



# DNP SELECT INCOME FUND INC.

(NYSE: DNP)

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Chicago, IL 60606  
www.dnpselectincome.com  
Contact Fund: 312-368-5510

## Fund Overview

The DNP Select Income Fund Inc. (NYSE: DNP) is a diversified, closed-end management investment company that first offered its common stock to the public in January 1987. The Fund's primary investment objectives are current income and long-term growth of income. Capital appreciation is a secondary objective. DNP has outstanding RP, APS and bank loan totaling \$1,000 million as of 9/30/2011 to leverage the common stockholders' investment.

The Fund seeks to achieve its investment objectives by investing primarily in a diversified portfolio of equity and fixed income securities of companies in the public utilities industry. The Fund's investment strategies have been developed to take advantage of the income and growth characteristics, and historical performances of securities of companies in the public utilities industry.

Under normal conditions, more than 65% of the Fund's total assets will be invested in securities of public utility companies engaged in the production, transmission or distribution of electric energy, gas or telephone services. The Fund may invest in the securities of domestic and foreign issuers as well as in securities of companies of any market capitalization, including small and mid cap common and preferred stocks. The Fund may not invest more than 25% of its total assets (valued at the time of investment) in securities of companies engaged principally in any one industry other than the public utilities industry, nor have more than 20% invested in foreign issuers. The Fund will purchase a fixed income security only if, at the time of purchase, it is rated investment grade by at least two nationally recognized statistical rating organizations.

**There can be no assurance that the Fund will achieve its investment objectives.**

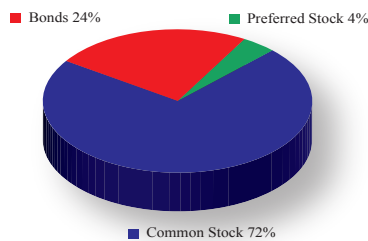
**This information does not represent an offer, or the solicitation of an offer, to buy or sell securities of the Fund.**

## Remarketed Preferred (RP) & Auction Preferred Stock (APS) Overview (For Periods Ended 9/30/2011)

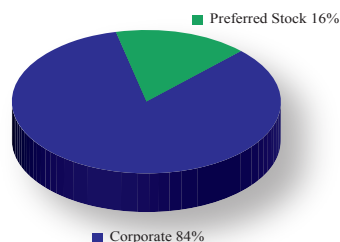
	RP	APS
Rating	Moody's Aaa/S&P AAA	Moody's Aaa/S&P AAA
1940 Act Coverage Ratio	284%	284%
Shares	2,000	8,000
Par Value	\$100,000	\$25,000
Year Issued	1988	2006
Outstanding	\$200 Million <sup>1</sup>	\$200 Million
Tax Status	Advantaged <sup>2</sup>	Fully Taxable
Current Rate Period	49 Days	7 Days

## Portfolio Characteristics (as of 9/30/2011, subject to change)<sup>3</sup>

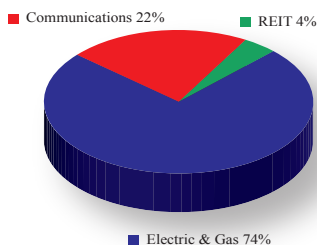
### Fund Asset Type



### Fixed Income Class



### Fund Industry Sectors



## Top 10 Stocks in Portfolio

Name	%
Verizon Communications Inc.	3.7
XCEL Energy Inc.	3.5
NextEra Energy Inc.	3.4
AT&T Inc.	3.4
Dominion Resources Inc.	3.3
Northeast Utilities	3.2
Pinnacle West Capital Corp.	3.0
Southern Co.	3.0
Centerpoint Energy Inc.	2.8
Public Service Entrp. Grp. Inc.	2.8

## Ratings of Bonds and Preferred in Portfolio

Rating - Lower of Moody's or S&P	%
Aaa	0.0
Aa	0.0
A	17.3
Baa	72.6
Below Baa	10.1

<sup>1</sup>As of 9/30/2011 the Fund had redeemed 6 series of preferred stock with face value of \$600 million and replaced \$600 million of leverage with senior debt. The Fund intends to replace additional series of preferred stock with debt.

<sup>2</sup>RP dividends generally qualify for the corporate dividends received deduction. Investors should consult their own tax advisors, as this document does not constitute tax advice.

<sup>3</sup>Portfolio weightings based on total investments excluding cash rather than total net assets.

