GABELLI DIVIDEND & INCOME TRUST
Form 497
June 29, 2016
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THE GABELLI DIVIDEND & INCOME TRUST

File Pursuant to Rule 497(c)
Registration Statement No. 333-210990

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 17, 2016)

$100,000,000

4,000,000 Shares

5.25% Series G Cumulative Preferred Shares

(Liquidation Preference $25.00 per share)

The Gabelli Dividend & Income Trust (the Fund) is offering 4,000,000 shares of 5.25% Series G Cumulative Preferred Shares, par value $0.001 per share (the Series G Preferred Shares). Investors in Series G Preferred Shares will be entitled to receive, when, as and if declared by, or under authority granted by, the Fund s Board of Trustees, out of funds legally available therefor, cumulative cash dividends and distributions at the rate of 5.25% per annum of the $25.00 per share liquidation preference on the Series G Preferred Shares. Dividends and distributions on Series G Preferred Shares will be payable quarterly on March 26, June 26, September 26 and December 26 in each year commencing on September 26, 2016. The Series G Preferred Shares will rank on parity with our current preferred and any future preferred shares and senior to our common shares with respect to dividend and distribution rights and rights upon our liquidation.

The Series G Preferred Shares are redeemable at our option on or after July 1, 2021 and are subject to mandatory redemption by us in certain circumstances. See Special Characteristics and Risks of the Series G Preferred Shares Redemption.

The Fund is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund s investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed-income securities and securities that are convertible into common stock). In addition, under normal market conditions, at least 50% of the Fund s total assets will consist of dividend paying equity securities. Gabelli Funds, LLC (the Investment Adviser) serves as investment adviser to the Fund.

Our common shares are listed on the New York Stock Exchange (the NYSE) under the symbol GDV and our Series A Preferred Shares and our Series D Preferred Shares are listed on the NYSE under the symbols GDV Pr A and GDV Pr D, respectively. On June 28, 2016, the last reported sale price of our common shares was $18.50. The net asset value of the Fund s common shares at the close of business on June 28, 2016 was $20.66 per share. As of the date hereof, the Fund has outstanding 82,432,426 common shares.

Application has been made to list the Series G Preferred Shares on the NYSE. If the application is approved, the Series G Preferred Shares are expected to commence trading on the NYSE under the symbol GDV Pr G within thirty days of the date of issuance.

An investment in the Fund is not appropriate for all investors. We cannot assure you that the Fund s investment objective will be achieved. You should read this prospectus supplement (the Prospectus Supplement) and the accompanying prospectus (the Prospectus) before deciding whether to invest in Series G Preferred Shares and retain it for future reference. The Prospectus Supplement and the accompanying Prospectus contain important information about us. Material that has been incorporated by reference and other information about us can be obtained from us by calling 800-GABELLI (422-3554) or from the Securities and Exchange Commission s (SEC) website (http://www.sec.gov).

Investing in Series G Preferred Shares involves certain risks that are described in the Special Characteristics and Risks of the Series G Preferred Shares section of this Prospectus Supplement and the Risk Factors and Special Considerations section beginning on page 41 of the accompanying Prospectus.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A

CRIMINAL OFFENSE.

	Per Share	Total
Public offering price	$ 25.00	$ 100,000,000
Underwriting discounts and commissions	$ 0.7875	$ 3,150,000
Proceeds, before expenses, to the Fund [(1)]	$ 24.2125	$ 96,850,000

(1) The aggregate expenses of the offering (excluding underwriting discounts and commissions) are estimated to be $270,000.

The underwriters are expected to deliver the Series G Preferred Shares in book-entry form through the Depository Trust Company on or about July 1, 2016.

Morgan Stanley **Wells Fargo Securities**

G.research, LLC

The date of this Prospectus Supplement is June 28, 2016.

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You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Neither the Fund nor the underwriters have authorized anyone to provide you with different information. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus Supplement and the accompanying Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Prospectus, respectively. Our business, financial condition, results of operations and prospects may have changed since those dates. In this Prospectus Supplement and in the accompanying Prospectus, unless otherwise indicated, Fund, us, our and we refer to The Gabelli Dividend & Income Trust, a Delaware statutory trust. This Prospectus Supplemen also includes trademarks owned by other persons.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information (the SAI) contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate terms and the negative of such terms. Such forward-looking statements may be contained in this Prospectus Supplement as well as in the accompanying Prospectus. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares (including the Series G Preferred Shares) will trade in the public markets and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors and Special Considerations section of the accompanying Prospectus and Special Characteristics and Risks of the Series G Preferred Shares in this Prospectus Supplement. All forward-looking statements contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus are made as of the date of this Prospectus Supplement or the accompanying Prospectus, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus and the SAI are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the Securities Act).

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors and Special Considerations section of the accompanying Prospectus as well as in the Special Characteristics and Risks of the Series G Preferred Shares section of this Prospectus Supplement. We urge you to review carefully those sections for a more detailed discussion of the risks of an investment in the Series G Preferred Shares.

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SUMMARY OF THE TERMS OF THE SERIES G PREFERRED SHARES

This Prospectus Supplement sets forth certain terms of the Series G Preferred Shares that we are offering pursuant to this Prospectus Supplement and the accompanying Prospectus that is attached to the back of this Prospectus Supplement. This section outlines certain specific legal and financial terms of the Series G Preferred Shares that are more generally described under the heading Special Characteristics and Risks of the Series G Preferred Shares herein and in the accompanying Prospectus under the heading Description of the Securities. Capitalized terms used in this Prospectus Supplement and not otherwise defined shall have the meanings ascribed to them in the accompanying Prospectus or in the Statement of Preferences governing and establishing the terms of the Series G Preferred Shares.

The Fund

The Gabelli Dividend & Income Trust is a closed-end, diversified management investment company organized as a Delaware statutory trust on August 20, 2003. Throughout this Prospectus Supplement, we refer to The Gabelli Dividend & Income Trust as the Fund or as we. The Fund s investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. See the accompanying Prospectus under the heading Investment Objective and Policies for additional information. Gabelli Funds, LLC (the Investment Adviser) serves as investment adviser to the Fund.

The Fund s outstanding common shares, par value $0.001 per share, are listed on the New York Stock Exchange (the NYSE) under the symbol GDV and our Series A Preferred Shares and our Series D Preferred Shares are listed on the NYSE under the symbols GDV Pr A and GDV Pr D, respectively. On June 28, 2016, the last reported sale price of our common shares was $18.50. The net asset value of the Fund s common shares at the close of business on June 28, 2016 was $20.66 per share. As of the date hereof, the Fund has outstanding 82,432,426 common shares. As of December 31, 2015, the net assets of the Fund attributable to its common shares were $1,738,939,772. As of December 31, 2015, the Fund had outstanding 82,550,422 common shares; 3,048,019 shares of 5.875% Series A Cumulative Preferred Shares, liquidation preference $25 per share (the Series A Preferred Shares); 3,600 shares of Series B Auction Market Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series B Auction Market Preferred Shares); 4,320 shares of Series C Auction Market Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series C Auction Market Preferred Shares); 2,542,296 shares of 6.00% Series D Cumulative Preferred Shares, liquidation preference $25 per share (the Series D Preferred Shares); and 4,860 shares of Series E Auction Rate Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series E Auction Rate Preferred Shares and, collectively with the Series A Preferred Shares, Series B Auction Market Preferred Shares, Series C Auction Market Preferred Shares and Series D Preferred Shares, the Existing Preferred Shares).

Each series of the Existing Preferred Shares has the same seniority with respect to dividends and distributions and liquidation preference.

Securities Offered

4,000,000 shares of 5.25% Series G Cumulative Preferred Shares (the Series G Preferred Shares). Series G Preferred Shares shall constitute

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a separate series of preferred shares of the Fund. The Series G Preferred Shares have the same priority with respect to payment of dividends and distributions and liquidation preference as the Existing Preferred Shares.

Dividend Rate

Dividends and distributions on the Series G Preferred Shares are cumulative from their original issue date at the annual rate of 5.25% of the $25.00 per share liquidation preference on the Series G Preferred Shares.

Dividend Payment Date

Holders of Series G Preferred Shares will be entitled to receive, when, as and if declared by, or under authority granted by, the Fund s Board of Trustees (the Board), out of funds legally available therefor, cumulative cash dividends and distributions at the rate of 5.25% per annum of the $25.00 per share liquidation preference on the Series G Preferred Shares. Dividends and distributions will be paid quarterly on March 26, June 26, September 26 and December 26 in each year, commencing on September 26, 2016.

Liquidation Preference

$25.00 per share.

Use of Proceeds

The Fund estimates the total net proceeds of the offering to be $96,580,000, based on the public offering price of $25.00 per share and after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us.

The Fund will use the net proceeds from the offering of Series G Preferred Shares to purchase portfolio securities in accordance with its investment objective and policies. The Investment Adviser anticipates that the investment of the proceeds will be made in accordance with the Fund s investment objective and policies as appropriate investment opportunities are identified, which is expected to be substantially completed within approximately three months of the issue date; however, the identification of appropriate investment opportunities pursuant to the Fund s investment style or changes in market conditions may cause the investment period to extend as long as six months from the issue date. Pending such investment, the proceeds of the offering of the Series G Preferred Shares will be held in high quality short term debt securities and similar instruments.

The Fund does not currently expect to use the net proceeds from the offering to call, redeem or repurchase any Existing Preferred Shares. See Use of Proceeds.

Non-Call Period/Redemption

The Series G Preferred Shares generally may not be called for redemption at the option of the Fund prior to July 1, 2021. The Fund reserves the right, however, to redeem the Series G Preferred Shares at any time if it is necessary, in the judgment of the Board, to maintain its status as a regulated investment company (a RIC) under Subchapter M of the Internal Revenue Code of 1986, as

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	amended (the Code). The Fund may also be required under certain circumstances to redeem Series G Preferred Shares before or after July 1, 2021, in order to meet certain regulatory or rating agency asset coverage requirements.
	Commencing July 1, 2021, and thereafter, to the extent permitted by the 1940 Act and Delaware law, the Fund may at any time, upon notice of redemption, redeem the Series G Preferred Shares in whole or in part at the liquidation preference per share plus accumulated unpaid dividends through the date of redemption.
Stock Exchange Listing	Application has been made to list the Series G Preferred Shares on the NYSE. Prior to this offering, there has been no public market for Series G Preferred Shares. If the application is approved, it is anticipated that trading on the NYSE under the symbol GDV Pr G will begin within thirty days from the date of this Prospectus Supplement. Before the Series G Preferred Shares are listed on the NYSE, the underwriters may, but are not obligated to, make a market in Series G Preferred Shares. Consequently, it is anticipated that, prior to the commencement of trading on the NYSE, an investment in Series G Preferred Shares will be illiquid.
Taxation	See Taxation in the accompanying Prospectus and SAI for a discussion of U.S. federal income tax considerations affecting the Fund and holders of Series G Preferred Shares.
ERISA	See Certain Employee Benefit Plan and IRA Considerations.
Dividend Paying Agent	Computershare Trust Company, N.A.

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DESCRIPTION OF THE SERIES G PREFERRED SHARES

The following is a brief description of the terms of the Series G Preferred Shares. This is not a complete description and is subject to and entirely qualified by reference to the Fund s Statement of Preferences for the Series G Preferred Shares (the Statement of Preferences). The Statement of Preferences will be attached as an exhibit to post-effective amendment number 1 to the Fund s registration statement. Copies may be obtained as described under Additional Information in the accompanying Prospectus. Any capitalized terms in this section and the Special Characteristics and Risks of the Series G Preferred Shares section of this Prospectus Supplement that are not defined have the meaning assigned to them in the Statement of Preferences.

The Fund s Agreement and Declaration of Trust provides that the Board may authorize and issue classes of shares with designation rights and preferences as determined by the Board, by action of the Board without the approval of the holders of the common shares. Currently, an unlimited number of the Fund s shares are available for classification by the Board as preferred shares, par value $0.001 per share. The Statement of Preferences authorizes the issuance of up to 4,000,000 Series G Preferred Shares. All Series G Preferred Shares will have a liquidation preference of $25.00 per share plus accumulated and unpaid dividends. Holders of Series G Preferred Shares shall be entitled to receive, when, as and if declared by, or under authority granted by the Board, out of funds legally available therefor, cumulative cash dividends and distributions at the rate of 5.25% per annum (computed on the basis of a 360 day year consisting of twelve 30 day months) of the $25.00 per share liquidation preference on the Series G Preferred Shares. Dividends and distributions on Series G Preferred Shares will accumulate from the date of their original issue, which is expected to be July 1, 2016.

