Delaware Enhanced Global Dividend & Income Fund
Form N-2/A
June 22, 2007

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Securities and Exchange Commission

Washington, D.C. 20549

FORM N-2

x Registration Statement under the Securities Act of 1933

x Pre-Effective Amendment No. 2

o Post-Effective Amendment No.

and/or

x Registration Statement under the Investment Company Act of 1940

x Amendment No. 2

DELAWARE ENHANCED GLOBAL DIVIDEND AND INCOME FUND

(Exact Name of Registrant as Specified in Charter)

2005 Market Street

Philadelphia, Pennsylvania 19103

(Address of Principal Executive Offices)

(800) 523-1918

(Registrant s telephone number, including area code)

David P. O Connor, Esquire

Delaware Enhanced Global Dividend and Income Fund

2005 Market Street

Philadelphia, Pennsylvania 19103
(Name and Address of Agent for Service)

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Approximate Date of Proposed Public Offering:

As soon as practicable after the effective date of this Registration Statement.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Shares, without par value	23,000,000 shares	$ 20.00	$ 460,000,000 (1)	$ 14,122.00 (2)

(1) Estimated solely for the purpose of calculating the registration fee.

(2) $61.40 of which has previously been paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated June 22, 2007

PROSPECTUS

Shares

Delaware Enhanced Global Dividend and Income Fund

Common Shares
$20.00 per Share

Investment Objectives. Delaware Enhanced Global Dividend and Income Fund (the "Fund") is a newly organized, diversified, closed-end management investment company. The Fund's primary investment objective is to seek current income, with a secondary objective of capital appreciation. The Fund seeks to achieve these objectives by investing globally in dividend-paying or income-generating securities across multiple asset classes, including, but not limited to, equity securities of large, well-established companies, securities issued by real estate companies (including real estate investment trusts ("REITs") and real estate industry operating companies ("REOCs")), debt securities (such as government bonds, investment grade and high risk, high yield corporate bonds, and convertible bonds), and emerging market securities. The Fund will also utilize enhanced income strategies by engaging in dividend capture trading (as defined in "The Fund's Investments Investment Strategy Enhanced Income Strategies"), option overwriting (as defined in "The Fund's Investments Investment Strategy Enhanced Income Strategies"), realization of gains on the sale of securities, dividend growth and currency forwards.

***No Prior History.* Because the Fund is newly organized, its shares have no history of public trading. Shares of closed-end investment companies frequently trade at a discount from their net asset value. The risk of loss due to this discount may be greater for initial investors expecting to sell their shares in a relatively short period after completion of the public offering.**

The Fund has been authorized to list on the New York Stock Exchange (the "NYSE"), subject to notice of issuance, under the symbol "DEX." This Prospectus contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference.

Investment Advisor. The Fund's investment advisor is Delaware Management Company ("DMC" or the "Advisor"), a series of Delaware Management Business Trust.

(continued on following page)

Investing in the common shares involves certain risks. See "Risks" beginning on page 38 of this Prospectus.

	Per Share	Total (1)
Public offering price	$ 20.00	$
Sales load(2)	$ .90	$
Estimated offering expenses(3)	$ .04	$
Proceeds, after expenses, to the Fund	$ 19.06	$

(notes on following page)

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

The underwriters expect to deliver the common shares to purchasers on or about , 2007.

Merrill Lynch & Co.		A.G. Edwards
Robert W. Baird & Co.		Ferris, Baker Watts Incorporated
Janney Montgomery Scott LLC	Ladenburg Thalmann & Co. Inc.	
Oppenheimer & Co.		Wedbush Morgan Securities Inc.

The date of this Prospectus is , 2007.

(continued from previous page)

Investment Policies. Under normal market conditions, the Fund will invest at least 80% of its net assets in a combination of dividend-paying or income-generating securities across multiple asset classes, including but not limited to, equity securities of large, well-established companies; securities issued by real estate companies (including REITs and REOCs), debt securities (such as government bonds, investment grade and high risk, high yield corporate bonds, and convertible bonds), and emerging market securities. The Fund will also utilize enhanced income strategies by engaging in dividend capture trading, option overwriting, realization of gains on the sale of securities, dividend growth and currency forwards. Under normal market conditions, the Fund will invest at most 60% of its net assets in securities of U.S. issuers and at least 40% of its net assets in securities of non-U.S. issuers, unless market conditions are not deemed favorable by the Advisor, in which case the Fund would invest at least 30% of its net assets in the securities of non-U.S. issuers. The Fund may not invest 25% or more of its net assets in the securities of issuers in any single industry.

You should read this Prospectus, which contains important information about the Fund, before deciding whether to invest in the common shares, and retain it for future reference. A Statement of Additional Information, dated , 2007, containing additional information about the Fund, has been filed with the Securities and Exchange Commission and, as amended from time to time, is incorporated by reference in its entirety into this Prospectus. You can review the table of contents of the Statement of Additional Information on page 66 of this Prospectus. You may request a free copy of the Statement of Additional Information by calling 800-523-1918 (toll free) or by writing to the Fund, obtain a copy (and other information regarding the Fund) from the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Call (202) 551-8090 for information, or by writing to Delaware Service Company, Inc., 2005 Market Street, Philadelphia, Pennsylvania 19103. The Securities and Exchange Commission charges a fee for copies. You can get the same information free from the Securities and Exchange Commission's web site (*http://www.sec.gov*). You may also e-mail requests for these documents to *publicinfo@sec.gov* or make a request in writing to the Securities and Exchange Commission's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102. The Fund does not post a copy of the Statement of Additional Information on its web site because the Fund's common shares are not continuously offered, which means the Statement of Additional Information will not be updated after completion of this offering and the information contained in the Statement of Additional Information will become outdated. The Fund's annual and semi-annual reports, when available, will be available at the Fund's web site (*http://www.delawareinvestments.com*).

