,101,745
Merck	29,800	1,027,206

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	†Mylan	1	20
	Pfizer	69,189	1,127,089
	Quest Diagnostics	22,000	1,085,040
			6,695,596
Healthcare REITs – 2.88%			
	Cogdell Spencer	16,800	96,096
	*HCP	15,650	515,355
	*Health Care REIT	9,060	419,297
	LTC Properties	3,300	89,067
	Nationwide Health Properties	8,800	317,240
	*Omega Healthcare Investors	7,900	166,769
	*Ventas	9,375	480,656
			2,084,480
Hotel REITs – 0.61%			
	DiamondRock Hospitality	12,800	134,784
	Host Hotels & Resorts	18,688	307,978
			442,762
Industrial REITs – 0.05%			
	AMB Property	1,280	37,350
			37,350
Industrials – 3.06%			
	†Delta Air Lines	19	260
	†Flextronics International	4,400	31,900
	*†Mobile Mini	1,651	29,834
	Northrop Grumman	17,200	1,060,896
	= †PT Holdings	350	4
	*Waste Management	31,900	1,092,574
			2,215,468
Information Technology – 5.86%			
	Intel	47,800	1,009,536
	International Business Machines	8,200	1,159,972
	†Motorola	127,000	972,820
	Xerox	96,600	1,107,036
			4,249,364
Mall REITs – 2.36%			
	General Growth Properties	15,106	244,566
	*Macerich	5,026	232,905
	Simon Property Group	11,347	1,117,679
	*Taubman Centers	2,400	116,472
			1,711,622
Materials – 1.55%			
	duPont (E.I.) deNemours	24,000	1,127,760
			1,127,760
Mortgage REITs – 0.41%			
	Chimera Investment	23,800	95,200
	Cypress Sharpridge Investments	14,800	202,020
			297,220
Multifamily REITs – 2.02%			
	Apartment Investment & Management	7,968	192,188
	Associated Estates Realty	7,200	107,640

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*BRE Properties	4,600	198,122
*Camden Property Trust	3,450	176,192
†Campus Crest Communities	36,600	461,526
*Equity Residential	6,600	329,868
		1,465,536
Office REITs – 0.69%		
*Boston Properties	3,000	251,400
Brandywine Realty Trust	11,500	127,190
*Government Properties Income Trust	4,800	123,120
		501,710
Office/Industrial REITs – 0.75%		
*Digital Realty Trust	8,750	459,550
Liberty Property Trust	2,700	84,618
		544,168

(continues) 7

Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.

	Number of Shares	Value
Common Stock (continued)		
Real Estate Operating REITs – 0.44%		
†Howard Hughes	1	\$ 41
*Starwood Property Trust	16,000	319,360
		319,401
Self-Storage REIT – 0.69%		
Public Storage	5,150	497,490
		497,490
Shopping Center REITs – 0.87%		
*Federal Realty Investment Trust	300	23,217
*Kimco Realty	20,430	340,364
Ramco-Gershenson Properties Trust	15,600	179,400
*Weingarten Realty Investors	3,600	85,320
		628,301
Single Tenant REIT – 0.24%		
*National Retail Properties	6,700	174,267
		174,267
Specialty REITs – 0.74%		
*Entertainment Properties Trust	2,920	135,196
*Plum Creek Timber	6,885	248,135
Potlatch	4,825	152,856
		536,187
Telecommunications – 3.80%		
AT&T	39,600	1,100,484
=†Century Communications	500,000	0
*France Telecom ADR	6,000	122,460
*Frontier Communications	40,000	364,000
†GeoEye	550	21,923
Verizon Communications	35,800	1,145,958
		2,754,825
Utilities – 3.40%		
American Water Works	4,300	105,393
Edison International	30,300	1,119,282
†Mirant	189	1,875
NorthWestern	3,300	95,073
Progress Energy	26,100	1,140,309
		2,461,932
Total Common Stock (cost \$47,825,810)		48,738,619
Convertible Preferred Stock – 2.14%		
Banking, Finance & Insurance – 0.83%		
Aspen Insurance Holdings		5.625%