**About Duff & Phelps Investment Management Co.** Duff & Phelps is the Fund's investment advisor and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. The Adviser, together with its predecessor, has been in the investment advisory business for more than 70 years and has acted as the Fund's investment adviser since the Fund's inception in 1987.



## *Risks of investing in the APS\**

**Auction risk:** The dividend rate for the APS normally is set through an auction process. In the auction, holders of APS may indicate the dividend rate at which they would be willing to hold or sell their APS or purchase additional APS. The auction also provides liquidity for the sale of APS. An auction fails if there are more shares of APS offered for sale than there are buyers for shares of APS. You may not be able to sell your APS at an auction if the auction fails. Finally, if you elect to retain your APS in connection with an auction, and all other holders also elect to retain their APS in connection with that auction, then the applicable dividend rate for the next dividend period will be the “all-hold” rate, which may be less than the market rate.

**Secondary market risk:** If you try to sell shares of your APS between auctions, you may not be able to sell any or all of your APS or you may not be able to sell them for \$25,000 per share plus accumulated dividends. If the Fund has designated a special dividend period, changes in interest rates could affect the price you would receive if you sold your shares in the secondary market. Broker-dealers that maintain a secondary trading market for the APS are not required to maintain this market, and the Fund is not required to redeem shares if either an auction or an attempted secondary market sale fails because of a lack of buyers. The APS are not listed on a stock exchange or traded on the NASDAQ stock market. If you sell your APS to a broker-dealer between auctions, you may receive less than the price you paid for them, especially if market interest rates have risen since the last auction.

**Ratings and asset coverage risk:** Moody’s has assigned a rating of “Aaa” and S&P a rating of “AAA” to the APS. Such ratings do not eliminate or necessarily mitigate the risks of investing in the APS. Moody’s or S&P could withdraw or downgrade the APS, which may make your shares less liquid at an auction or in the secondary market. If Moody’s or S&P withdraws its rating or downgrades the APS, the Fund may alter its portfolio or redeem shares of APS in an effort to reinstate or improve, as the case may be, the rating, although there is no assurance that the Fund will be able to do so to the extent necessary to restore the prior rating. The Fund’s ability to meet the asset coverage requirements of the Investment Company Act may be impaired by decreases in the market value of the Fund’s total assets, including those assets attributable to the Fund’s preferred stock and borrowings. The Fund also may voluntarily redeem APS under certain circumstances.

**Subordination risk:** As permitted by its fundamental investment policies, the Fund has the ability to use various forms of financial leverage. While holders of APS will have equal liquidation and distribution rights to the holders of RP, they will be subordinated to the rights of holders of senior indebtedness, if any. Therefore, dividends, distributions and other payments to holders of APS in liquidation or otherwise may be subject to prior payments due to the holders of senior indebtedness. As of September 30, 2011, the Fund’s leverage consisted of \$200 million of APS, \$200 million of RP, and \$600 million of senior indebtedness. If the Fund enters into borrowing or interest rate swaps or caps, the rights of lenders and counterparties in those transactions will also be senior to those of the APS.

**Restrictions on dividends and other distributions:** Restrictions imposed on the declaration and payment of dividends or other distributions to the holders of the Fund’s common stock or preferred stock, both by the Investment Company Act and by requirements imposed by rating agencies, might impair the Fund’s ability to comply with minimum distribution requirements that it must satisfy to maintain its favorable tax treatment as a regulated investment company for U.S. federal income tax purposes.

**Interest rate risk:** The APS pays dividends based on short-term interest rates. If short-term interest rates rise, dividend rates on the APS will also rise. A sharp increase in short-term interest rates could cause a “negative arbitrage” situation, where the dividend rate on the APS would exceed the yield on the Fund’s portfolio securities. In addition, rising market interest rates could negatively impact the value of the Fund’s investment portfolio, reducing the amount of assets serving as asset coverage for the APS.

*\* Please see the Prospectus for a more complete description of the APS and auction process. Beginning early in 2008 disruptions in the short-term fixed income markets resulted in auction failures which are ongoing.*



## ***Risks of investing in the RP\****

**Remarketing risk:** The dividend rate for the RP normally is set through a remarketing process. In the remarketing, holders of RP may indicate that they wish to tender or hold their RP or purchase additional RP. The remarketing also provides liquidity for the RP. There can be no assurance that the Remarketing Agent will be able to remarket all the shares of RP tendered in a remarketing. If any shares of RP tendered in a remarketing are not remarketed, a holder of shares may be required to continue to hold some or all of its shares at least until the end of the next 49-day dividend period or to sell outside a remarketing. Also, the remarketing procedures may require an allocation of shares of RP on a pro rata basis, which may result in a holder selling a number of shares of RP that is less than the number of shares of RP specified in such holder's tender order.