The Fund's common shares 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.

(notes from previous page)

(1) The Fund has granted the underwriters an option to purchase up to additional common shares at the public offering price, less the sales load, within 45 days of the date of this Prospectus solely to cover overallotments, if any. If such option is exercised in full, the public offering price, sales load, estimated offering expenses, and proceeds, after expenses, to the Fund will be $, $, $, and $, respectively. See "Underwriting."

(2) The Fund has agreed to pay the underwriters $.00667 per common share as a partial reimbursement of expenses in connection with the offering. The Advisor (and not the Fund) has agreed to pay from its own assets additional compensation to Merrill Lynch, Pierce, Fenner & Smith Incorporated and a structuring fee to A.G. Edwards & Sons, Inc. The Advisor also may pay certain other qualifying underwriters a structuring fee, additional compensation, or a sales incentive fee in connection with the offering. The Advisor (and not the Fund) also intends to pay fees or commissions to certain employees of its affiliate that participate in the marketing of the Fund's common shares. See "Underwriting."

(3) The offering expenses paid by the Fund (other than the sales load) will not exceed an aggregate of $.04 per share of the Fund's common shares sold in this offering. This $.04 per common share amount may include a reimbursement of Delaware Management Company's expenses incurred in connection with this offering. The Advisor has agreed to pay such offering expenses of the Fund to the extent offering expenses (other than sales load) exceed $.04 per share of the Fund's common shares. The aggregate offering expenses (other than sales load) to be incurred by the Fund are estimated to be up to $800,000, all of which will be borne by the Fund.

TABLE OF CONTENTS

	Page
Prospectus Summary	4
Summary of Fund Expenses	19
The Fund	20
Use of Proceeds	20
The Fund's Investments	20
Risks	38
How the Fund Manages Risk	48
Management of the Fund	48
Net Asset Value	51
Distributions	51
Dividend Reinvestment Plan	52
Description of Capital Structure	54
Anti-Takeover Provisions in the Agreement and Declaration of Trust	57
Closed-End Fund Structure	58
Repurchase of Common Shares	58
Tax Matters	59
Underwriting	62
Custodian, Transfer Agent and Administrator	64
Legal Opinions	64
Independent Registered Public Accounting Firm	65
Other Information	65
Table of Contents for Statement of Additional Information	66

You should rely only on the information contained or incorporated by reference in this Prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this Prospectus is accurate only as of the date of this Prospectus. Our business, financial condition, and prospects may have changed since that date.

FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. These statements describe the Advisor's plans, strategies and goals and the Advisor's beliefs and assumptions concerning future economic or other conditions and the outlook for the Fund, based on currently available information. In this Prospectus, words such as "anticipates," "believes," "expects," "objectives," "goals," "future," "intends," "seeks," "will," "may," "could," "should," and similar expressions are used in an effort to identify forward-looking statements, although some forward-looking statements may be expressed differently.

The Fund's actual results could differ materially from those anticipated in the forward-looking statements because of various risks and uncertainties, including the factors set forth in the section headed "Risks" below and elsewhere in this Prospectus. You should consider carefully the discussions of risks and uncertainties in the "Risks" section and elsewhere in this Prospectus and in the Statement of Additional Information. The forward-looking statements contained in this Prospectus are based on information available to the Fund on the date of this Prospectus, and the Fund assumes no obligation to update any such forward-looking statements, except as required by law.

PROSPECTUS SUMMARY

This is only a summary of certain information contained in this Prospectus relating to Delaware Enhanced Global Dividend and Income Fund. This summary may not contain all of the information that you should consider before investing in the Fund's common shares. You should review the more detailed information contained in this Prospectus and in the Statement of Additional Information.

The Fund Delaware Enhanced Global Dividend and Income Fund is a diversified, closed-end management investment company with no operating history. Throughout the Prospectus, the Delaware Enhanced Global Dividend and Income Fund is referred to simply as the "Fund." See "The Fund."

The Offering The Fund is offering common shares of beneficial interest at $20.00 per share through a group of underwriters led by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). The common shares of beneficial interest are called "common shares" in the rest of this Prospectus. You must purchase at least 100 common shares ($2,000) in order to participate in this offering. The Fund has given the underwriters an option to purchase up to additional common shares to cover orders in excess of common shares. The offering expenses paid by the Fund (other than the sales load) will not exceed an aggregate of $.04 per share of the Fund's common shares sold in this offering. This $.04 per common share amount may include a reimbursement of the Fund's investment advisor, Delaware Management Company, of expenses incurred in connection with this offering. The Fund has agreed to pay the underwriters $.00667 per common share as a partial reimbursement of expenses in connection with the offering. Delaware Management Company has agreed to reimburse all of the Fund's organizational expenses. Delaware Management Company has also agreed to pay the Fund's offering costs (other than sales load) to the extent that offering costs (other than sales load) exceed $.04 per common share. See "Underwriting."