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exercise price \$29.28, expiration date 12/31/49	8,800	485,651
Citigroup 7.50% exercise price \$3.94, expiration date 12/15/12	900	112,500
@†Fannie Mae 8.75% exercise price \$32.45, expiration date 5/13/11	3,500	1,575
		599,726
Consumer Discretionary – 0.01%		
*General Motors 4.75% exercise price \$39.60, expiration date 12/1/13	109	5,526
		5,526
Energy – 0.71%		
*†Apache 6.00% exercise price \$109.12, expiration 8/1/13	1,300	78,845
El Paso Energy Capital Trust I 4.75% exercise price \$41.59, expiration date 3/31/28	5,250	205,538
SandRidge Energy 8.50% exercise price \$8.01, expiration date 12/31/49	2,305	228,056
		512,439
Healthcare & Pharmaceuticals – 0.22%		
HealthSouth 6.50% exercise price \$30.50, expiration date 12/31/49	180	163,170
		163,170
Telecommunications – 0.37%		
Lucent Technologies Capital Trust I 7.75% exercise price \$24.80, expiration date 3/15/17	305	266,875
		266,875
Total Convertible Preferred Stock (cost \$1,651,732)		
		1,547,736

Principal
Amount

Convertible Bonds – 12.67%		
Aerospace & Defense – 0.47%		
AAR 1.75% exercise price \$29.43, expiration date 1/1/26	\$ 66,000	69,465
#144A 1.75% exercise price \$29.43, expiration date 1/1/26	260,000	273,650
		343,115
Auto Parts & Equipment – 0.33%		
ArvinMeritor 4.00% exercise price \$26.73, expiration date 2/15/27	235,000	237,056
		237,056
Banking, Finance & Insurance – 0.51%		
Jefferies Group 3.875% exercise price \$38.72, expiration date 11/1/29	149,000	153,098
#SVB Financial Group 144A 3.875% exercise price		

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\$53.04, expiration date 4/15/11	210,000	216,562
		369,660
Basic Materials – 1.42%		
#Owens-Brockway Glass Container 144A 3.00% exercise price \$47.47, expiration date 5/28/15	335,000	329,138
*Rayonier TRS Holdings 3.75% exercise price \$54.81, expiration date 10/15/12	345,000	377,774
#Sino-Forest 144A 5.00% exercise price \$20.29, expiration date 8/1/13	255,000	319,069
		1,025,981

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	Principal Amount	Value
Convertible Bonds (continued)		
Cable, Media & Publishing – 0.55%		
General Cable 4.50% exercise price \$36.75, expiration date 11/15/29	\$ 117,000	\$ 134,111
VeriSign 3.25% exercise price \$34.37, expiration date 8/15/37	235,000	268,194
		402,305
Computers & Technology – 2.89%		
#Advanced Micro Devices 144A 6.00% exercise price \$28.08, expiration date 5/1/15	83,000	83,519
Euronet Worldwide 3.50% exercise price \$40.48, expiration date 10/15/25	435,000	429,562
Hutchinson Technology 3.25% exercise price \$36.43, expiration date 1/15/26	150,000	105,750
*Intel 3.25% exercise price \$22.68, expiration date 8/1/39	124,000	151,435
Linear Technology 3.00% exercise price \$45.36, expiration date 5/1/27	425,000	441,999
Live Nation Entertainment 2.875% exercise price \$27.14, expiration date 7/15/27	413,000	368,603
#Rovi 144A 2.625% exercise price \$47.36, expiration date 2/15/40	250,000	332,813
SanDisk 1.00% exercise price \$82.35, expiration date 5/15/13	190,000	178,838
		2,092,519
Energy – 0.49%		
Chesapeake Energy 2.25% exercise price \$85.89, expiration date 12/15/38	220,000	166,649
*Peabody Energy 4.75% exercise price \$58.40, expiration date 12/15/41	50,000	62,688
Transocean 1.625% exercise price \$168.61, expiration date 12/15/37	125,000	124,063
		353,400
Healthcare & Pharmaceuticals – 1.98%		
Alere 3.00% exercise price \$43.98, expiration date 5/15/16	215,000	213,119
Amgen 0.375% exercise price \$79.48,		

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expiration date 2/1/13	270,000	270,337
#144A 0.375% exercise price		
\$79.48, expiration date 2/1/13	165,000	165,206
Hologic 2.00% exercise price		
\$38.59, expiration		
date 12/15/37	255,000	237,788
LifePoint Hospitals 3.50%		
exercise price \$51.79,		
expiration date 5/14/14	266,000	268,993
Medtronic 1.625% exercise price		
\$54.79, expiration date 4/15/13	275,000	276,718
		1,432,161