**Secondary market risk:** If you try to sell shares of your RP between remarketings, you may not be able to sell any or all of your RP or you may not be able to sell them for \$100,000 per share plus accumulated dividends. If the Fund has designated a special dividend period, changes in interest rates could affect the price you would receive if you sold your shares in the secondary market. Broker-dealers that maintain a secondary trading market for the RP are not required to maintain this market, and the Fund is not required to redeem shares if either a remarketing or an attempted secondary market sale fails because of a lack of buyers. The RP are not listed on a stock exchange or traded on the NASDAQ stock market. If you sell your RP to a broker-dealer between remarketings, you may receive less than the price you paid for them, especially if market interest rates have risen since the last remarketing.

**Ratings and asset coverage risk:** Moody's has assigned a rating of "Aaa" and S&P a rating of "AAA" to the RP. Such ratings do not eliminate or necessarily mitigate the risks of investing in the RP. Moody's or S&P could withdraw or downgrade the RP, which may make your shares less liquid at a remarketing or in the secondary market. If Moody's or S&P withdraws its rating or downgrades the RP, the Fund may alter its portfolio or redeem shares of RP in an effort to reinstate or improve, as the case may be, the rating, although there is no assurance that the Fund will be able to do so to the extent necessary to restore the prior rating. The Fund's ability to meet the asset coverage requirements of the Investment Company Act may be impaired by decreases in the market value of the Fund's total assets, including those assets attributable to the Fund's preferred stock and borrowings. The Fund also may voluntarily redeem RP under certain circumstances.

**Subordination risk:** As permitted by its fundamental investment policies, the Fund has the ability to use various forms of financial leverage. While holders of RP will have equal liquidation and distribution rights to the holders of APS, they will be subordinated to the rights of holders of senior indebtedness, if any. Therefore, dividends, distributions and other payments to holders of RP in liquidation or otherwise may be subject to prior payments due to the holders of senior indebtedness. As of September 30, 2011, the Fund's leverage consisted of \$200 million of APS, \$200 million of RP, and \$600 million of senior indebtedness. If the Fund enters into borrowing or interest rate swaps or caps, the rights of lenders and counterparties in those transactions will also be senior to those of the RP.

**Restrictions on dividends and other distributions:** Restrictions imposed on the declaration and payment of dividends or other distributions to the holders of the Fund's common stock or preferred stock, both by the Investment Company Act and by requirements imposed by rating agencies, might impair the Fund's ability to comply with minimum distribution requirements that it must satisfy to maintain its favorable tax treatment as a regulated investment company for U.S. federal income tax purposes.

**Interest rate risk:** The RP pays dividends based on short-term interest rates. If short-term interest rates rise, dividend rates on the RP will also rise. A sharp increase in short-term interest rates could cause a "negative arbitrage" situation, where the dividend rate on the RP would exceed the yield on the Fund's portfolio securities. In addition, rising market interest rates could negatively impact the value of the Fund's investment portfolio, reducing the amount of assets serving as asset coverage for the RP.

*\*Please see the prospectus for a more complete description of the RP and remarketing process. Beginning early in 2008 disruptions in the short-term fixed income markets resulted in remarketing failures which are ongoing.*



## *Shareholder Information*

Common stock listed on the New York Stock Exchange under the symbol DNP.

Shareholder questions can be answered by contacting the company's Transfer Agent:

**BNY Mellon**  
**(877) 381-2537**

BNY Mellon - Shareowner Services  
480 Washington Blvd  
Jersey City, New Jersey 07310

Email: [shrrelations@bnymellon.com](mailto:shrrelations@bnymellon.com)

Answers to many of your shareholder questions and requests for forms are available by visiting The Bank of New York's Website at: [www.bnymellon.com/shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess)

## *Other Contact Information*

**Transfer Agent, Dividend Disbursing Agent and Custodian**

BNY Mellon - Shareowner Services  
480 Washington Blvd.  
Jersey City, New Jersey 07310  
(877) 381-2537

**Independent Registered Public Accounting Firm**

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