Investment Objectives The Fund's primary investment objective is to seek current income, with a secondary objective of capital appreciation. The Fund is not intended as, and you should not construe it to be, a complete investment program. There is no assurance that the Fund will achieve its investment objectives.

Investment Policies The Fund will seek to achieve its primary objectives by focusing on broad diversification within its portfolio by investing globally in dividend-paying or income-generating securities across multiple asset classes. The primary asset classes include equity securities of large, well-established companies, securities issued by real estate companies (including REITs and REOCs), emerging market equities, preferred securities, debt securities, including high risk, high yield corporate bonds, investment grade corporate bonds, U.S. government securities, non-U.S. corporate bonds, non-U.S. government securities, convertible bonds, convertible preferred stock, emerging market debt securities, and international currencies.

The Advisor will determine the proportion of the Fund's assets to be allocated among the various assets classes based on its analysis of economic and market conditions and its assessment of the income and potential for appreciation that can be achieved from investments in such asset classes. The percentage of the Fund's assets allocated to the various asset classes described herein will vary depending on DMC's assessment of these conditions. The key goals in allocating across these various asset classes are to attempt to mitigate risk and potentially improve upon the Fund's income and performance levels.

The Fund may invest in a variety of income generating equity and debt securities. Not all investments, however, are required to pay dividends or interest. Under normal market conditions, the Fund will invest at least 80% of its net assets in a combination of dividend-paying or income-generating securities across multiple asset classes, including but not limited to, equity securities of large, well-established companies; securities issued by real estate companies (including REITs and REOCs), debt securities (such as government bonds, investment grade and high risk, high yield corporate bonds, and convertible bonds), and emerging market securities. In addition, under normal market conditions, the Fund will invest at most 60% of its net assets in securities of U.S. issuers and at least 40% of its net assets in securities of non-U.S. issuers, unless market conditions are not deemed favorable by the Advisor, in which case, the Fund would invest at least 30% of its net assets in the securities of non-U.S. issuers. The Fund may not invest more than 25% of the Fund's net assets in any one industry nor, as to 75% of the Fund's total assets, will more than 5% be invested in the securities of any one issuer.

The Advisor's strategy of income generating investing is based on the primary attribute of seeking a sustainable and recurring income stream, with capital appreciation as a secondary objective. This investment approach may provide diversification, low sector correlation, low interest rate sensitivity, and significant downside protection which over the long-term may result in an attractive risk adjusted return. The Advisor believes that seeking income on a global basis can provide investors with opportunities not available in the U.S. equity and debt markets. For example, recently, many countries, including the United Kingdom, France, Canada, Australia, Japan, Singapore, and Hong Kong and several others, have enacted REIT or similar legislation that has created real estate companies which are required to payout a significant portion of their earnings in dividends.

In addition, the Advisor will use a combination of dividend capture trading, option overwriting, realization of gains on the sale of securities, dividend growth and currency forwards to try to enhance the sustainability of the income stream. The percentage of the Fund's assets invested using these strategies will vary from time to time based on the Advisor's assessment of economic and market conditions and the potential for income.

The Fund's dividend capture strategy seeks to maximize the level of dividend income that the Fund receives by engaging in dividend capture trading and by identifying special dividend situations. In a dividend capture trade, the Fund sells a stock on or shortly after the stock's ex-dividend date and uses the sale proceeds to purchase one or more other stocks that are expected to pay dividends before the next dividend payment on the stock being sold. Special dividend situations may include those where companies decide to return large cash balances to shareholders as one-time dividend payments, for instance due to a restructuring or recent strong operating performance. Other special dividends may arise in a variety of situations. The Fund's option overwriting strategy seeks to increase its income or may hedge a portion of its portfolio investments through writing (i.e., selling) covered call and put options; however, the

Fund will primarily use covered calls in its option overwriting strategy. The Fund will receive a premium when it writes call and put options, which increases the Fund's return on the underlying security in the event the option expires unexercised or is closed out at a profit. The Fund anticipates utilizing both short-term and, to the extent permitted by applicable law, long-term capital gains as part of its periodic distributions to shareholders. The Fund realizes a capital gain when it sells a portfolio security at a price higher than its original cost. The Fund will attempt to realize such gains in certain situations to attempt to help keep distributions as consistent and sustainable as possible without disrupting the underlying investment philosophy of the Advisor. The Fund's dividend growth strategy seeks to identify issuers that have solid earnings growth and strong balance sheets, coupled with a corporate philosophy that supports consistent and above average dividend growth. The Fund believes that companies that provide above average dividend growth will realize superior long-term total returns for shareholders with below average volatility. The Fund may enter into forward foreign currency contracts in order to generate additional income by capturing interest rate differentials between specific currencies or to protect against possible losses on foreign investments resulting from adverse changes in the relationship between the U.S. dollar and foreign currencies. A forward foreign currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days (usually less than one year) from the date of the contract agreed upon by the parties, at a price set at the time of the contract. See "The Fund's Investments Investment Strategy Enhanced Income Strategies."

Investment Advisor The Fund's investment advisor is Delaware Management Company ("DMC" or the "Advisor"), a series of Delaware Management Business Trust. DMC will receive an annual fee, payable monthly, in an amount equal to 1.00% of the average daily value of the Fund's net assets. See "Management of the Fund." As of March 31, 2007, DMC managed approximately $41.2 billion in total assets. DMC has an experienced team of portfolio managers and research analysts.