The Series G Preferred Shares, when issued by the Fund and paid for pursuant to the terms of this Prospectus Supplement and the accompanying Prospectus, will be fully paid and non-assessable and will have no preemptive, exchange or conversion rights. Any Series G Preferred Shares purchased or redeemed by the Fund will, after such purchase or redemption, have the status of authorized but unissued preferred shares. The Board may by resolution classify or reclassify any authorized and unissued Series G Preferred Shares from time to time by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and distributions, qualifications or terms or conditions of redemption of such shares. So long as any Series G Preferred Shares are outstanding, the Fund may not, without the affirmative vote of the holders of a majority (as defined in the 1940 Act) of the Fund s preferred shares outstanding at the time and present and voting on such matter, voting separately as one class, amend, alter or repeal the provisions of the Statement of Preferences so as to in the aggregate adversely affect the rights and preferences of any preferred shares of the Fund. To the extent permitted under the 1940 Act, in the event that more than one series of the Fund s preferred shares are outstanding, the Fund will not effect any of the actions set forth in the preceding sentence which in the aggregate adversely affects the rights and preferences for a series of preferred shares differently than such rights and preferences for any other series of preferred shares without the affirmative vote of the holders of at least a majority (as defined in the 1940 Act) of the Fund s preferred shares outstanding and present and voting on such matter of each series adversely affected (each such adversely affected series voting separately as a class to the extent its rights are affected differently). The holders of the Series G Preferred Shares are not entitled to vote on any matter that affects the rights or interests of only one or more other series of the Fund s preferred shares. The Fund will notify the relevant Rating Agency ten Business Days prior to any such vote described above. Unless a higher percentage is required under the Governing Documents or applicable provisions of the Delaware Statutory Trust Act or the 1940 Act, the affirmative vote of the holders of a majority (as defined in the 1940 Act) of the outstanding preferred shares, including Series G Preferred Shares, voting together as a single class, will be required to approve any plan of reorganization adversely affecting the Fund s preferred shares or any action requiring a vote of security holders under Section 13(a) of the 1940 Act. The class vote of holders of the Fund s preferred shares described above will in each case be in addition to a separate vote of the requisite percentage of common shares and preferred shares, including Series G Preferred Shares, voting together as a single class, necessary to authorize the action in question. An increase in the number of authorized preferred shares pursuant to the Governing Documents or the issuance of additional shares of any series of preferred shares (including

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Series G Preferred Shares) pursuant to the Governing Documents shall not in and of itself be considered to adversely affect the rights and preferences of the Fund s preferred shares.

Any dividend payment made on the Series G Preferred Shares will first be credited against the dividends and distributions accumulated with respect to the earliest Dividend Period for which dividends and distributions have not been paid.

The disclosure set forth in this Description of the Series G Preferred Shares and under the heading Special Characteristics and Risks of the Series G Preferred Shares is intended to be a summary of the material provisions of the Series G Preferred Shares. Since this Description of the Series G Preferred Shares is only a summary, you should refer to the Statement of Preferences for a complete description of the obligations of the Fund and your rights. The disclosure set forth in this Description of the Series G Preferred Shares and under the heading Special Characteristics and Risks of the Series G Preferred Shares supplements the description of the preferred shares set forth under the caption Description of the Securities Preferred Shares in the accompanying Prospectus, and in the event that any provision described in the disclosure set forth in this Description of the Series G Preferred Shares and under the heading Special Characteristics and Risks of the Series G Preferred Shares is inconsistent with any description contained in the accompanying Prospectus, the disclosure set forth in this Description of the Series G Preferred Shares and under the heading Special Characteristics and Risks of the Series G Preferred Shares will apply and supersede the description in the accompanying Prospectus.

USE OF PROCEEDS

The Fund estimates the total net proceeds of the offering to be $96,580,000, based on the public offering price of $25.00 per Series G Preferred Share and after deduction of the underwriting discounts and commissions and estimated offering expenses payable by the Fund.

The Investment Adviser anticipates that the investment of the proceeds will be made in accordance with the Fund s investment objective and policies as appropriate investment opportunities are identified, which is expected to be substantially completed within approximately three months of the issue date; however, the identification of appropriate investment opportunities pursuant to the Fund s investment style or changes in market conditions may cause the investment period to extend as long as six months from the issue date. Pending such investment, the proceeds of the offering of the Series G Preferred Shares will be held in high quality short term debt securities and similar instruments.

The Fund does not currently expect to use the net proceeds from the offering to call, redeem or repurchase any Existing Preferred Shares.

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CAPITALIZATION

The following table sets forth (i) the audited capitalization of the Fund as of December 31, 2015 and (ii) the unaudited adjusted capitalization of the Fund giving effect to the issuance of the 4,000,000 Series G Preferred Shares offered in this Prospectus Supplement and the use of proceeds thereof.

	As of December 31, 2015	
	Actual (audited)	**As adjusted (unaudited)**
Preferred shares, $0.001 par value per share, unlimited shares authorized		
(The Actual column reflects the Fund s outstanding capitalization as of December 31, 2015; the As adjusted column assumes the issuance of 4,000,000 Series G Preferred Shares at $25.00 liquidation preference per share)	$ 459,257,875	$ 559,257,875
Shareholders equity applicable to common shares:		
Common shares, $0.001 par value per share; unlimited shares authorized		
(The Actual and As adjusted columns reflect the Fund s outstanding capitalization of 82,550,422 common shares outstanding as of December 31, 2015)	82,550	82,550
Paid-in surplus*	1,182,030,535	1,178,610,535
Distributions in excess of net investment income, net realized gain on investments, securities sold short, and foreign currency transactions.	(18,396,032)	(18,396,032)
Net unrealized appreciation on investments and foreign currency translations	575,222,719	575,222,719
Net assets applicable to common shares	1,738,939,772	1,735,519,772
Liquidation preference of preferred shares	459,257,875	559,257,875
Net assets, plus the liquidation preference of preferred shares	2,198,197,647	2,294,777,647

* As adjusted paid-in surplus reflects a deduction for the estimated underwriting discounts of $3,150,000 and estimated offering costs of $270,000 for the Series G Preferred Shares.

For financial reporting purposes, the Fund will deduct the liquidation preference of its outstanding preferred shares from net assets, so long as the senior securities have redemption features that are not solely within the control of the Fund. For all regulatory purposes, the Fund s preferred shares will be treated as equity (rather than debt).

DESCRIPTION OF THE SECURITIES

The following information regarding the Fund s authorized shares is as of the date hereof.

Title of Class	**Amount Authorized**	**Amount Held by Fund or for its Account**	**Amount Outstanding Exclusive of Amount Held by Fund**
Common Shares	Unlimited		82,432,426
Series A Preferred Shares	3,200,000		3,048,019
Series B Auction Market Preferred Shares	4,000		3,600
Series C Auction Market Preferred	4,800		4,320
Series D Preferred Shares	2,600,000		2,542,296
Series E Auction Rate Preferred	5,400		4,860
Series G Preferred Shares	4,000,000		0
Other Series of Preferred Shares	Unlimited		0

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ASSET COVERAGE RATIO

Pursuant to the 1940 Act, the Fund generally will not be permitted to declare any dividend, or declare any other distribution, upon any outstanding common shares, or purchase any common shares, unless, in every such case, all preferred shares issued by the Fund have at the time of declaration of any such dividend or distribution or at the time of any such purchase an asset coverage of at least 200% (1940 Act Asset Coverage Requirement) after deducting the amount of such dividend, distribution, or purchase price, as the case may be. As of the date of this Prospectus Supplement, all of the Fund s outstanding preferred shares are expected to have asset coverage on the date of issuance of the Series G Preferred Shares of approximately 405%.

In addition to the 1940 Act Asset Coverage Requirement, the Fund is subject to certain restrictions on investments imposed by guidelines of one or more rating agencies that have issued ratings for the Existing Preferred Shares and/or the Series G Preferred Shares. See Special Characteristics and Risks of the Series G Preferred Shares Risks Credit Rating Risk in this Prospectus Supplement. As a condition of the underwriters obligation to purchase the Series G Preferred Shares, the Series G Preferred Shares must be rated at a minimum level by a rating agency that is a Nationally Recognized Statistical Rating Organization.

SPECIAL CHARACTERISTICS AND RISKS OF THE SERIES G PREFERRED SHARES

Dividends

Holders of Series G Preferred Shares shall be entitled to receive, when, as and if declared by, or under authority granted by the Board, out of funds legally available therefor, cumulative cash dividends and distributions at the rate of 5.25% per annum (computed on the basis of a 360 day year consisting of twelve 30 day months) of the $25.00 per share liquidation preference on the Series G Preferred Shares. Dividends and distributions on Series G Preferred Shares will accumulate from the date of their original issue, which is expected to be July 1, 2016.

Dividends and distributions will be payable quarterly on March 26, June 26, September 26 and December 26 in each year (each a Dividend Payment Date) commencing on September 26, 2016 (or, if any such day is not a business day, then on the next succeeding business day) to holders of record of Series G Preferred Shares as they appear on the share register of the Fund at the close of business on the fifth preceding business day (each, a Record Date). Dividends and distributions on Series G Preferred Shares that were originally issued on the Date of Original Issue (i.e., the Series G Preferred Shares to be issued in this offering) shall accumulate from the Date of Original Issue. Dividends and distributions on all other Series G Preferred Shares (i.e., any additional Series G Preferred Shares that may be issued in future offerings) will accumulate from (i) the date on which such shares are originally issued if such date is a Dividend Payment Date, (ii) the immediately preceding Dividend Payment Date if the date on which such shares are originally issued is other than a Dividend Payment Date and is on or before a Record Date or (iii) the immediately following Dividend Payment Date if the date on which such shares are originally issued is during the period between a Record Date and a Dividend Payment Date. Each period beginning on and including a Dividend Payment Date (or the date of original issue, in the case of the first dividend period after the first issuance of the Series G Preferred Shares) and ending on but excluding the next succeeding Dividend Payment Date is referred to herein as a Dividend Period. Dividends and distributions on account of arrears for any past Dividend Period or in connection with the redemption of Series G Preferred Shares may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date as shall be fixed by the Board that is not more than 30 days before the Dividend Payment Date.

No full dividends or distributions will be declared or paid on Series G Preferred Shares for any Dividend Period or part thereof unless full cumulative dividends and distributions due through the most recent Dividend Payment Dates therefor on all outstanding shares of any series of preferred shares of the Fund ranking on a parity with the Series G Preferred Shares as to the payment of dividends and distributions have been or contemporaneously are declared and paid through the most recent Dividend Payment Dates therefor. If full cumulative dividends and distributions due have not been paid on all of the Fund s outstanding preferred shares, any dividends and distributions being paid on such preferred shares (including the Series G Preferred Shares) will be paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on each such series of preferred shares on the relevant Dividend Payment Date.

Restrictions on Dividend, Redemption and Other Payments

Under the 1940 Act, the Fund is not permitted to issue preferred shares (such as the Series G Preferred Shares) unless immediately after such issuance the Fund will have an asset coverage of at least 200% (or such other percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing stock of a closed-end investment company as a condition of declaring distributions, purchases or redemptions of its stock). In general, the term asset coverage for this purpose means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness of the Fund plus the aggregate of the involuntary liquidation preference of the preferred shares. The involuntary liquidation preference refers to the amount to which the preferred shares would be entitled on the involuntary liquidation of the Fund in preference to a security junior to them. The Fund also is not permitted to declare any cash dividend or other distribution on its common shares or purchase its common shares unless, at the time of such declaration or purchase, the Fund satisfies this 200% asset coverage requirement after deducting the amount of the distribution or purchase price, as applicable.

In addition, the Fund may be limited in its ability to declare any cash distribution on its shares (including the Series G Preferred Shares) or purchase its capital stock (including the Series G Preferred Shares) unless, at the time of such declaration or purchase, the Fund has an asset coverage on its indebtedness, if any, of at least 300% after deducting the amount of such distribution or purchase price, as applicable. The 1940 Act contains an exception, however, that permits dividends to be declared upon any preferred shares issued by the Fund (including the Series G Preferred Shares) if the Fund s indebtedness has an asset coverage of at least 200% at the time of declaration after deducting the amount of the dividend. In general, the term asset coverage for this purpose means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness of the Fund.

