Bulldog Investors, LLC, 250 Pehle Avenue, Suite 708, Saddle Brook, NJ 07663
(201) 881-7111 // Fax: (201) 556-0097 // pgoldstein@bulldoginvestors.com

May 12, 2020

Dear Fellow Stockholder of Dividend & Income Fund (DNI):

Have you heard? Tom Winmill and his "yes-men" trustees on the board of DNI have a sense of humor, albeit a warped one. They are apparently trying to secure a place for themselves on the list of "the world's biggest lies." You probably know some of those lies: "The check is in the mail." "Of course I will respect you in the morning." "Your call is very important to us." Here is their entry: "Your vote is very important and…[w]e encourage all shareholders to participate in the governance of the Fund."

The truth is completely the opposite. Winmill and his cronies on the Board have done everything they can to insure that your vote is meaningless and that, regardless of what the public shareholders want, DNI will forever be run for the benefit of the Winmill clan. DNI's shares consistently trade at one of biggest discounts to net asset value ("NAV") in the closed-end fund universe. Why is that? We think it stems from management's utter contempt for shareholder rights. The consensus among savvy investors is that DNI has the worst governance structure of any closed-end fund in the United States.

The offender-in-chief of DNI is Thomas B. Winmill. Tom also controls Bexil, DNI's investment manager from which he derives significant income. Apparently, Winmill does not want to be a fiduciary for shareholders because he thinks he should be allowed to put his own interests ahead of those of DNI's shareholders. In fact, two Delaware courts have found that he breached his fiduciary duty to a public company he controlled. Toward that goal, Winmill has championed a number of measures to insulate himself from any semblance of accountability to DNI's shareholders. These measures have understandably created a huge drag on the price of DNI's shares. To insure his nefarious plan succeeds, he surrounds himself with trustees that are more like lapdogs than watchdogs.

With DNI shares often trading at a discount in excess of 20%, it makes sense for the Fund to buy its own shares in the market, which would materially increase NAV with no risk. So, why have the trustees not authorized a share repurchase plan? The reason is that share repurchases would also reduce Winmill's management fees. If something is good for shareholders but bad for Winmill, you can count on the trustees to side with Winmill. Time and again, they have shown they are really looking out for Bexil and Winmill, not shareholders.

In this case, they have changed the location of the annual meeting to a shack in the boondocks of New Hampshire to make it as inconvenient as possible for shareholders to attend. They have also committed to waste $300,000 of shareholder money to solicit proxies to protect Winmill, rather than just allowing shareholders to vote as they wish in a fair election. Finally, they have falsely told you that a vote of 75% of the outstanding shares is needed to terminate Winmill's management agreement – even though federal law establishes a lower standard. That is consistent with Winmill's use of deception and his contempt for law and shareholder rights. Therefore, if shareholders ever hope to get better management, narrow the discount, and improve DNI's investment performance, Winmill has to go.

Here are some questions for Tom Winmill and his hypothetical answers that show why he should be fired now:

Q: Shouldn't DNI's trustees and manager adhere to the highest level of fiduciary duty?

Tom Winmill: "Drop dead!"

Q: Shouldn't the trustees consider action to address DNI's discount of more than 20%?

Tom Winmill: "Drop dead!"

Q: Shouldn't shareholders be able to present proposals at DNI's annual meeting?

Tom Winmill: "Drop dead!"

Q: Shouldn't shareholders be able to elect trustees other than the incumbents?

Tom Winmill: "Drop dead!"

Q: DNI prohibits all shareholders except Bexil from owning more than 5% of the outstanding shares. Isn't that unfair?

Tom Winmill: Drop dead!

The Investment Company Act of 1940 requires mutual funds to establish a governance system that relies heavily on shareholders' ability to exercise voting rights that serve as a check on investment company insiders. So, how have Winmill and his enablers been able to virtually eliminate the ability of shareholders to hold them accountable? Answer: They did it by deceiving both shareholders and the SEC. Here's how.

In 2012, Winmill asked shareholders to approve a plan to convert DNI from a corporation to a statutory trust. He claimed that a statutory trust would provide management with "more flexibility with respect to the administration of the Fund" and that "the interests of the Fund's shareholders would not be diluted as a result of the Reorganization." It has become evident that his real motive was to strip shareholders of as many of their rights as possible in order to consolidate his power over DNI. Rather than disclose that motive, he misled shareholders and the SEC. For example, when the SEC asked DNI for assurance that the increased "flexibility" would only be used for ministerial administrative changes, i.e., routine changes that do not require any judgment, Winmill and his co-conspirators responded that the conversion to a statutory trust would give them "flexibility *primarily* with regard to its ministerial administration." Notice how they added the weasel word, "primarily." They later took advantage of that "flexibility" to amend DNI's Trust Agreement to provide that "no Trustee, officer, employee or agent of the Trust shall owe any fiduciary duties to the Trust…or to any Shareholder…." Was that Winmill's intent all along? It sure seems like a bait and switch move designed to mislead the SEC.

In the end, the question is whether shareholders deserve a manager and trustees that are committed to a high level of fiduciary duty and to a governance structure that is best in class. <u>That will never happen and DNI's shares will likely continue to trade at a wide discount to their NAV as long as Winmill is running the show.</u> The solution is to dump Winmill. He desperately fears that might happen and has threatened to sue us to prevent shareholders from voting to fire him. We are not intimidated nor should you be.

This is your opportunity to seize control of DNI back from Tom Winmill and place it in the hands of the public shareholders. Your vote on the enclosed Green Proxy Card is a vote to fire Tom Winmill and to increase the value of your shares.

***

PLEASE RETURN THE ENCLOSED GREEN PROXY CARD TO VOTE FOR OUR NOMINEE AND OUR PROPOSALS TO (1) CONDUCT A SELF-TENDER OFFER, AND (2) TERMINATE THE MANAGEMENT AGREEMENT WITH BEXIL, TOM WINMILL'S FIRM. IF YOUR SHARES ARE HELD IN STREET NAME, YOU MAY VOTE ONLINE AT WWW.PROXYVOTE.COM OR BY TELEPHONE AT 1-800-454-8683. IF YOU HAVE ALREADY RETURNED MANAGEMENT'S PROXY CARD (EVEN IF YOU VOTED AGAINST THE BOARD'S NOMINEE), YOU STILL NEED TO VOTE OUR GREEN PROXY CARD TO OVERIDE IT.

IF YOU HAVE ANY QUESTIONS ABOUT HOW TO VOTE YOUR PROXY, PLEASE CALL INVESTORCOM AT 1-877-972-0090.

Very truly yours,

Phillip Goldstein

Phillip Goldstein
Managing Member