Distributions Commencing with the Fund's initial dividend, the Fund intends to make a level cash distribution each month to common shareholders pursuant to a managed distribution policy. Under the policy, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come from long-term capital gains to the extent permitted and, if necessary, a return of capital. The Advisor expects to declare the initial monthly dividend on the Fund's common shares within approximately 45 days after completion of this offering and to pay that initial monthly dividend approximately 60 to 90 days after completion of this offering. The level dividend amount may be modified by the Board of Trustees from time to time. The Board of Trustees may also determine to amend their managed distribution policy to modify the Fund's distribution frequency from monthly to some other period.

DMC currently intends to apply to the Securities and Exchange Commission, on behalf of the Fund, for an exemption from Section 19(b) of the Investment Company Act of 1940, as amended (the "1940 Act"), and Rule 19b-1 thereunder permitting the Fund to make periodic distributions of long-term capital gains more frequently than annually. No assurance can be given that the Securities and Exchange Commission will grant the exemption to the Fund. Absent such exemption, Section 19(b) of the 1940 Act generally limits the Fund to making no more than one distribution of long-term capital gains every 12 months. This offering, however, is not contingent upon the receipt of such exemption. See "Distributions."

The level dividend distribution described above would result in the payment of approximately the same amount to the Fund's shareholders each month. If the source of the dividend or other distribution were the original capital contribution of the shareholder, and the payment amounted to a return of capital, Section 19(a) of the 1940 Act and Rule 19a-1 thereunder require the Fund to provide shareholders with written disclosure to that effect that accompanies such payment.

It is likely that, from time to time, the Fund will distribute more than its income and net realized capital gains; therefore, a portion of a shareholder's distribution would be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

Persons who periodically receive the payment of a dividend or other distribution may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully, and should not assume that the source of any distribution from the Fund is net profit. In addition, you should not draw any conclusions about the Fund's investment performance from the amount of any Fund distribution or from the terms of the Fund's managed distribution policy. See "Distributions."

Shareholders will automatically have all dividends and distributions reinvested in common shares issued by the Fund or common shares of the Fund purchased in the open market in accordance with the Fund's dividend reinvestment plan, unless an election is made to receive cash. See "Dividend Reinvestment Plan."

Leverage The Fund may enhance its total returns through the use of leverage, which may include the issuance of preferred shares, commercial paper, and/or other borrowings (referred to collectively as "Leverage"). The Fund reserves the right, if the Advisor believes that market conditions are appropriate, to use Leverage to the extent permitted by the 1940 Act. Currently, under the 1940 Act, the Fund may borrow money up to 33 1/3% of its total assets (including the amount obtained from Leverage) or may issue shares of preferred stock in amounts up to 50% of the value of its total assets (including the amount obtained from Leverage), to finance additional investments. Through leveraging, the Fund would seek to obtain a higher return for holders of common shares than if the Fund did not use Leverage. Leverage is a speculative technique and there are special risks and costs associated with Leverage. There is no assurance that the Fund would be successful in enhancing the level of its total return during any period in which Leverage is utilized. If the Fund utilizes Leverage, the Fund's expenses would be higher than if Leverage were not utilized. Also, the fees paid to the Advisor and the Administrator will be higher than if the Fund did not use Leverage because the fees paid will be calculated on the basis of the Fund's net assets, including proceeds from the issuance of Leverage. The increase in Fund expenses as a result of Leverage may be significant. In addition, the net asset value of the Fund's common shares would be reduced by the issuance costs of any Leverage. See "Investment Techniques Leverage" and "Risks Leverage Risk."

Listing The Fund has been authorized to list its common shares on the New York Stock Exchange ("NYSE"), subject to notice of issuance, under the symbol "DEX." See "Description of Capital Structure."

Custodian and Transfer Agent Mellon Bank, N.A. will serve as the Fund's custodian. Mellon Investor Services LLC will serve as the Fund's transfer agent. See "Custodian and Transfer Agent."

Administrator Delaware Service Company, Inc. ("DSC" or the "Administrator"), 2005 Market Street, Philadelphia, Pennsylvania 19103, an affiliate of DMC, will serve as the Fund's administrator and will provide accounting and administrative services to the Fund. Among other things, DSC is responsible for calculating the net asset value of the common shares and generally managing the administrative affairs of the Fund. DSC is entitled to receive a monthly fee at an annual rate of .04% of the Fund's average daily net assets, plus out of pocket expenses.

Market Price of Shares Common shares of closed-end investment companies frequently trade at prices lower than their net asset value. Common shares of closed-end investment companies such as the Fund that invest primarily in dividend-paying or income-generating securities have during some periods traded at prices higher than their net asset value and during other periods traded at prices lower than their net asset value. The Fund cannot assure you that its common shares will trade at a price higher than or equal to its net asset value. The Fund's net asset value will be reduced immediately following this offering by the sales load and the amount of the offering expenses paid by the Fund. See "Use of Proceeds." In addition to net asset value, the market price of the Fund's common shares may be affected by such factors as dividend levels, which are in turn affected by other factors. See "Risks," "Description of Capital Structure," and "Repurchase of Common Shares." The common shares are designed primarily for long-term investors; you should not purchase common shares of the Fund if you intend to sell them shortly after purchase.

Special Risk Considerations *No Operating History.* The Fund is a diversified, closed-end management investment company with no operating history.