The term senior security does not include any promissory note or other evidence of indebtedness in any case where such a loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the Fund at the time when the loan is made. A loan is presumed under the 1940 Act to be for temporary purposes if it is repaid within 60 days and is not extended or renewed; otherwise it is presumed not to be for temporary purposes. For purposes of determining whether the 200% and 300% asset coverage requirements described above apply in connection with dividends or distributions on or purchases or redemptions of Series G Preferred Shares, the asset coverages may be calculated on the basis of values calculated as of a time within 48 hours (not including Sundays or holidays) next preceding the time of the applicable determination.

In addition to those circumstances described in the accompanying Prospectus under Description of the Securities Preferred Shares Restrictions on Dividends and Other Distributions for the Preferred Shares, the Fund may not pay any dividend or distribution (other than a dividend or distribution paid in common shares or in options, warrants or rights to subscribe for or purchase common shares) in respect of the common shares or call for redemption, redeem, purchase or otherwise acquire for consideration any common shares (except by conversion into or exchange for shares of the Fund ranking junior to the preferred shares as to the payment of dividends or distributions and the distribution of assets upon liquidation), unless after making the distribution, the Fund meets applicable asset coverage requirements described under Rating Agency Guidelines below.

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Voting Rights

Except as otherwise provided in the Fund s Governing Documents (including the Statement of Preferences) or a resolution of the Board, or as required by applicable law, holders of Series G Preferred Shares will have no power to vote on any matter except matters submitted to a vote of the Fund s common shares. In any matter submitted to a vote of the holders of the common shares, each holder of Series G Preferred Shares will be entitled to one vote for each Series G Preferred Share held and the holders of the outstanding preferred shares of the Fund, including Series G Preferred Shares, and the common shares will vote together as a single class; provided, however, that the holders of the outstanding preferred shares of the Fund, including Series G Preferred Shares, shall be entitled, as a separate class, to the exclusion of the holders of all other securities and classes of capital shares of the Fund, to elect two of the Fund s Trustees.

During any period in which any one or more of the conditions described below shall exist (such period being referred to herein as a Voting Period), the number and/or composition of Trustees constituting the Board will be automatically adjusted as necessary to permit the holders of outstanding preferred shares of the Fund, including the Series G Preferred Shares, voting separately as one class (to the exclusion of the holders of all other securities and classes of capital shares of the Fund) to elect the number of Trustees that, when added to the two Trustees elected exclusively by the holders of the Fund s preferred shares as described in the above paragraph, would constitute a simple majority of the Board as so adjusted. The Fund and the Board will take all necessary actions, including effecting the removal of Trustees or amendment of the Fund s Agreement and Declaration of Trust, to effect an adjustment of the number and/or composition of Trustees as described in the preceding sentence. A Voting Period shall commence:

(i) if at any time accumulated dividends and distributions (whether or not earned or declared, and whether or not funds are then legally available in an amount sufficient therefor) on the outstanding Series G Preferred Shares equal to at least two full years dividends and distributions shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with Computershare Trust Company, N.A. and its successors or any other dividend disbursing agent appointed by the Fund for the payment of such accumulated dividends and distributions; or

(ii) if at any time holders of any other preferred shares of the Fund are entitled to elect a majority of the Trustees of the Fund under the 1940 Act or statement of preferences creating such shares.

Rating Agency Guidelines

The Existing Preferred Shares are rated by Moody s and/or Fitch. The Fund anticipates Moody s will initially rate the Series G Preferred Shares. The Fund is, and expects that it will be, required under the applicable rating agency guidelines to maintain assets having in the aggregate a discounted value at least equal to a Basic Maintenance Amount (as defined in the Statement of Preferences), for its outstanding preferred shares, including the Existing Preferred Shares and the Series G Preferred Shares. To the extent any particular portfolio holding does not satisfy the applicable rating agency s guidelines, all or a portion of such holding s value will not be included in the calculation of discounted value (as defined by such rating agency). The Moody s and Fitch guidelines also impose certain diversification requirements and industry concentration limitations on the Fund s overall portfolio, and apply specified discounts to securities held by the Fund (except certain money market securities).

If the value of the Fund s assets, as discounted in accordance with the rating agency guidelines, is less than the Basic Maintenance Amount, the Fund is required to use its commercially reasonable efforts to cure such failure. If the Fund does not cure in a timely manner a failure to maintain a discounted value of its portfolio equal to the Basic Maintenance Amount in accordance with the requirements of the applicable rating agency or agencies then rating the Fund s preferred shares, including the Existing Preferred Shares and the Series G Preferred Shares, at the request of the Fund, the Fund will be required to mandatorily redeem its preferred shares, including the Series G Preferred Shares, as described below under Redemption.

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Any rating agency providing a rating for the Fund s preferred shares, including the Existing Preferred Shares and the Series G Preferred Shares, at the request of the Fund may, at any time, change or withdraw any such rating. The Board, without further action by the Fund s shareholders, may amend, alter, add to or repeal any provision of the statements of preferences for the preferred shares, including the Statement of Preferences for the Series G Preferred Shares, that has been adopted by the Fund pursuant to the rating agency guidelines or add covenants and other obligations of the Fund to the statements of preferences, if the applicable rating agency confirms that such amendments or modifications are necessary to prevent a reduction in, or the withdrawal of, a rating of the Fund s preferred shares, including the Existing Preferred Shares and the Series G Preferred Shares, and such amendments and modifications do not adversely affect the rights and preferences of and are in the aggregate in the best interests of the holders of the Fund s preferred shares.

As described by Moody s, Fitch or any other rating agency then rating a series of the Fund s preferred shares at the Fund s request, the ratings assigned to each series of preferred shares, including the Series G Preferred Shares, are assessments of the capacity and willingness of the Fund to pay the obligations of each such series. The ratings on these series of preferred shares are not recommendations to purchase, hold or sell shares of any series, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The rating agency guidelines also do not address the likelihood that an owner of preferred shares will be able to sell such shares on an exchange, in an auction or otherwise. The ratings are based on current information furnished to Moody s, Fitch or any other rating agency then rating a series of the Fund s preferred shares at the Fund s request by the Fund and the Investment Adviser and information obtained from other sources. The ratings may be changed, suspended or withdrawn as a result of changes in, or the unavailability of, such information.

A rating agency s guidelines apply to each series of preferred shares, including the Series G Preferred Shares, only so long as such rating agency is rating such series at the request of the Fund. The Fund pays fees to Moody s and/or Fitch, as applicable, for rating the Existing Preferred Shares and the Series G Preferred Shares.

Redemption

Mandatory Redemption. Under certain circumstances, the Series G Preferred Shares will be subject to mandatory redemption by the Fund out of funds legally available therefor in accordance with the Statement of Preferences and applicable law.

If the Fund fails to have asset coverage, as determined in accordance with Section 18(h) of the 1940 Act, of at least 200% with respect to all outstanding senior securities of the Fund which are stock, including all outstanding Series G Preferred Shares (or such other asset coverage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities which are stock of a closed-end investment company as a condition of declaring dividends on its common stock), as of the last Business Day of March, June, September and December of each year in which any Series G Preferred Shares are outstanding, and such failure is not cured as of the cure date specified in the Statement of Preferences (49 days following such Business Day), (i) the Fund shall give a notice of redemption with respect to the redemption of a sufficient number of its preferred shares, which at the Fund s determination (to the extent permitted by the 1940 Act and Delaware law) may include any proportion of Series G Preferred Shares, to enable it to meet the asset coverage requirements, and, at the Fund s discretion, such additional number of Series G Preferred Shares or any other series of preferred shares in order for the Fund to have asset coverage with respect to the Series G Preferred Shares and any other series of preferred shares of the Fund remaining outstanding after such redemption of as great as 220%, and (ii) deposit an amount with Computershare Trust Company, N.A., and its successors or any other dividend-disbursing agent appointed by the Fund, having an initial combined value sufficient to effect the redemption of the Series G Preferred Shares or other series of preferred shares to be redeemed.

If the Fund is required to redeem any preferred shares (including Series G Preferred Shares) as a result of a failure to maintain such minimum 1940 Act asset coverage as of an applicable cure date, then the Fund shall, to the extent permitted by the 1940 Act and Delaware law, by the close of business on such cure date fix a redemption date

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that is on or before the 30th Business Day after such cure date and proceed to redeem the preferred shares, including the Series G Preferred Shares. The Fund may fix a redemption date that is after the 30th Business Day after such cure date if the Board determines, in good faith, that extraordinary market conditions exist as a result of which disposal by the Fund of securities owned by it is not reasonably practicable, or is not reasonably practicable at fair value. On such redemption date, the Fund shall redeem, out of funds legally available therefor, (i) the number of its preferred shares, which, to the extent permitted by the 1940 Act and Delaware law, at the option of the Fund may include any proportion of Series G Preferred Shares or shares of any other series of preferred shares of the Fund, is equal to the minimum number of shares the redemption of which, if such redemption had occurred immediately prior to the opening of business on such cure date, would have resulted in the Fund having asset coverage immediately prior to the opening of business on such cure date in compliance with the 1940 Act or (ii) if asset coverage cannot be so restored, all of the outstanding Series G Preferred Shares, in each case at a price equal to $25.00 per share plus accumulated but unpaid dividends and distributions (whether or not earned or declared by the Fund) through and including the date of redemption. In addition, as reflected above, the Fund may, but is not required to, redeem an additional number of preferred shares (including Series G Preferred Shares) which, when aggregated with all other preferred shares redeemed by the Fund, permits the Fund to have with respect to the preferred shares (including Series G Preferred Shares) remaining outstanding after such redemption a 1940 Act asset coverage of as great as 220%.

Similarly, as reflected above under Rating Agency Guidelines, so long as Moody s or another rating agency is rating the Fund s preferred shares (including the Series G Preferred Shares) at the request of the Fund, the Fund will be required to maintain, on the last Business Day of each month, assets having in the aggregate a discounted value at least equal to the Basic Maintenance Amount. So long as Moody s or another rating agency is rating the Fund s preferred shares (including the Series G Preferred Shares) at the request of the Fund, if the Fund fails to have assets having in the aggregate a discounted value at least equal to the Basic Maintenance Amount as of the last Business Day of any month, and such failure is not cured as of the cure date specified in the Statement of Preferences (10 Business Days following such Business Day), the Fund shall similarly follow the redemption protocol summarized above to restore compliance with the Basic Maintenance Amount, and the Fund may, but is not required to, redeem an additional number of preferred shares (including Series G Preferred Shares) which, when aggregated with all other preferred shares redeemed by the Fund, permits the Fund to have with respect to the preferred shares (including Series G Preferred Shares) remaining outstanding after such redemption assets having in the aggregate a discounted value equal to as great as 110% of the Basic Maintenance Amount.

Optional Redemption. Prior to July 1, 2021, the Series G Preferred Shares are not subject to optional redemption by the Fund unless the redemption is necessary, in the judgment of the Board, to maintain the Fund s status as a RIC under Subchapter M of the Code. Commencing July 1, 2021, and thereafter, to the extent permitted by the 1940 Act and Delaware law, the Fund may at any time upon notice in the manner provided in the Statement of Preferences redeem the Series G Preferred Shares in whole or in part at a price equal to the liquidation preference per share plus accumulated but unpaid dividends through and including the date of redemption.

Redemption Procedures. Redemptions of Series G Preferred Shares will be made subject to the procedures described in the Prospectus under Description of the Securities Preferred Shares Redemption Procedures, except that holders of Series G Preferred Shares may receive shorter notice in the event of a mandatory redemption.

Liquidation

In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the holders of Series G Preferred Shares shall be entitled to receive out of the assets of the Fund available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the Fund s common shares or any other shares of the Fund ranking junior to

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the Series G Preferred Shares as to liquidation payments, a liquidation distribution in the amount of $25.00 per share (the Liquidation Preference), plus an amount equal to all unpaid dividends and distributions accumulated to and including the date fixed for such distribution or payment (whether or not earned or declared by the Fund, but excluding interest thereon), and such holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up of the Fund.

If, upon any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the assets of the Fund available for distribution among the holders of all outstanding Series G Preferred Shares and all outstanding shares of any other series of the Fund s preferred shares ranking on a parity with the Series G Preferred Shares as to payment upon liquidation shall be insufficient to permit the payment in full to such holders of Series G Preferred Shares of the Liquidation Preference plus accumulated and unpaid dividends and distributions and the amounts due upon liquidation with respect to all outstanding shares of such other series of preferred shares of the Fund, then such available assets shall be distributed among the holders of Series G Preferred Shares and such other series of preferred shares of the Fund ratably in proportion to the respective preferential liquidation amounts to which they are entitled. Unless and until the Liquidation Preference plus accumulated and unpaid dividends and distributions has been paid in full to the holders of Series G Preferred Shares, no dividends or distributions will be made to holders of the Fund s common shares or any other shares of the Fund ranking junior to the Series G Preferred Shares as to liquidation.