Market Discount Risk. As with any stock, the price of the Fund's shares will fluctuate with market conditions and other factors. If shares are sold, the price received may be more or less than the original investment. Net asset value will be reduced immediately following the initial offering by the amount of the sales load and offering expenses paid by the Fund. Common shares are designed for long-term investors and should not be treated as trading vehicles. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The Fund's shares may trade at a price that is less than the initial offering price. This risk may be greater for investors who sell their shares in a relatively short period of time after completion of the initial offering. The Fund may utilize Leverage, which magnifies the stock market risk.

Investment and Market Risk. An investment in the Fund's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in common shares represents an indirect investment in the securities owned by the Fund, which are generally traded on a securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The common shares at any point in time may be worth less than the original investment, even after taking into account any reinvestment of dividends and distributions.

Issuer Risk. The value of an issuer's securities that are held in the Fund's portfolio may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services.

Dividend Strategy Risks. The Fund's pursuit of its investment objectives depends somewhat upon the Advisor's ability to anticipate the dividend policies of the companies in which it chooses to invest. It is difficult to anticipate the level of dividends that companies will pay in any given timeframe. The Fund's dividend capture strategies include having the Advisor attempt to identify and exploit opportunities such as the announcement of major corporate actions, including restructuring initiatives or a special dividend, that may lead to high current dividend income. These situations are typically not recurring in nature or frequency, may be difficult to predict, and may not result in an opportunity that allows the Advisor to fulfill the Fund's investment objectives. In addition, the dividend policies of the Fund's target companies are heavily influenced by the current economic climate and the favorable federal tax treatment afforded to dividends. Challenging economic conditions, affecting either the market as a whole or a specific investment in the Fund's portfolio, may limit the opportunity to benefit from the current dividend policies of the companies in which the Fund invests or may cause such companies to reduce or eliminate their dividends. Special dividends may result in extraordinary dividends subject to special tax rules. The use of dividend capture strategies will expose the Fund to increased trading costs and potential for capital loss or gain, particularly in the event of significant short-term price movements of stocks subject to dividend capture trading, and resultant dividends may not be qualified dividends eligible to individuals for reduced federal income tax rates under the Internal Revenue Code of 1986, as amended (the "Code"). Also, the reduced federal income tax rates that apply to qualified dividend income sunset and will not apply to taxable years beginning after December 31, 2010, unless extended or made permanent. This and other changes in the favorable provisions of the federal income tax laws may limit your ability to benefit from dividend increases or special dividends, may effect a widespread reduction in announced dividends and may adversely impact the valuation of the shares of dividend-paying companies.

Risk of Option Overwriting. The Fund will receive a premium when it writes covered put and call options, which increases the Fund's return on the underlying security in the event the option expires unexercised or is closed out at a profit. (See "The Fund's Investments Investment Techniques Options on Securities" for information on how options are "covered.") By writing a call, the Fund will limit its opportunity to profit from an increase in the market value of the underlying security above the exercise price of the option for as long as the Fund's obligation as the writer of the option continues, but the Fund will continue to be exposed to any decline in market value of the underlying security. Upon the exercise of a put option written by the Fund, the Fund may suffer an economic loss equal to the difference between the price at which the Fund is required to purchase the underlying security and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by the Fund, the Fund may suffer an economic loss equal to an amount not less than the excess of the security's market value at the time of the option exercise over the Fund's acquisition cost of the security, less the sum of the premium received for writing the option and the difference, if any, between the call price paid to the Fund and the Fund's acquisition cost of the security. Thus, in some periods the Fund might receive less total return and in other periods greater total return from its option overwriting strategy.

Common Stock Risk. Common stocks are an example of equity securities in which the Fund will invest. Although common stocks have historically generated higher average returns than fixed income securities over the long term, common stocks also have experienced significantly more volatility in returns. Common stocks may be more susceptible to adverse changes in market value due to issuer specific events or general movements in the equities markets. A drop in the stock market may depress the price of common stocks held by the Fund. Common stock prices fluctuate for many reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or the occurrence of political or economic events affecting issuers. For example, an adverse event, such as an unfavorable earnings report, may depress the value of common stock in which the Fund has invested; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks held by the Fund. Also, common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. The common stocks in which the Fund will invest are structurally subordinated to preferred securities, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income and assets, and therefore will be subject to greater risk than the preferred securities or debt instruments of such issuers. In addition, common stock prices may be sensitive to rising interest rates, as the costs of capital rise and borrowing costs increase.

Foreign Securities Risk. The Fund will have substantial exposure to foreign securities, including emerging market securities. The Fund's investments in securities of foreign issuers are subject to risks not usually associated with owning securities of U.S. issuers. These risks can include fluctuations in foreign currencies; foreign currency exchange controls; social, political and economic instability; differences in securities regulation and trading, differences in accounting, auditing and financial standards; expropriation or nationalization of assets; possible difficulties in transaction settlements; and foreign taxation issues. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depreciation of the Fund's securities. It may also be more difficult to obtain and enforce a judgment against a foreign issuer. Any foreign investments made by the Fund must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments. The Fund has no other investment restrictions with respect to investing in foreign issuers. Dividends paid on foreign securities may not qualify for the reduced federal income tax rates applicable to qualified dividends under the Code. As a result, there can be no assurance as to what portion of the Fund's distributions attributable to foreign securities will be designated as qualified dividend income. See "Tax Matters."