Stock Exchange Listing

Application has been made to list the Series G Preferred Shares on the NYSE. If the application is approved, the Series G Preferred Shares are expected to commence trading on the NYSE under the symbol GDV Pr G within thirty days of the date of issuance.

Risks

Risk is inherent in all investing. Therefore, before investing in the Series G Preferred Shares you should consider the risks carefully. See Risk Factors and Special Considerations in the accompanying Prospectus. Primary risks associated with an investment in the Series G Preferred Shares include:

Market Price Risk. The market price for the Series G Preferred Shares will be influenced by changes in interest rates, the perceived credit quality of the Series G Preferred Shares and other factors, and may be higher or lower than the liquidation preference of the Series G Preferred Shares. There is currently no market for the Series G Preferred Shares of the Fund.

Liquidity Risk. Currently, there is no public market for the Series G Preferred Shares of the Fund. As noted above, an application has been made to list the Series G Preferred Shares on the NYSE. However, during an initial period which is not expected to exceed thirty days after the date of its issuance, the Series G Preferred Shares will not be listed on any securities exchange. Before the Series G Preferred Shares are listed on the NYSE, the underwriters may, but are not obligated to, make a market in the Series G Preferred Shares. No assurances can be provided that listing on any securities exchange or market making by the underwriters will occur or will result in the market for Series G Preferred Shares being liquid at any time.

Redemption Risk. The Fund may at any time redeem Series G Preferred Shares to the extent necessary to meet regulatory asset coverage requirements or requirements imposed by credit rating agencies. For example, if the value of the Fund s investment portfolio declines, thereby reducing the asset coverage for the Series G Preferred Shares, the Fund may be obligated under the terms of the Series G Preferred Shares to redeem some or all of the Series G Preferred Shares. In addition, commencing July 1, 2021, the Fund will be able to call the Series G Preferred Shares at the option of the Fund. Investors may not be able to reinvest the proceeds of any redemption in an investment providing the same or a higher dividend rate than that of the Series G Preferred Shares. Precipitous declines in the value of the Fund s assets could result in the Fund having insufficient assets to redeem all of the Series G Preferred Shares for the full redemption price.

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Subordination Risk. The Series G Preferred Shares are not a debt obligation of the Fund. The Series G Preferred Shares are junior in respect of distributions and liquidation preference to any indebtedness incurred by the Fund, and will have the same priority with respect to payment of dividends and distributions and liquidation preference as the Existing Preferred Shares and any other preferred shares that the Fund may issue. The Series G Preferred Shares are subject to greater credit risk than any of the Fund s debt instruments, which would be of higher priority in the Fund s capital structure.

Credit Rating Risk. The Fund is seeking a credit rating on the Series G Preferred Shares. Any credit rating that is issued on the Series G Preferred Shares could be reduced or withdrawn while an investor holds Series G Preferred Shares. A reduction or withdrawal of the credit rating would likely have an adverse effect on the market value of the Series G Preferred Shares. In addition, a credit rating does not eliminate or mitigate the risks of investing in the Series G Preferred Shares.

Distribution Risk. The Fund may not meet the asset coverage requirements or earn sufficient income from its investments to make distributions on the Series G Preferred Shares.

Interest Rate Risk. The Series G Preferred Shares pay dividends at a fixed rate. Prices of fixed income investments tend to vary inversely with changes in market yields. The market yields on securities comparable to the Series G Preferred Shares may increase, which would likely result in a decline in the value of the Series G Preferred Shares. Additionally, if interest rates rise, securities comparable to the Series G Preferred Shares may pay higher dividend rates and holders of the Series G Preferred Shares may not be able to sell the Series G Preferred Shares at their liquidation preference and reinvest the proceeds at market rates. Market interest rates recently have been significantly below historical average rates, which may increase the risk that these rates will rise in the future.

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MANAGEMENT OF THE FUND SUPPLEMENT

Mr. Salvatore J. Zizza is a currently an interested person (as defined in the 1940 Act) of the Fund as a result of his ownership of securities of two of the Fund s underwriters in connection with this offering. Mr. Zizza will cease to be an interested person of the Fund once such underwriters are no longer principal underwriters of the Fund, which is expected to occur upon the completion of this offering.

CERTAIN EMPLOYEE BENEFIT PLAN AND IRA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Series G Preferred Shares by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), plans, individual retirement accounts (IRAs) and other arrangements that are subject to Section 4975 of the Code, and entities whose underlying assets are considered to include plan assets of any such plan, account or arrangement (each, a Benefit Plan).

ERISA and the Code impose certain duties on persons who are fiduciaries of a Benefit Plan and prohibit certain transactions involving the assets of a Benefit Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Benefit Plan or the management or disposition of the assets of such a Benefit Plan, or who renders investment advice for a fee or other compensation to such a Benefit Plan, is generally considered to be a fiduciary of the Benefit Plan. Moreover, governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and foreign plans (as described in Section 4(b)(4) of ERISA) (each such governmental, church and foreign plan referred to as a Non-ERISA Plan, and together with Benefit Plans, referred to herein as Plans), are not subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the Code, but may be subject to state, federal or other laws or regulations substantively similar to such portions of ERISA or Section 4975 of the Code (Similar Law).

In considering an investment in the Series G Preferred Shares of a portion of the assets of any Plan, a fiduciary or other person considering the investment should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, Section 4975 of the Code and Similar Law including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA and the Code. The purchase of Series G Preferred Shares by a fiduciary for a Plan should be considered in light of such requirements.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Benefit Plan and certain persons (referred to as parties in interest for purposes of ERISA and disqualified persons for purposes of the Code) having certain relationships to such Benefit Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engaged in a nonexempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code (or with respect to certain Benefit Plans, such as IRAs, a prohibited transaction may cause the Benefit Plan to lose its tax-exempt status). In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions (PTCEs) that may apply to the purchase of the Series G Preferred Shares. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers, PTCE 84-24 governing purchases of shares in investment companies) and PTCE 75-1 respecting sales of securities. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code each provides a limited exemption, commonly referred to as the service provider exemption, from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions between a Benefit Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that, directly or

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indirectly, has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Benefit Plan involved in the transaction) solely by reason of providing services to the Benefit Plan or by relationship to a service provider, provided that the Benefit Plan receives no less, nor pays no more, than adequate consideration. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Plans considering acquiring the Series G Preferred Shares in reliance on these exemptions or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions or any other exemption will be satisfied at the time that the Series G Preferred Shares are acquired, or thereafter while the Series G Preferred Shares are held, if the facts relied upon for utilizing a prohibited transaction exemption change.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series G Preferred Shares on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and Similar Law to such investment and whether an exemption would be applicable to the purchase and holding of the Series G Preferred Shares and whether the purchase and holding of Series G Preferred Shares otherwise will be in compliance with the applicable provisions of ERISA, Section 4975 of the Code and Similar Law.

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UNDERWRITING

Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among the Fund, the Investment Adviser and the underwriters, the Fund has agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the Fund, the number of Series G Preferred Shares set forth opposite its name below.

Underwriter	Number of Series G Preferred Shares
Morgan Stanley & Co. LLC	1,800,000
Wells Fargo Securities, LLC	1,800,000
G.research, LLC	400,000
Total	4,000,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the Series G Preferred Shares sold pursuant to the underwriting agreement if any of the Series G Preferred Shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

The Fund and the Investment Adviser have each agreed to indemnify the underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Series G Preferred Shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Series G Preferred Shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the Series G Preferred Shares to the public at the public offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of $0.50 per share. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $0.45 per share to other underwriters or to certain dealers. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The expenses of the offering, not including the underwriting discount, are estimated at $270,000 and are payable by the Fund.

No Sales of Similar Securities

The Fund and the Investment Adviser have agreed that the Fund will not, for a period of 90 days from the date of this Prospectus Supplement, without the prior written consent of Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any of its preferred shares or securities exchangeable for or convertible into its preferred shares, except for the Series G Preferred Shares sold to the underwriters pursuant to the underwriting agreement.

New York Stock Exchange

Application has been made to list the Series G Preferred Shares on the NYSE. Prior to the offering, there has been no public market for the Series G Preferred Shares. If the application is approved, the Series G Preferred Shares are expected to commence trading on the NYSE under the symbol GDV Pr G within thirty days of the date of issuance. Before the Series G Preferred Shares are listed on the NYSE, the underwriters may, but are not obligated to, make a market in the Series G Preferred Shares. Consequently, it is anticipated that, prior to the commencement of trading on the NYSE, an investment in Series G Preferred Shares will be illiquid.

If a secondary trading market develops prior to the commencement of trading on the NYSE, holders of the Series G Preferred Shares may be able to sell such shares, however, such shares may trade at discounts from the liquidation preference of the Series G Preferred Shares.

Price Stabilization, Short Positions

Until the distribution of the Series G Preferred Shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing the Series G Preferred Shares. However, the representatives may engage in transactions that have the effect of stabilizing the price of the Series G Preferred Shares, such as purchases and other activities that peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell Series G Preferred Shares in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Series G Preferred Shares than they are required to purchase in the offering. The underwriters must close out any short position by purchasing Series G Preferred Shares in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Series G Preferred Shares in the open market after pricing that could adversely affect investors who purchase in the offering.

The underwriters may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when a representative repurchases Series G Preferred Shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Series G Preferred Shares or preventing or retarding a decline in the market price of the Series G Preferred Shares. As a result, the price of the Series G Preferred Shares may be higher than the price that might otherwise exist in the open market.

None of the Fund, the Investment Adviser or any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Series G Preferred Shares. In addition, none of the Fund, the Investment Adviser or any of the underwriters makes any representation that a representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

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Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Fund, the Investment Adviser or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Fund, the Investment Adviser or their respective affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Fund anticipates that, from time to time, certain underwriters may act as brokers or dealers in connection with the execution of the Fund s portfolio transactions after they have ceased to be underwriters and, subject to certain restrictions, may act as brokers while they are underwriters.

G.research, LLC is a wholly owned subsidiary of Gabelli Securities, Inc., which is a majority-owned subsidiary of Associated Capital Group, Inc., an affiliate of the Investment Adviser, which is, in turn, indirectly majority-owned by Mario J. Gabelli. As a result of these relationships, Mr. Gabelli is a controlling person of G.research, LLC.

The principal business address of Morgan Stanley & Co. LLC is 1585 Broadway, New York, New York 10036. The principal business address of Wells Fargo Securities, LLC is 550 South Tryon Street, Charlotte, North Carolina 28202. The principal business address of G.research, LLC is One Corporate Center, Rye, New York 10580.

LEGAL MATTERS

Certain legal matters will be passed on by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, our counsel in connection with the offering of the Series G Preferred Shares. Certain legal matters in connection with this offering will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP, New York, New York. Simpson Thacher & Bartlett LLP may rely as to certain matters of Delaware law on the opinion of Skadden, Arps, Slate, Meagher & Flom LLP.

FINANCIAL STATEMENTS

The audited financial statements of the Fund are incorporated by reference into the SAI.

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Base Prospectus dated June 17, 2016

PROSPECTUS

$500,000,000

The Gabelli Dividend & Income Trust

Common Shares

Preferred Shares

Notes

Subscription Rights to Purchase Common Shares

Subscription Rights to Purchase Preferred Shares

Subscription Rights to Purchase Common and Preferred Shares

Investment Objective. The Gabelli Dividend & Income Trust (the Fund) is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund s investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed-income securities and securities that are convertible into common stock). In addition, under normal market conditions, at least 50% of the Fund s total assets will consist of dividend paying equity securities. In making equity selections, Gabelli Funds, LLC (the Investment Adviser), which serves as investment adviser to the Fund, looks for securities that have a superior yield and capital gains potential. We cannot assure you that the Fund will achieve its investment objective.

The Fund was organized as a Delaware statutory trust on August 20, 2003, and commenced its investment operations on November 28, 2003. An investment in the Fund is not appropriate for all investors.

We may offer, from time to time, in one or more offerings, our common and/or fixed rate preferred shares, each with a par value $0.001 per share (together, shares), our promissory notes (notes), and/or our subscription rights to purchase our common and/or fixed rate preferred shares, which we refer to collectively as the securities. The Fund will not issue auction rate preferred shares in a public offering pursuant to this Prospectus. Securities may be offered at prices and on terms to be set forth in one or more supplements to this prospectus (this Prospectus and each supplement thereto, a Prospectus Supplement). You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our securities.