The Fund may invest in securities of issuers located in "emerging market countries." Because of less developed markets and economies and, in some countries, less mature governments and governmental institutions, the risks of investing in foreign securities can be intensified in the case of investments in issuers domiciled or doing substantial business in emerging market countries. These risks include high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries; lack of liquidity and greater price volatility due to the smaller size of the market for such securities and lower trading volume; political and social uncertainties; national policies that may restrict the Fund's investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; greater risks of expropriation, confiscatory taxation and nationalization; over-dependence on exports, especially with respect to primary commodities, making these economies vulnerable to changes in commodity prices; overburdened infrastructure and obsolete or unseasoned financial systems; environmental problems; less developed legal systems; less reliable custodial services and settlement practices. Dividends paid by issuers in emerging market countries will generally not qualify for the reduced federal income tax rates applicable to individuals for qualified dividends under the Code. See "Tax Matters."

Small and Medium Cap Company Risk. The Fund's share price may be more volatile because it also invests in small and medium capitalization companies. Compared to large companies, small and medium capitalization companies are more likely to have (i) more limited product lines or markets and less mature businesses, (ii) fewer capital resources, (iii) more limited management depth, and (iv) shorter operating histories. Further, compared to large cap stocks, the securities of small and medium capitalization companies are more likely to experience sharper swings in market values, be harder to sell at times and at prices that the Advisor believes appropriate, and offer greater potential for gains and losses.

Portfolio Turnover Risk. The techniques and strategies contemplated by the Fund might result in a high degree of portfolio turnover. The Fund cannot accurately predict its securities portfolio turnover rate, but anticipates that its annual portfolio turnover rate will likely exceed 100% under normal market conditions, although it could be materially higher under certain conditions. Higher portfolio turnover rates could result in corresponding increases in brokerage commissions, may generate short-term capital gains taxable as ordinary income and cause dividends received on portfolio securities to not be qualified dividends eligible to individuals for reduced federal income tax rates under the Code. See "Tax Matters."

Defensive Positions. During periods of adverse market or economic conditions, the Fund may temporarily invest all or a substantial portion of its assets in cash or cash equivalents. The Fund would not be pursuing its investment objectives in these circumstances and could miss favorable market developments.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. The Fund's successful pursuit of its investment objectives depends upon the Advisor's ability to find and exploit market inefficiencies with respect to undervalued securities and identify companies experiencing a change in dividend policy, including the announcement of restructuring initiatives or special dividends. Such situations occur infrequently and sporadically and may be difficult to predict, and may not result in a favorable pricing opportunity that allows the Advisor to fulfill the Fund's investment objectives. The Advisor's security selections and other investment decisions might produce losses or cause the Fund to underperform when compared to other funds with similar investment goals. If one or more key individuals leaves the employ of the Advisor, the Advisor may not be able to hire qualified replacements, or may require an extended time to do so. This could prevent the Fund from achieving its investment objectives.

Leverage Risk. The use of Leverage by the Fund would create three major types of risks for shareholders. First, the likelihood of greater volatility of net asset value and market price of common shares because changes in value of the Fund's portfolio (including changes in the value of any interest rate swap, if applicable) are borne entirely by the common shareholders. Second, the possibility either that share income will fall if the interest rate on any borrowings or the dividend rate on any preferred shares issued rises, or that share income and distributions will fluctuate because the interest rate on any borrowings or the dividend rate on any preferred shares issued varies. Third, if the Fund utilizes Leverage, the Fund may not be permitted to declare dividends or other distributions with respect to its common shares or purchase its capital stock, unless at the time thereof the Fund meets certain asset coverage requirements.

The Advisor in its best judgment nevertheless may determine to use Leverage if it deems such action to be appropriate in the circumstances. In the event the Fund uses Leverage, the fees paid to the Advisor for investment advisory services and the Administrator for administrative services will be higher than if the Fund did not use Leverage because the fees paid will be calculated on the basis of the Fund's net assets, including proceeds from issuance of preferred shares, commercial paper or borrowings, which may create an incentive to Leverage the Fund. See "The Fund's Investments Investment Techniques Leverage" and "Risks Leverage Risk."

Real Estate Risk. Investments in securities issued by real estate companies (including REITs and REOCs and their equivalent in foreign countries) may subject the Fund to certain risks associated with direct ownership of real estate and with the real estate industry in general (although the Fund does not intend to own real estate directly). If the Fund holds real estate directly, as a result of defaults, or receives rental income from its real estate holdings, its tax status as a regulated investment company could be jeopardized. Investments in securities issued by real estate companies may also be affected by interest rate changes, particularly if the companies in which the Fund invests use floating rate debt to finance their ongoing operations. In addition, changes in interest rates may hurt real estate values or make REIT or REOC shares less attractive than other income producing investments.

Risks of investments in securities issued by real estate companies include:

- possible declines in the value of real estate and real property values;
- risks related to economic conditions;
- possible shortage of mortgage funds;
- overbuilding and extended vacancies;
- increased competition;
- changes in property taxes, operating expenses or zoning laws;
- costs of environmental clean-up, or damages from natural disasters;
- limitations or fluctuations in rent payments;
- cash flow fluctuations; and
- defaults by borrowers.

If the Fund invests in REITs or REOCs, such investments will also subject the Fund to various risks. Returns from REITs or REOCs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. Dividends paid by REITs will not generally qualify for the reduced federal income tax rates applicable to individuals for qualified dividends under the Code, and may result in "excess inclusion income" subject to special tax rules. REITs are also subject to the risk of failing to qualify for tax-free pass-through of income under the Code and/or failing to qualify for an exemption from registration as an investment company under the 1940 Act.