Our securities may be offered directly to one or more purchasers, through agents designated from time to time by us, or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters, or among our underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any sale of fixed rate preferred shares will set forth the liquidation preference and information about the dividend period, dividend rate, any call protection or non-call period and other matters. The Prospectus Supplement relating to any sale of notes will set forth the principal amount, interest rate, interest payment dates, prepayment protection (if any) and other matters. The Prospectus Supplement relating to any offering of subscription rights will set forth the number of common and/or fixed rate preferred shares issuable upon the exercise of each right and the other terms of such rights offering. We may offer subscription rights for common shares, fixed rate preferred shares or common and fixed rate preferred shares. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering of our securities. Our common shares are listed on the New York Stock Exchange (the NYSE) under the symbol GDV and our Series A Preferred Shares and our Series D Preferred Shares are

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listed on the NYSE under the symbol GDV Pr A and GDV Pr D, respectively. On June 17, 2016, the last reported sale price of our common shares was $18.90. The net asset value of the Fund s common shares at the close of business on June 17, 2016 was $21.15 per share.

Shares of closed-end funds often trade at a discount from net asset value. This creates a risk of loss for an investor purchasing shares in a public offering.

Investing in the Fund s securities involves risks. See Risk Factors and Special Considerations beginning on page 42 for factors that should be considered before investing in securities of the Fund.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This Prospectus may not be used to consummate sales of securities by us through agents, underwriters or dealers unless accompanied by a Prospectus Supplement.

This Prospectus, together with an applicable Prospectus Supplement, sets forth concisely the information about the Fund that a prospective investor should know before investing. You should read this Prospectus, together with an applicable Prospectus Supplement, which contains important information about the Fund, before deciding whether to invest in the securities, and retain it for future reference. A Statement of Additional Information, dated June 17, 2016, containing additional information about the Fund, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of our annual and semiannual reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page 93 of this Prospectus, request other information about us and make shareholder inquiries by calling (800) GABELLI (422-3554) or by writing to the Fund, or obtain a copy (and other information regarding the Fund) from the Securities and Exchange Commission s web site (http://www.sec.gov).

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency.

You should rely only on the information contained or incorporated by reference in this Prospectus and any applicable Prospectus Supplement. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer to sell these securities in any state where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus and any applicable Prospectus Supplement is accurate as of any date other than the date of this Prospectus or the date of the applicable Prospectus Supplement.

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PROSPECTUS SUMMARY

This is only a summary. This summary may not contain all of the information that you should consider before investing in our securities. You should review the more detailed information contained in this prospectus (this Prospectus), including the section titled Risk Factors and Special Considerations beginning on page 42, the applicable Prospectus Supplement and the Statement of Additional Information, dated June 17, 2016 (the SAI).

The Fund

The Gabelli Dividend & Income Trust is a diversified, closed-end management investment company organized under the laws of the State of Delaware on August 20, 2003. Throughout this Prospectus, we refer to The Gabelli Dividend & Income Trust as the Fund or as we. See The Fund.

The Fund s outstanding common shares, par value $0.001 per share, are listed on the New York Stock Exchange (the NYSE) under the symbol GDV and our Series A Preferred Shares and our Series D Preferred Shares are listed on the NYSE under the symbol GDV Pr A and GDV Pr D, respectively. On June 17, 2016, the last reported sale price of our common shares was $18.90. The net asset value of the Fund s common shares at the close of business on June 17, 2016 was $21.15 per share. As of December 31, 2015, the net assets of the Fund attributable to its common shares were $1,738,939,772. As of December 31, 2015, the Fund had outstanding 82,550,422 common shares; 3,048,019 shares of 5.875% Series A Cumulative Preferred Shares, liquidation preference $25 per share (the Series A Preferred); 3,600 shares of Series B Auction Market Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series B Auction Market Preferred); 4,320 shares of Series C Auction Market Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series C Auction Market Preferred); 2,542,296 shares of 6.00% Series D Cumulative Preferred Shares, liquidation preference $25 per share (the Series D Preferred); and 4,860 shares of Series E Auction Rate Cumulative Preferred Shares, liquidation preference $25,000 per share (the Series E Auction Rate Preferred). The Series A Preferred, Series B Auction Market Preferred, Series C Auction Market Preferred, Series D Preferred, and Series E Auction Rate Preferred have the same seniority with respect to distributions and liquidation preference.

The Offering

We may offer, from time to time, in one or more offerings, our common and/or fixed rate preferred shares, $0.001 par value per share, our notes, or our subscription rights to purchase our common or fixed rate preferred shares or both, which we refer to collectively as the securities. The Fund will not issue auction rate preferred shares in a public offering pursuant to this Prospectus. The securities may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each a Prospectus Supplement). The offering price per common share of the Fund will not be less than the net asset value per common share at the time we make the offering,

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exclusive of any underwriting commissions or discounts; however, transferable rights offerings that meet certain conditions may be offered at a price below the then current net asset value per common share of the Fund. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our securities. Our securities may be offered directly to one or more purchasers, through agents designated from time to time by us, or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents, underwriters or dealers involved in the sale of our shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters, or among our underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any sale of fixed rate preferred shares will set forth the liquidation preference and information about the dividend period, dividend rate, any call protection or non-call period and other matters. The Prospectus Supplement relating to any sale of notes will set forth the principal amount, interest rate, interest payment dates, prepayment protection (if any), and other matters. The Prospectus Supplement relating to any offering of subscription rights will set forth the number of common and/or fixed rate preferred shares issuable upon the exercise of each right and the other terms of such rights offering.

While the aggregate number and amount of securities we may issue pursuant to this registration statement is limited to $500,000,000 of securities, our Board of Trustees (the Board) may, without any action by the shareholders, amend our Agreement and Declaration of Trust from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering.

Investment Objective and Policies

The Fund s investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed-income securities and securities that are convertible into common stock). In addition, under normal market conditions, at least 50% of the Fund s total assets will consist of dividend paying equity securities. The Fund may invest in the securities of companies of any market capitalization. The Fund may invest up to 25% of its total assets in securities of issuers in a single industry and may invest up to 35% of its total assets in securities of non-U.S. issuers (including securities of companies in emerging markets), which are generally denominated in foreign currencies. The Fund may also invest up to 10% of its total assets in below investment-grade debt securities, also known as high-yield fixed income securities. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Debt securities that are rated lower than BBB by Standard & Poor s Rating Services (S&P) or lower than Baa by Moody s Investors Service, Inc. (Moody s) (or unrated debt securities of comparable quality) are referred to in the financial press as junk bonds. The average duration of the Fund s investments in debt securities is expected to vary and the Fund does not target any particular average duration. The Fund s policy to invest at least 80% of its net assets in dividend paying securities or other income producing securities may be changed by the Board; however, if this policy changes, the Fund will provide shareholders at least 60 days written notice before implementation of the change in compliance with U.S. Securities and Exchange Commission (the Commission or the SEC) rules.

No assurance can be given that the Fund will achieve its investment objective. See Investment Objective and Policies.

The Fund is intended for investors seeking long term growth of capital. It is not intended for those who wish to play short term swings in the stock market.

Gabelli Funds, LLC (the Investment Adviser) serves as investment adviser to the Fund. The Investment Adviser s investment philosophy with respect to equity and debt securities is to identify assets that are selling in the public market at a discount to their private market value. The Investment Adviser defines private market value as the value informed purchasers are willing to pay to acquire assets with similar characteristics. In making equity selections, the Investment Adviser looks for securities that have a superior yield and capital gains potential. The Investment Adviser also normally evaluates an issuer s free cash flow and long term earnings trends. Finally, the Investment Adviser looks for a catalyst, something indigenous to the company, its industry or country, that will surface additional value.

Preferred Shares

The terms of each series of preferred shares may be fixed by the Board and may materially limit and/or qualify the rights of holders of the Fund s common shares. If the Fund s Board determines that it may be advantageous to the holders of the Fund s common shares for the Fund to utilize additional leverage, the Fund may issue additional series of fixed rate preferred shares. Any fixed rate preferred shares issued by the Fund will pay distributions at a fixed rate. The Fund will not issue additional series of auction rate preferred shares in a public offering pursuant to this Prospectus. Leverage creates a greater risk of loss as well as a potential for more gains for the common shares than if leverage were not used. See Risk Factors and Special Considerations Special Risk Factors to Holders of Common Shares Leverage Risk. The Fund may also determine in the future to issue other forms of senior securities, such as securities representing

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debt, subject to the limitations of the 1940 Act. The Fund may also engage in investment management techniques which will not be considered senior securities if the Fund establishes a segregated account with cash or other liquid assets or sets aside assets on the accounting records equal to the Fund s obligations in respect of such techniques. The Fund may also borrow money, to the extent permitted by the 1940 Act.

Dividends and Distributions

Preferred Shares Distributions. In accordance with the Fund s Governing Documents (as defined below) and as required by the 1940 Act, all preferred shares of the Fund must have the same seniority with respect to distributions. Accordingly, no complete distribution due for a particular dividend period will be declared or paid on any series of preferred shares of the Fund for any dividend period, or part thereof, unless full cumulative dividends and distributions due through the most recent dividend payment dates for all series of outstanding preferred shares of the Fund are declared and paid. If full cumulative distributions due have not been declared and made on all outstanding preferred shares of the Fund, any distributions on such preferred shares will be made as nearly pro rata as possible in proportion to the respective amounts of distributions accumulated but unmade on each such series of preferred shares on the relevant dividend payment date. As used herein, Governing Documents means the Fund s Agreement and Declaration of Trust and By-Laws, together with any amendments or supplements thereto, including any Statement of Preferences establishing a series of preferred shares.

The distributions to the Fund s preferred shareholders for the fiscal year ended December 31, 2015, were comprised of net investment income, short term capital gains and long term capital gains, and did not include any return of capital. ***The Fund s annualized distributions may in the future contain a return of capital and should not be considered as the dividend yield or total return of an investment in its common or preferred shares. Shareholders who receive the payment of a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Shareholders should not assume that the source of a distribution from the Fund is net profit.*** The composition of each distribution is estimated based on the earnings of the Fund as of the record date for each distribution. The actual composition of each of the current year s distributions will be based on the Fund s investment activity through the end of the calendar year.

Distributions on fixed rate preferred shares, at the applicable annual rate of the per share liquidation preference, are cumulative from the original issue date and are payable, when, as and if declared by the Board, out of funds legally available therefor. The holders of auction rate preferred shares are entitled to receive cash distributions, based on the applicable per share liquidation preference, that vary from dividend period to dividend period.

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Common Shares Distributions. In order to allow its holders of common shares to realize a predictable, but not assured, level of cash flow and some liquidity periodically on their investment without having to sell shares, the Fund has adopted a policy of paying monthly distributions on its common shares. The Fund s distribution policy may be modified from time to time by the Board as it deems appropriate, including in light of market and economic conditions and the Fund s current, expected and historical earnings and investment performance. Common shareholders are expected to be notified of any such modifications by press release or in the Fund s periodic shareholder reports. As as a regulated investment company (a RIC) under the Internal Revenue Code of 1986, as amended (the Code), the Fund will not be subject to U.S. federal income tax on any taxable income that it distributes to shareholders, provided that at least 90% of its investment company taxable income for that taxable year is distributed to its shareholders. If necessary, the Fund will pay an adjusting distribution in December which includes any additional income and net realized capital gains in excess of the monthly distributions for that year to satisfy the minimum distribution requirements of the Code. ***The Fund s annualized distributions may contain a return of capital and should not be considered as the dividend yield or total return of an investment in its common or preferred shares. Shareholders who receive the payment of a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Shareholders should not assume that the source of a distribution from the Fund is net profit.*** In addition, the amount treated as a tax-free return of capital will reduce a shareholder s adjusted tax basis in its shares, thereby increasing the shareholder s potential taxable gain or reducing the potential taxable loss on the sale of the shares.

For the fiscal year ended December 31, 2015, the Fund made distributions of $1.24 per common share, approximately $0.28 of which constituted a return of capital.

Indebtedness

Under applicable state law and our Agreement and Declaration of Trust, we may borrow money without prior approval of holders of common and preferred shares. We may issue debt securities, including notes, or other evidence of indebtedness and may secure any such notes or borrowings by mortgaging, pledging or otherwise subjecting as security our assets to the extent permitted by the 1940 Act or rating agency guidelines. Any borrowings, including without limitation any notes, will rank senior to the preferred shares and the common shares. The Prospectus Supplement will describe the interest payment provisions relating to notes. Interest on notes will be payable when due as described in the related Prospectus Supplement. If we do not pay interest when due, it will trigger an event of default and we will be restricted from declaring dividends and making other distributions with respect to our common shares and preferred shares.

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Use of Proceeds

The Fund will use the net proceeds from the offering to purchase portfolio securities in accordance with its Investment Objective and Policies. The Investment Adviser anticipates that the investment of the proceeds will be made as appropriate investment opportunities are identified, which is expected to substantially be completed within three months; however, changes in market conditions could result in the Fund s anticipated investment period extending to as long as six months. Depending on market conditions and operations, a portion of the proceeds may be used to pay distributions. See Use of Proceeds.

While it does not currently expect to do so, the Fund may also use the net proceeds from the offering to call, redeem or repurchase shares of one or more of its Series A Preferred, Series B Auction Market Preferred, Series C Auction Market Preferred, Series D Preferred or Series E Auction Rate Preferred. The distribution rates on the Series A Preferred and Series D Preferred are 5.875% and 6.00%, respectively. Distributions on the Series B Auction Market Preferred, Series C Auction Market Preferred and Series E Auction Rate Preferred accumulate at a variable rate set at a weekly auction. As of June 14, 2016, June 16, 2016 and June 15, 2016, the distribution rates on the Series B Auction Market Preferred, Series C Auction Market Preferred and Series E Auction Rate Preferred, respectively, were 1.910%, 1.908% and 2.910%, respectively.

Exchange Listing

The Fund s outstanding common shares have been listed and traded on the NYSE under the trading or ticker symbol GDV since November 25, 2003 and our Series A Preferred Shares and our Series D Preferred Shares are listed on the NYSE under the symbol GDV Pr A and GDV Pr D, respectively. See Description of the Securities. The Fund s common shares have historically traded at a discount to the Fund s net asset value. Since the Fund commended trading on the NYSE, the Fund s common shares have traded at a discount to net asset value as high as (27.7)% and a premium as high as 7.2%. Any additional series of fixed rate preferred shares or subscription rights issued in the future pursuant to a Prospectus Supplement by the Fund would also likely be listed on the NYSE.

Risk Factors and Special Considerations

Risk is inherent in all investing. Therefore, before investing in the Fund s securities, you should consider the risks carefully.

Equity Risk. A principal risk of investing in the Fund is equity risk, which is the risk that the securities held by the Fund will fall in market value due to adverse market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate and the particular circumstances and performance of particular companies whose securities the Fund holds. An investment in the Fund represents an indirect investment in the securities owned by the Fund, which are for the most part traded on securities exchanges or in the over-the-counter markets. The market value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The net asset value of the Fund may at any point in time be worth less than the amount at the time the shareholder invested in the Fund, even after taking into account any reinvestment of distributions. See Risk Factors and Special Considerations General Risks Equity Risk.

Convertible Securities Risk. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of the Fund s holding may occur in the event the underlying stock is subdivided, additional equity securities are issued for below market value, a stock dividend is declared or the issuer enters into another type of corporate transaction that has a similar effect.

Value Investing Risk. The Fund focuses its investments on the securities of companies that the Investment Adviser believes are undervalued or inexpensive relative to other investments. These types of securities may present risks in addition to the general risks associated with investing in common and preferred stocks. See Risk Factors and Special Considerations General Risks Value Investing Risk.

Selection Risk. Different types of stocks tend to shift into and out of favor with stock market investors, depending on market and economic conditions. The performance of funds that invest in value-style stocks may at times be better or worse than the performance of stock funds that focus on other types of stocks or that have a broader investment style.

Distribution Risk for Equity Income Securities. In selecting equity income securities in which the Fund will invest, the Investment Adviser will consider the issuer s history of making regular periodic distributions (i.e., dividends) to its equity holders. An issuer s history of paying dividends, however, does not guarantee that the issuer will continue to pay dividends in the future. The dividend income stream associated with equity income securities generally is not guaranteed and will be subordinate to payment obligations of the issuer on its debt and other liabilities. Accordingly, in the event the issuer does not realize sufficient income in a particular period both to service its liabilities and to pay dividends on its equity securities, it may forgo paying dividends on its equity securities. In addition, because in most instances issuers are not obligated to make periodic distributions to the holders of their equity securities, such distributions or dividends generally may be discontinued at the issuer s discretion. See Risk Factors and Special Considerations General Risks Distribution Risk for Equity Income Securities.

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Fixed Income Securities Risks. Fixed income securities in which the Fund may invest are generally subject to the following risks:

Interest Rate Risk. The market value of bonds and other fixed-income or dividend-paying securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other income- or dividend-paying securities will increase as interest rates fall and decrease as interest rates rise. The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low interest rates.

Issuer Risk. Issuer risk is the risk that the value of an income- or dividend-paying security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer s goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer.

Credit Risk. Credit risk is the risk that one or more income- or dividend-paying securities in the Fund s portfolio will decline in price or fail to pay interest/distributions or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates.

Prepayment Risk. Prepayment risk is the risk that during periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For income- or dividend-paying securities, such payments often occur during periods of declining interest rates, forcing the Fund to reinvest in lower yielding securities, resulting in a possible decline in the Fund s income and distributions to shareholders.

Reinvestment Risk. Reinvestment risk is the risk that income from the Fund s portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed income securities at market interest rates that are below the Fund portfolio s current earnings rate.

Duration and Maturity Risk. The Fund may incur costs in seeking to adjust the portfolio average duration or maturity. There can be no assurance that the Investment Adviser s assessment of current and projected market conditions will be correct or that any strategy to adjust duration or maturity will be successful at any given time.

See Risk Factors and Special Considerations General Risks Fixed Income Securities Risk.

Prepayment Risks on Government Sponsored Mortgage-Backed Securities. The yield and maturity characteristics of government

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sponsored mortgage-backed securities differ from traditional debt securities. A major difference is that the principal amount of the obligations may generally be prepaid at any time because the underlying assets (i.e., loans) generally may be prepaid at any time. See Risk Factors and Special Considerations General Risks Prepayment Risks on Government Sponsored Mortgage-Backed Securities.

Non-Investment Grade Securities. The Fund may invest in debt securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality. The prices of these lower grade securities are more sensitive to negative developments, such as a decline in the issuer s revenues or a general economic downturn, than are the prices of higher grade securities. Securities of below investment grade quality those securities rated below Baa by Moody s or below BBB by S&P are predominantly speculative with respect to the issuer s capacity to pay interest and repay principal when due and therefore involve a greater risk of default and are commonly referred to as junk bonds. See Risk Factors and Special Considerations General Risks Non-Investment Grade Securities.

Small and Mid-Cap Company Risk. The Fund invests in the equity securities of U.S. and non-U.S. small-cap and/or mid-cap companies. More information regarding investing in foreign securities and emerging markets is set forth below. The securities of small and mid-cap companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization securities or the market as a whole. In addition, small and mid-cap securities may be particularly sensitive to changes in interest rates, borrowing costs and earnings. Investing in small and mid-cap securities requires a longer-term view. See Risk Factors and Special Considerations General Risks Small and Mid-Cap Company Risk.

Financial Services Sector Risk. The Fund has in the past invested, and may in the future invest, a significant portion of its total assets in securities issued by financial services companies. Financial services are generally involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments, or real estate.

The profitability of many types of financial services companies may be adversely affected in certain market cycles, including periods of rising interest rates, which may restrict the availability and increase the cost of capital, and declining economic conditions, which may cause credit losses due to financial difficulties of borrowers. Financial services companies are also subject to extensive government regulation, including policy and legislative changes in the United States and other countries. See Risk Factors and Special Considerations General Risks Financial Services Sector Risk.

U.S. Government Securities and Credit Rating Downgrade Risk. The Fund may invest in direct obligations of the government of the United States or its agencies. Obligations issued or guaranteed by the U.S. government, its agencies, authorities and instrumentalities and backed by the full faith and credit of the U.S. guarantee only that principal and interest will be timely paid to holders of the securities. These entities do not guarantee that the value such obligations will increase, and, in fact, the market values of such obligations may fluctuate. In addition, not all U.S. government securities are backed by the full faith and credit of the United States; some are the obligation solely of the entity through which they are issued. There is no guarantee that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.

The events surrounding negotiations regarding the U.S. federal government debt ceiling and deficit reduction could adversely affect the Fund s ability to achieve its investment objective. In 2011, S&P lowered its long term sovereign credit rating on the U.S. to AA+ from AAA. The downgrade by S&P increased volatility in both stock and bond markets, resulting in higher interest rates and higher Treasury yields, and increased the costs of all kinds of debt. Repeat occurrences of similar events could have significant adverse effects on the U.S. economy generally and could result in significant adverse impacts on issuers of securities held by the Fund itself. The Investment Adviser cannot predict the effects of similar events in the future on the U.S. economy and securities markets or on the Fund s portfolio. The Investment Adviser monitors developments and seeks to manage the Fund s portfolio in a manner consistent with achieving the Fund s investment objective, but there can be no assurance that it will be successful in doing so and the Investment Adviser may not timely anticipate or manage existing, new or additional risks, contingencies or developments. See Risk Factors and Special Considerations General Risks U.S. Government Securities and Credit Rating Downgrade Risk.

Foreign Securities Risk. Investing in securities of foreign companies (or foreign governments), which are generally denominated in foreign currencies, may involve certain risks and opportunities not typically associated with investing in domestic companies. Foreign companies generally are not subject to the same accounting, auditing and financial standards and requirements as those applicable to U.S. companies.

Investing in securities of companies in emerging markets may entail special risks relating to potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, the lack of hedging

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instruments and restrictions on repatriation of capital invested. Emerging securities markets are substantially smaller, less developed, less liquid and more volatile than the major securities markets. The limited size of emerging securities markets and limited trading volume compared to the volume of trading in U.S. securities could cause prices to be erratic for reasons apart from factors that affect the quality of the securities. For example, limited market size may cause prices to be unduly influenced by traders who control large positions. Adverse publicity and investors perceptions, whether or not based on fundamental analysis, may decrease the value and liquidity of portfolio securities, especially in these markets. Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations have had and may continue to have negative effects on the economies and securities markets of certain emerging market countries.

The Fund may invest in companies whose securities are denominated or quoted in currencies other than U.S. dollars or have significant operations or markets outside of the United States. In such instances, the Fund will be exposed to currency risk, including the risk of fluctuations in the exchange rate between U.S. dollars (in which the Fund s shares are denominated) and such foreign currencies, the risk of currency devaluations and the risks of non-exchangeability and blockage. As non-U.S. securities may be purchased with and payable in currencies of countries other than the U.S. dollar, the value of these assets measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. Fluctuations in currency rates may adversely affect the ability of the Investment Adviser to acquire such securities at advantageous prices and may also adversely affect the performance of such assets.

For more details on certain pronounced risks with foreign investing see Risk Factors and Special Considerations General Risks Foreign Securities Risk.

Industry Risk. The Fund may invest up to 25% of its total assets in securities of a single industry. Should the Fund choose to do so, the net asset value of the Fund will be more susceptible to factors affecting those particular types of companies, which, depending on the particular industry, may include, among others: governmental regulation; inflation; cost increases in raw materials, fuel and other operating expenses; technological innovations that may render existing products and equipment obsolete; and increasing interest rates resulting in high interest costs on borrowings needed for capital investment, including costs associated with compliance with environmental and other regulations. In such circumstances, the Fund s investments may be subject to greater risk and market fluctuation than a fund that had securities representing a broader range of industries. See Risk Factors and Special Considerations General Risks Industry Risk.

Leverage Risk. The Fund currently uses financial leverage for investment purposes by issuing preferred shares and is also permitted to use other types of financial leverage, such as through the issuance of debt securities or additional preferred shares and borrowing from financial institutions. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue additional senior securities (which may be stock, such as preferred shares, and/or securities representing debt) only if immediately after such issuance the value of the Fund s total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding. As of December 31, 2015, the amount of leverage represented approximately 21% of the Fund s net assets.