Investments in Undervalued Securities. A portion of the Fund's assets will be invested in securities, which, in the opinion of the Advisor, are undervalued. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

High Risk, High Yield Securities. Investing in so-called "high risk" or "high yield" securities ("junk bonds") entails certain risks, including the risk of loss of principal, which may be greater than the risks involved in investment-grade securities, and which should be considered by investors contemplating an investment in the Fund. Such securities are sometimes issued by companies whose earnings at the time of issuance are less than the projected debt service on the high yield securities.

Although the market for high yield securities has been in existence for many years, including periods of economic downturns, the high yield market grew rapidly during the long economic expansion which took place in the United States during the 1980s. During that economic expansion, the use of high yield debt securities to fund highly leveraged corporate acquisitions and restructurings increased dramatically. As a result, the high yield market grew substantially during that economic expansion. Although experts disagree on the impact recessionary periods have had and will have on the high yield market, some analysts believe a protracted economic downturn would severely disrupt the market for high yield securities, would adversely affect the value of outstanding bonds, and would adversely affect the ability of high yield issuers to repay principal and interest. Those analysts cite volatility experienced in the high yield market in the past as evidence for their position. It is likely that protracted periods of economic uncertainty would result in increased volatility in the market prices of high yield securities and an increase in the number of high yield bond defaults.

Special Risks Associated with Foreign Currency Options. Buyers and sellers of foreign currency options are subject to the same risks that apply to options generally, as described below. In addition, there are certain additional risks associated with foreign currency options, including taxation risks. The markets in foreign currency options are relatively new, and the Fund's ability to establish and close out positions on such options is subject to the maintenance of a liquid secondary market. Although the Fund will not purchase or write such options unless and until, in the opinion of the Advisor, the market for them has developed sufficiently to ensure that the risks in connection with such options are not greater than the risks in connection with the underlying currency, there can be no assurance that a liquid secondary market will exist for a particular option at any specific time. In addition, options on foreign currencies are affected by most of the same factors that influence foreign exchange rates and investments generally.

The value of a foreign currency option depends upon the value of the underlying currency relative to the U.S. dollar. As a result, the price of the option position may vary with changes in the value of either or both currencies and may have no relationship to the investment merits of a foreign security. Because foreign currency transactions occurring in the interbank market involve substantially larger amounts than those that may be involved in the use of foreign currency options, investors may be disadvantaged by having to deal in an odd lot market (generally consisting of transactions of less than $1 million) for the underlying foreign currencies at prices that are less favorable than for round lots.

There is no systematic reporting of last sale information for foreign currencies or any regulatory requirement that quotations available through dealers or other market sources be firm or revised on a timely basis. Available quotation information is generally representative of very large transactions in the interbank market and thus may not reflect relatively smaller transactions (i.e., less than $1 million) where rates may be less favorable. The interbank market in foreign currencies is a global, around-the-clock market. To the extent that the U.S. option markets are closed while the markets for the underlying currencies remain open, significant price and rate movements may take place in the underlying markets that cannot be reflected in the options markets until they reopen.

Risk Characteristics of Options and Futures. Options and futures transactions can be highly volatile investments. Successful hedging strategies require the anticipation of future movements in securities prices, interest rates and other economic factors. When a fund uses futures contracts and options as hedging devices, the prices of the securities subject to the futures contracts and options may not correlate with the prices of the securities in a portfolio. This may cause the futures and options to react to market changes differently than the portfolio securities. Even if expectations about the market and economic factors are correct, a hedge could be unsuccessful if changes in the value of the portfolio securities do not correspond to changes in the value of the futures contracts. The ability to establish and close out futures contracts and options on futures contracts positions depends on the availability of a secondary market. If these positions cannot be closed out due to disruptions in the market or lack of liquidity, losses may be sustained on the futures contract or option. Special tax rules apply to options and futures.

Special Risks Associated with Foreign Currency Futures Contracts and Related Options. Buyers and sellers of foreign currency futures contracts are subject to the same risks that apply to the use of futures generally. In addition, there are risks associated with foreign currency futures contracts and their use as a hedging device similar to those associated with options on foreign currencies, as described above.

Options on foreign currency futures contracts may involve certain additional risks, including taxation risks. Trading options on foreign currency futures contracts is relatively new. The ability to establish and close out positions on such options is subject to the maintenance of a liquid secondary market. To reduce this risk, the Fund will not purchase or write options on foreign currency futures contracts unless and until, in the opinion of the Advisor, the market for such options has developed sufficiently that the risks in connection with such options are not greater than the risks in connection with transactions in the underlying foreign currency futures contracts. Compared to the purchase or sale of foreign currency futures contracts, the purchase of call or put options on futures contracts involves less potential risk to the Fund because the maximum amount at risk is the premium paid for the option (plus transaction costs). However, there may be circumstances when the purchase of a call or put option on a futures contract would result in a loss of up to the amount of the premium paid for the option, such as when there is no movement in the price of the underlying currency or futures contract.