The Fund s leveraged capital structure creates special risks not associated with unleveraged funds having a similar investment objective and policies. These include the possibility of greater loss and the likelihood of higher volatility of the net asset value of the Fund and the asset coverage for the preferred shares. Such volatility may increase the likelihood of the Fund having to sell investments in order to meet its obligations to make distributions on the preferred shares or principal or interest payments on debt securities, or to redeem preferred shares or repay debt, when it may be disadvantageous to do so. The Fund s use of leverage may require it to sell portfolio investments at inopportune times in order to raise cash to redeem preferred shares or otherwise de-leverage so as to maintain required asset coverage amounts or comply with the mandatory redemption terms of any outstanding preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. To the extent that the Fund employs leverage in its investment operations, the Fund is subject to substantial risk of loss. The Fund cannot assure you that borrowings or the issuance of preferred shares will result in a higher yield or return to the holders of the common shares. Also, since the Fund utilizes leverage, a decline in net asset value could affect the ability of the Fund to make common share distributions and such a failure to make distributions could result in the Fund ceasing to qualify as a RIC under the Code. Any decline in the net asset value of the Fund s investments would be borne entirely by the holders of common shares. Therefore, if the market value of the Fund s portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common shares than if the Fund were not leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common shares. The Fund might be in danger of failing to maintain the required asset coverage of its borrowings, notes or

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preferred shares or of losing its ratings on its notes or preferred shares or notes or, in an extreme case, the Fund s current investment income might not be sufficient to meet the distribution or interest requirements on the preferred shares or notes. In order to counteract such an event, the Fund might need to liquidate investments in order to fund redemption of some or all of the preferred shares or notes.

The issuance of preferred shares or notes causes the net asset value and market value of the common shares to become more volatile. If the interest rate on the notes or the dividend rate on the preferred shares approaches the net rate of return on the Fund s investment portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the interest rates on the notes or the dividend rate on the preferred shares plus the management fee annual rate of 1.00% exceeds the net rate of return on the Fund s portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Fund had not issued preferred shares or notes.

In addition, the Fund pays (and the holders of common shares bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares or notes, including any additional advisory fees on the incremental assets attributable to such preferred shares or notes. Holders of preferred shares and notes may have different interests than holders of common shares and at times may have disproportionate influence over the Fund s affairs. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt, such as notes) only if immediately after such issuance the value of the Fund s total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding, which is referred to as the asset coverage required by the 1940 Act. In the event the Fund fails to maintain an asset coverage of 100% for any notes outstanding for certain periods of time, the 1940 Act requires that either an event of default be declared or that the holders of such notes have the right to elect a majority of the Fund s Trustees until asset coverage recovers to 110%. In addition, holders of preferred shares, voting separately as a single class, have the right to elect two members of the Board at all times and in the event dividends become in arrears for two full years would have the right (subject to the rights of noteholders) to elect a majority of the Trustees until the arrearage is completely eliminated. In addition, preferred shareholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion of the Fund to open-end status, and accordingly can veto any such changes. See Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk and Description of the Securities Preferred Shares Asset Maintenance Requirements and Description of the Securities Notes Limitations.

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Market Discount Risk. The Fund is a diversified, closed-end management investment company. Whether investors will realize gains or losses upon the sale of additional securities of the Fund will depend upon the market price of the securities at the time of sale, which may be less or more than the Fund s net asset value per share or the liquidation value of any Fund preferred shares issued. The Fund cannot predict whether any such securities will trade at, below or above net asset value or at, below or above their public offering price. The risk of a market price discount from net asset value is separate and in addition to the risk that net asset value itself may decline. The Fund s securities are designed primarily for long term investors, and investors in the shares should not view the Fund as a vehicle for trading purposes. See Risk Factors and Special Considerations General Risks Market Discount Risk.

Special Risks to Holders of Fixed Rate Preferred Shares. Prior to the offering of any additional series of fixed rate preferred shares, there will be no public market for such shares. During an initial period, not expected to exceed 30 days after the date of initial issuance, such shares may not be listed on any securities exchange. During such period, the underwriters may make a market in such shares, although they will have no obligation to do so. Consequently, an investment in such shares may be illiquid during such period. Fixed rate preferred shares may trade at a premium to or discount from liquidation preference for a variety of reasons, including changes in interest rates. See Risk Factors and Special Considerations Special Risks to Holders of Fixed Rate Preferred Shares.

Special Risks to Holders of Auction Rate Preferred Shares. Holders of auction rate preferred shares may not be able to sell their auction rate preferred shares at an auction if the auction fails, i.e., if more auction rate preferred shares are offered for sale than there are buyers for those shares. If you try to sell your auction rate preferred shares between auctions, you may not be able to sell them for their liquidation preference per share or such amount per share plus accumulated dividends. Since February 2008 all of the auctions of our Series B Preferred, Series C Preferred, and Series E Preferred have failed. Most auction rate preferred share auctions have been unable to hold successful auctions and holders of such shares have suffered reduced liquidity. Holders of our auction rate preferred have continued to receive their dividends on the auction rate preferred shares at the maximum rate determined by reference to short term rates, rather than at a price set by auction. At present, the maximum rate for Series B Auction Market Preferred and Series C Auction Market Preferred is equal to the greater of (a) 150% of or (b) 150 bps over the 7-day LIBOR, and equal to the greater of (a) 250% of or (b) 250 bps over the 7-day LIBOR for Series E Preferred. A failed auction is not a default and the Fund has no obligation to redeem its auction rate preferred shares because the auctions continue to fail. There can be no assurance that liquidity will improve. There appears to be a secondary market in certain auction market preferred issues, although the Fund is not aware whether there is or will be an active trading market for the Fund s auction rate preferred shares. See Risk Factors and Special Considerations Special Risks to Holders of Auction Rate Preferred Shares.

Special Risks to Holders of Notes. An investment in our notes is subject to special risks. Our notes are not likely to be listed on an exchange or automated quotation system. We cannot assure you that any market will exist for our notes or if a market does exist, whether it will provide holders with liquidity. Broker-dealers that maintain a secondary trading market for the notes are not required to maintain this market, and the Fund is not required to redeem notes if an attempted secondary market sale fails because of a lack of buyers. To the extent that our notes trade, they may trade at a price either higher or lower than their principal amount depending on interest rates, the rating (if any) on such notes and other factors. See Risk Factors and Special Considerations Special Risks to Holders of Notes.

Special Risk to Holders of Subscription Rights. There is a risk that changes in market conditions may result in the underlying common or preferred shares purchasable upon exercise of the subscription rights being less attractive to investors at the conclusion of the subscription period. This may reduce or eliminate the value of the subscription rights. Investors who receive subscription rights may find that there is no market to sell rights they do not wish to exercise. If investors exercise only a portion of the rights, the number of common or preferred shares issued may be reduced, and the common or preferred shares may trade at less favorable prices than larger offerings for similar securities. See Risk Factors and Special Considerations Special Risk to Holders of Subscription Rights.

Common Share Repurchases. Repurchases of common shares by the Fund may reduce the net asset coverage of the notes and preferred shares, which could adversely affect their liquidity or market prices. See Risk Factors and Special Considerations Special Risks to Holders of Notes and Preferred Shares Common Share Repurchases.

Common Share Distribution Policy. In the event the Fund does not generate a total return from dividends and interest received and net realized capital gains in an amount at least equal to its distributions for a given year, the Fund may return capital as part of its distributions on common shares. This would decrease the asset coverage per share with respect to the Fund s notes or preferred shares, which could adversely affect their liquidity or market prices. See Risk Factors and Special Considerations Special Risks to Holders of Notes and Preferred Shares Common Share Distribution Policy.

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Credit Quality Ratings. In order to obtain and maintain attractive credit quality ratings for preferred shares or borrowings, the Fund s portfolio must satisfy over-collateralization tests established by the relevant rating agencies. These tests are more difficult to satisfy to the extent the Fund s portfolio securities are of lower credit quality, longer maturity or not diversified by issuer and industry. These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. A rating by a rating agency does not eliminate or necessarily mitigate the risks of investing in our preferred shares or notes, and a rating may not fully or accurately reflect all of the securities credit risks. A rating does not address liquidity or any other market risks of the securities being rated. A rating agency could downgrade the rating of our preferred shares or notes, which may make such securities less liquid in the secondary market. If a rating agency downgrades the rating assigned to preferred shares or notes, we may alter our portfolio or redeem the preferred shares or notes under certain circumstances. See Risk Factors and Special Considerations Special Risks to Holders of Notes and Preferred Shares Credit Quality Ratings.

Preferred Shares Subordinated to Debt Securities. As provided in the 1940 Act, and subject to compliance with the Fund s investment limitations, the Fund may issue debt securities. In the event the Fund were to issue such securities, the Fund s obligations to make distributions and, upon liquidation of the Fund, liquidation payments in respect of its preferred shares would be subordinate to the Fund s obligations to make any principal and interest payments due and owing with respect to its outstanding debt securities. Accordingly, the Fund s issuance of debt securities would have the effect of creating special risks for the Fund s preferred shareholders that would not be present in a capital structure that did not include such securities. See Risk Factors and Special Considerations Special Risks of Notes to Holders of Preferred Shares.

Dilution. Shareholders who do not exercise their subscription rights may, at the completion of such an offering, own a smaller proportional interest in the Fund than if they exercised their subscription rights. As a result of such an offering, a shareholder may experience dilution in net asset value per share if the subscription price per share is below the net asset value per share on the expiration date. If the subscription price per share is below the net asset value per share of the Fund s shares on the expiration date, a shareholder will experience an immediate dilution of the aggregate net asset value of such shareholder s shares if the shareholder does not participate in such an offering and the shareholder will experience a reduction in the net asset value per share of such shareholder s shares whether or not the shareholder participates in such an offering. The Fund cannot state precisely the extent of this dilution (if any) if the shareholder does not exercise such shareholder s subscription rights because the

Fund does not know what the net asset value per share will be when the offer expires or what proportion of the subscription rights will be exercised.

Long Term Objective; Not a Complete Investment Program. The Fund is intended for investors seeking long term growth of capital. The Fund is not meant to provide a vehicle for those who wish to play short term swings in the stock market. An investment in shares of the Fund should not be considered a complete investment program. Each shareholder should take into account the Fund s investment objective as well as the shareholder s other investments when considering an investment in the Fund. See Risk Factors and Special Considerations General Risks Long Term Objective; Not a Complete Investment Program.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. The Investment Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. See Risk Factors and Special Considerations General Risks Management Risk.

Dependence on Key Personnel. The Investment Adviser is dependent upon the expertise of Mr. Mario J. Gabelli in providing investment advisory services with respect to the Fund s investments. If the Investment Adviser were to lose the services of Mr. Gabelli, its ability to service the Fund could be adversely affected. There can be no assurance that a suitable replacement could be found for Mr. Gabelli in the event of his death, resignation, retirement or inability to act on behalf of the Investment Adviser. See Risk Factors and Special Considerations General Risks Dependence on Key Personnel.

Market Disruption and Geopolitical Risk. The occurrence of events similar to those in recent years may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the U.S. and worldwide. Any such event(s) could have a significant adverse impact on the value and risk profile of the Fund s portfolio. The Fund does not know how long the securities markets may be affected by similar events and cannot predict the effects of similar events in the future on the U.S. economy and securities markets. There can be no assurance that similar events and other market disruptions will not have other material and adverse implications. See Risk Factors and Special Considerations General Risks Market Disruption and Geopolitical Risk.

Economic Events and Market Risk. Periods of market volatility remain, and may continue to occur in the future, in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may make valuation of some of the Fund s securities uncertain and/or result in sudden and significant valuation increases or declines in its holdings. If there is a significant decline in the value of the Fund s portfolio, this may impact the asset coverage levels for the Fund s outstanding leverage.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and our business, financial condition and results of operation. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates and the decision to end its quantitative easing policy, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could impair the Fund s ability to achieve its investment objective.

See Risk Factors and Special Considerations General Risks Economic Events and Market Risk.

Government Intervention in Financial Markets Risk. The U.S. government and certain foreign governments have in the past taken actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity, including through direct purchases of equity and debt securities. Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the issuers in which the Fund invests, or the issuers of such securities, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund s ability to achieve its investment objective. See Risk Factors and Special Considerations General Risks Government Intervention in Financial Markets Risk.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund s shares and distributions thereon can decline. In addition, during any periods of rising inflation, dividend rates of any debt securities issued by the Fund would likely increase, which would tend to further reduce returns to common shareholders. See Risk Factors and Special Considerations General Risks Inflation Risk.

Loans of Portfolio Securities. The Fund may seek to earn income by lending portfolio securities to broker-dealers or other institutional

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borrowers. As with other extensions of credit, there are risks of delay in recovery or even loss of rights in the securities loaned if the borrower of the securities violates the terms of the loan or fails financially. See Risk Factors and Special Considerations General Risks Loans of Portfolio Securities.