Preferred Securities Risk. In addition to credit risk, investment in preferred securities carries risks, including deferral risk, redemption risk, limited voting rights, risk of subordination, and lack of liquidity. Fully taxable or hybrid preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distributions for up to 20 consecutive quarters. Traditional preferreds also contain provisions that allow an issuer, under certain conditions to skip (in the case of "noncumulative preferreds") or defer (in the case of "cumulative preferreds"), dividend payments. If the Fund owns a preferred security that is deferring its distributions, the Fund may be required to report income for tax purposes while it is not receiving any distributions. Preferred securities typically contain provisions that allow for redemption in the event of tax or security law changes in addition to call features at the option of the issuer. In the event of a redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred securities typically do not provide any voting rights, except in cases when dividends are in arrears beyond a certain time period, which varies by issue. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt instruments. Preferred securities may be substantially less liquid than many other securities, such as U.S. government securities, corporate debt or common stocks. Dividends paid on preferred securities may not qualify for the reduced federal income tax rates applicable to individuals for qualified dividends under the Code.

Interest Rate Risk. Interest rate risk is the risk that preferred stocks paying fixed dividend rates and fixed-rate debt securities will decline in value because of changes in market interest rates. When interest rates rise, the market value of such securities generally will fall. The Fund's investment in preferred stocks and fixed-rate debt securities means that the net asset value and price of the common shares may decline if market interest rates rise. Interest rates are currently low relative to historic levels. During periods of declining interest rates, an issuer of preferred stock or fixed-rate debt securities may exercise its option to redeem securities prior to maturity, forcing the Fund to reinvest in lower yielding securities. This is known as call risk. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected payments. This may lock in a below market yield, increase the security's duration, and reduce the value of the security. This is known as extension risk. The value of the Fund's common stock investments may also be influenced by changes in interest rates.

Duration Risk. Duration is a measure of the expected life of a fixed income security that was developed as a more precise alternative to the concept of term-to-maturity. Duration incorporates a bond's yield, coupon interest payments, final maturity and call features into one measure. The duration of a fixed income security is a measure of the portfolio's sensitivity to changes in interest rates. Prices of fixed income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities. As nominal interest rates rise, the value of fixed income securities held by the Fund is likely to decrease.

Convertible Securities Risk. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. Generally, the conversion value decreases as the convertible security approaches maturity. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objectives.

Illiquid Securities Risk. Restricted securities and other illiquid investments of the Fund involve the risk that the securities will not be able to be sold at the time desired by the Advisor or at prices approximating the value at which the Fund is carrying the securities. Where registration is required to sell a security, the Fund may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the Fund may be permitted to sell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Fund might obtain a less favorable price than prevailed when it decided to sell. Restricted securities for which no market exists and other illiquid investments are valued at fair value as determined in accordance with procedures approved and periodically reviewed by the Trustees of the Fund.

Inflation Risk. Inflation risk is the risk that the purchasing power 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 common shares and distributions thereon can decline. In addition, during any periods of rising inflation, dividend rates of any preferred shares of the Fund would likely increase, which would tend to further reduce returns to common shareholders.

Securities Lending Risk. The Fund may lend its portfolio securities to banks or dealers which meet the creditworthiness standards established by the Board of Trustees of the Fund. Securities lending is subject to the risk that loaned securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Any loss in the market price of securities loaned by the Fund that occurs during the term of the loan would be borne by the Fund and would adversely affect the Fund's performance. Also, there may be delays in recovery, or no recovery, of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. The Fund's entry into securities lending transactions may cause the replacement income earned on the loaned securities to fall outside of the definition of qualified dividend income.

This replacement income generally will not be eligible to individuals for reduced federal income tax rates under the Code.

Market Disruption and Geopolitical Risk. The aftermath of the war in Iraq and the continuing occupation of Iraq, instability in the Middle East, and terrorist attacks in the United States and around the world may result in market volatility and may have long-term effects on the United States and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Fund does not know how long the securities markets will continue to be affected by these events and cannot predict the effects of the occupation or similar events in the future on the U.S. economy and securities markets.

Anti-Takeover Provisions. The Fund's Amended and Restated Agreement and Declaration of Trust ("Agreement and Declaration of Trust") includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could deprive the holders of common shares of opportunities to sell their common shares at a premium over the then current market price of the common shares or at net asset value.

Tax Risks. The Fund's investment policies and trading strategies, including, but not limited to, dividend strategies, high portfolio turnover, short sales, securities lending, use of derivatives and investment in foreign securities, may result in a larger portion of its income being taxable at ordinary income tax rates than might otherwise be the case. In addition, the Fund may invest in complex securities that could be subject to numerous special and complex tax rules. These rules could accelerate the recognition of income by the Fund (possibly causing the Fund to sell securities to raise the cash for necessary distributions) and/or defer the Fund's ability to recognize a loss, and, in limited cases, subject the Fund to U.S. federal income tax on income. These rules could also affect whether gain or loss recognized by the Fund is treated as ordinary or capital, or as interest or dividend income. These rules could, therefore, affect the amount, timing or character of the income distributed to you by the Fund. See "Tax Matters."

Given the risks described above, an investment in the common shares may not be appropriate for all investors. You should carefully consider your ability to assume these risks before making an investment in the Fund.

SUMMARY OF FUND EXPENSES

The following table shows Fund expenses as a percentage of net assets attributable to common shares.

Shareholder Transaction Expenses

Sales load paid by you (as a percentage of offering price)	4.50%
Offering expenses borne by the Fund (as a percentage of offering price)(1)	.20%
Dividend Reinvestment Plan fees(2)	None

	Percentage of Net Assets Attributable to Common Shares
Annual Expenses	
Management fees(3)	1.00%
Other expenses(4)	