Tax Risk. We cannot assure you what percentage of the distributions paid on the Fund s shares, if any, will consist of tax-advantaged qualified dividend income or long term capital gains or what the tax rates on various types of income will be in future years. See Risk Factors and Special Considerations General Risks Tax Risk.

Status as a Regulated Investment Company. The Fund has elected to qualify as a RIC under Subchapter M of the Code. Qualification requires, among other things, compliance by the Fund with certain distribution requirements. Statutory limitations on distributions on the common shares if the Fund fails to satisfy the 1940 Act s asset coverage requirements could jeopardize the Fund s ability to meet such distribution requirements. While the Fund presently intends to purchase or redeem notes or preferred shares, if any, to the extent necessary in order to maintain compliance with such asset coverage requirements, there can be no assurance that such actions can be effected in time to meet the Code s requirements. See Risk Factors and Special Considerations General Risks Status as a Regulated Investment Company.

Anti-takeover Provisions. The Governing Documents include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund. See Anti-Takeover Provisions of the Fund s Governing Documents.

Management and Fees

The Investment Adviser s fee is computed weekly and paid monthly at the annual rate of 1.00% of the Fund s average weekly net assets. Net assets are total assets minus the sum of the Fund s liabilities (such liabilities exclude the aggregate liquidation preference of outstanding preferred shares and accumulated dividends, if any, on those shares and the outstanding principal amount of any debt securities the proceeds of which were used for investment purposes, plus accrued and unpaid interest thereon). The investment advisory agreement between the Fund and the Investment Adviser (the Investment Advisory Agreement) combines investment advisory and administrative responsibilities in one agreement. See Management of the Fund.

Repurchase of Common Shares

The Board has authorized the Fund to consider the repurchase of its common shares in the open market when the common shares are trading at a discount of 7.5% or more from net asset value (or such other percentage as the Board may determine from time to time). Although the Board has authorized such repurchases, the Fund is not required to repurchase its common shares. During the year ended

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December 31, 2015, the Fund repurchased and retired 224,056 common shares in the open market at an average price of $19.29 per share and at an average discount of approximately 12.68% from the Fund s net asset value. Such repurchases are subject to certain notice and other requirements under the 1940 Act. See Repurchase of Common Shares.

Anti-Takeover Provisions

Certain provisions of the Governing Documents may be regarded as anti-takeover provisions. Pursuant to these provisions, only one of three classes of Trustees is elected each year; super-majority voting requirements apply to the authorization of the conversion of the Fund from a closed-end to an open-end investment company or to the authorization of certain transactions between the Fund and a beneficial owner of more than 5% of any class of the Fund s capital stock; advance notice to the Fund of any shareholder proposal is required; and any shareholder proposing the nomination or election of a person as a Trustee must supply significant amounts of information designed to enable verification of whether such person satisfies the qualifications required of potential nominees to the Board. The overall effect of these provisions is to render more difficult the accomplishment of a merger with, or the assumption of control by, a principal shareholder. These provisions may have the effect of depriving the Fund s common shareholders of an opportunity to sell their shares at a premium to the prevailing market price. The issuance of preferred shares could make it more difficult for the holders of common shares to avoid the effect of these provisions. See Anti-Takeover Provisions of the Fund s Governing Documents.

Custodian, Transfer Agent, Auction Agent and Dividend Disbursing Agent

State Street Bank and Trust Company (State Street or the Custodian), located at 1776 Heritage Drive, North Quincy, Massachusetts 02171, serves as the custodian of the Fund s assets pursuant to a custody agreement. Under the custody agreement, the Custodian holds the Fund s assets in compliance with the 1940 Act. For its services, the Custodian receives a monthly fee based upon, among other things, the average value of the total assets of the Fund, plus certain charges for securities transactions.

Computershare Trust Company, N.A. (Computershare), located at 250 Royall Street, Canton, Massachusetts 02021, serves as the Fund s dividend disbursing agent, as agent under the Fund s automatic dividend reinvestment and voluntary cash purchase plans, and as transfer agent and registrar with respect to the Fund s common shares.

Computershare also serves as the transfer agent, registrar, dividend disbursing agent and redemption agent with respect to the Series A Preferred and Series D Preferred.

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The Bank of New York Mellon, located at 101 Barclay Street, New York, New York 10014, serves as auction agent, transfer agent and redemption agent with respect to the Series B Auction Market Preferred, and Series C Auction Market Preferred, and Series E Auction Rate Preferred.

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USE OF PROCEEDS

The Investment Adviser expects that it will initially invest the proceeds of the offering in high quality short term debt securities and instruments. The Investment Adviser anticipates that the investment of the proceeds will be made in accordance with the Fund s investment objective and policies as appropriate investment opportunities are identified, which is expected to substantially be completed within three months; however, changes in market conditions could result in the Fund s anticipated investment period extending to as long as six months. Depending on market conditions and operations, a portion of the cash held by the Fund, including any proceeds raised from this offering, may be used to pay distributions in accordance with the Fund s distribution policy. Such distribution would constitute a return of capital and should not be considered as dividend yield or the total return from an investment in the Fund.

While it does not currently expect to do so, the Fund may also use the net proceeds from the offering to call, redeem or repurchase shares of one or more of its Series A Preferred, Series B Auction Market Preferred, Series C Auction Market Preferred, Series D Preferred or Series E Auction Rate Preferred. The distribution rates on the Series A Preferred and Series D Preferred are 5.875% and 6.00%, respectively. Distributions on the Series B Auction Market Preferred, Series C Auction Market Preferred and Series E Auction Rate Preferred accumulate at a variable rate set at a weekly auction. As of June 14, 2016, June 16, 2016 and June 15, 2016, the distribution rates on the Series B Auction Market Preferred, Series C Auction Market Preferred and Series E Auction Rate Preferred, respectively, were 1.910%, 1.908% and 2.910%, respectively.

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SUMMARY OF FUND EXPENSES

The following table shows the Fund s expenses, including preferred shares offering expenses, as a percentage of net assets attributable to common shares.

Shareholder Transaction Expenses	
Sales Load (as a percentage of offering price)	1.65%(1)
Offering Expenses Borne by the Fund (excluding Preferred Shares Offering Expenses) (as a percentage of offering price)	0.38%(1)
Dividend Reinvestment and Cash Purchase Plan Fees	
Purchase transactions	$ 0.75 (2)
Sale transactions	$ 2.50 (2)
Preferred Shares Offering Expenses Borne by the Fund (as a percentage of net assets attributable to common shares)	0.03%(3)

	Percentage of Net Assets Attributable to Common Shares
Annual Expenses (as a percentage of net assets attributable to common shares)	
Management Fees	1.29%(4)
Interest Payments on Borrowed Funds	None
Other Expenses	0.09 (5)
Total Annual Expenses	1.38%
Dividends on Preferred Shares	1.14%(6)
Total Annual Expenses and Dividends on Preferred Shares	2.52%

(1) Estimated maximum amount based on offering of $350 million in common shares and $150 million in preferred shares. The estimates assume a 1.00% sales load on common shares and $1,345,000 in common offering expenses, and 3.15% sales load on preferred shares and $575,000 in preferred offering expenses. Actual sales loads and offering expenses may be higher or lower than these estimates and will be set forth in the Prospectus Supplement if applicable.

(2) Shareholders participating in the Fund s Automatic Dividend Reinvestment Plan do not incur any additional fees. Shareholders participating in the Voluntary Cash Purchase Plan would pay $0.75 plus their pro rata share of brokerage commissions per transaction to purchase shares and $2.50 plus their pro rata share of brokerage commissions per transaction to sell shares. See Automatic Dividend Reinvestment and Voluntary Cash Purchase Plans.

(3) Assumes issuance of $150 million in liquidation preference of fixed rate preferred shares, net assets attributable to common shares of $2.1 billion (which includes issuance of $350 million in common shares) and $575,000 in preferred offering expenses. The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

(4) The Investment Adviser s fee is 1.00% of the Fund s average weekly net assets including proceeds attributable to any outstanding preferred shares, with no deduction for liquidation preference of any preferred shares, and the outstanding principal amount of any debt securities the proceeds of which were used for investment purposes. Consequently, since the Fund has preferred shares outstanding, the investment management fees and other expenses as a percentage of net assets attributable to common shares may be higher than if the Fund does not utilize a leveraged capital structure.

(5) Other Expenses are based on estimated amounts for the current year assuming completion of the proposed issuances.

(6) Dividends on Preferred Shares represent the aggregate of (1) the estimated distributions on the existing preferred shares outstanding and (2) the distributions that would be made assuming $150 million of preferred shares is issued with a fixed dividend rate of 5.50%. There can, of course, be no guarantee that any preferred shares would be issued or, if issued, the terms thereof.

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The purpose of the table above and the example below is to help you understand the various costs and expenses that you, as a shareholder, would bear directly or indirectly. For a more complete description of the various costs and expenses a common shareholder would bear in connection with the issuance and ongoing maintenance of any preferred shares or notes issued by the Fund, see Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk.

The following example illustrates the expenses (including the maximum estimated sales load on common shares of $10 and on preferred shares of $31.50, and estimated offering expenses of $0.92 from the issuance of $350 million in common shares and $150 million in preferred shares) you would pay on a $1,000 investment in common shares, followed by a preferred shares offering, assuming a 5% annual portfolio total return.* The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

	1 Year	3 Years	5 Years	10 Years
Total Expenses incurred	$ 42	$ 95	$ 149	$ 298

* The example should not be considered a representation of future expenses. The example is based on total Annual Expenses and Dividends on Preferred Shares shown in the table above and assumes that the amounts set forth in the table do not change and that all distributions are reinvested at net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund s actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

The example includes Dividends of Preferred Shares. If Dividends on Preferred Shares were not included in the example calculation, the expenses for the 1-, 3-, 5- and 10-year periods in the table above would be as follows (based on the same assumptions as above): $31, $60, $92 and $181.

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FINANCIAL HIGHLIGHTS

The selected data below sets forth the per share operating performance and ratios for the period presented. The financial information was derived from and should be read in conjunction with the Financial Statements of the Fund and Notes thereto, which are incorporated by reference into the SAI. The financial information for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 has been audited by PricewaterhouseCoopers LLP, the Fund s independent registered public accounting firm, whose unqualified report on such Financial Statements is incorporated by reference into the SAI.

Selected data for a common share of beneficial interest outstanding throughout the period.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Operating Performance:					
Net asset value, beginning of year	$ 23.57	$ 24.18	$ 18.58	$ 17.24	$ 17.64
Net investment income	0.30	0.41	0.36	0.47	0.38
Net realized and unrealized gain on investments, securities sold short, swap contracts and foreign currency transactions	(1.39)	1.54	6.45	2.00	0.28
Total from investment operations	(1.09)	1.95	6.81	2.47	0.66
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.06)	(0.03)	(0.05)	(0.09)	(0.11)
Net realized gain	(0.12)	(0.15)	(0.13)	(0.08)	(0.05)
Total distributions to preferred shareholders	(0.18)	(0.18)	(0.18)	(0.17)	(0.16)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	(1.27)	1.77	6.63	2.30	0.50
Distributions to Common Shareholders:					
Net investment income	(0.31)	(0.39)	(0.31)	(0.37)	(0.27)
Net realized gain on investments	(0.65)	(1.97)	(0.72)	(0.31)	(0.14)
Return of capital	(0.28)	(0.02)		(0.28)	(0.49)
Total distributions to common shareholders	(1.24)	(2.38)	(1.03)	(0.96)	(0.90)
Fund Share Transactions:					
Increase in net asset value from repurchase of common shares	0.01		0.00[(b)]	0.00[(b)]	0.00[(b)]
Increase in net asset value from repurchase of preferred shares					
Offering costs for preferred shares charged to paid-in capital					
Total from Fund share transactions	0.01		0.00[(b)]	0.00[(b)]	0.00[(b)]
Net Asset Value Attributable to Common Shareholders, End of Year	$ 21.07	$ 23.57	$ 24.18	$ 18.58	$ 17.24
Net asset value total return	(5.59)%	7.48%	36.47%	14.40%	3.61%
Market value, end of year	$ 18.46	$ 21.66	$ 22.17	$ 16.18	$ 15.42
Investment total return	(9.32)%	8.82%	44.38%	11.38%	6.42%

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	Year Ended December 31,				
	2015	2014	2013	2012	2011
Ratios to Average Net Assets and Supplemental D					