

Dear Fellow Shareholders:**Your Fund's Performance**

During the second half of 2009, the performance of leveraged bond funds, including Duff & Phelps Utility and Corporate Bond Trust Inc. (the "DUC Fund"), was influenced by the unprecedented fiscal stimulus that was introduced into the U.S. economy by the American Recovery and Reinvestment Act of 2009 and the further stabilization of the credit markets. As a result, the broader fixed income markets posted solid returns. The credit related sectors of the market, along with the DUC Fund, were the beneficiaries of an increasing number of investors allocating funds back into the credit sensitive areas of the bond market.

The following table compares the performance of the DUC Fund to a broad based market benchmark.

For the period indicated through December 31, 2009	DUC Fund (Per share performance with dividends reinvested in Fund plan)	DUC Fund (NAV-based performance)	Barclays Capital U.S. Aggregate Bond Index
Six Months	6.13%	7.39%	3.95%
One Year	30.69%	18.55%	5.93%
5 Years (annualized)	3.72%	4.44%	4.97%

DUC Fund per share-based returns and DUC Fund NAV-based returns were obtained from the Administrator of the DUC Fund. Performance returns for the Barclays Capital U.S. Aggregate Bond Index were obtained from Confluence Technologies Inc. Past performance is not indicative of future results.

Based on the December 31, 2009 closing price of \$12.29 and a monthly dividend of \$0.07 per share, the DUC Fund common stock had an annualized dividend yield of 6.83%. The DUC Fund's yield of 6.83% compares favorably with the 3.68% yield of the Barclays Capital U.S. Aggregate Bond Index.

Market Overview and Outlook

After contracting in the first half of the year, U.S. gross domestic product grew modestly during the second half of 2009. Government stimulus programs, such as the car allowance rebate system and the tax credit for first-time home buyers, provided much needed support to the fledgling recovery. However, consumer spending continued to be restrained by large debt burdens and a struggling housing market. High unemployment and stagnant wages further weighed on consumer sentiment. The reluctance of consumers to fully embrace the recovery seemed to influence the business sector. Even with relatively healthy balance sheets and a favorable cost of capital, corporations remained reluctant to significantly increase capital spending or hiring. Meanwhile, the financial system displayed signs of a return to normalcy as the systemic problems that plagued the credit markets further dissipated. A number of financial institutions that received assistance during the credit crisis positioned themselves to repay the federal government and relieve themselves from additional regulatory oversight. At the same time, the global economy showed signs that it may be ready to slowly follow the U.S. out of recession.

The Federal Reserve remained committed to employing all available tools to promote the resumption of sustainable economic growth. The Federal Open Market Committee ("FOMC"), a committee within the Federal Reserve that sets short-term monetary policy, reaffirmed its accommodative stance by holding the federal funds rate to a "target range" of between zero and 0.25%. The Federal Reserve's use of "quantitative easing", which included emergency liquidity programs and purchases of U.S. Treasuries, mortgage backed securities and U.S. agency issued debt, provided stability to the financial system. These measures, which were intended to keep interest rates low, hold down the cost of credit and increase the availability of credit, appeared to have a positive effect.

While the FOMC held the target federal funds rate steady, the markets began to question the inflationary implications of the unprecedented amounts of stimulus that had been introduced into the economy. As a result, the U.S. Treasury yield curve became more positively sloped (i.e., long-term rates higher than short-term rates). During the second half of 2009, yields increased by 3 basis points on two-year maturities, by 30 basis points on ten-year maturities and by 31 basis points on thirty-year maturities. Also pushing the long end of the U.S. Treasury yield curve higher was a reversal of the "flight to quality" that occurred at the height of the credit crisis, when many investors sought refuge in the relative safety of the U.S. Treasury market. Risk premiums demanded by corporate bond investors declined as investors gained confidence that the worst of the financial crisis was behind them and

allocated funds back into the more credit sensitive areas of the bond market. As a result, the broader fixed income markets posted solid returns for the second half of 2009, led by credit sensitive investments which significantly outperformed U.S. Treasuries.

Looking forward to 2010, the U.S. economy appears to be on track to experience positive, albeit moderate, growth. On the one hand, there are indications that the unprecedented amounts of fiscal stimulus and the stabilization of the credit markets may have set the stage for a sustainable recovery. However, the double digit rate of unemployment, further deterioration in the commercial real estate markets and a housing sector that struggles to find a bottom are likely to limit the rebound in economic activity. Late last year the FOMC repeated its intent to keep interest rates “exceptionally low” for an “extended period” while acknowledging that the economy is strengthening and the deterioration in the labor market is abating. The point at which economic growth will spur an increase in short-term interest rates by the FOMC is likely to remain open to ongoing debate. In addition, there are questions about the ability of the economy to move forward after the temporary stimulus is phased out and the Federal Reserve’s quantitative easing is removed. Therefore, in the near term, volatility in the financial markets may remain elevated. Longer term, expanding budget deficits and the reversal of quantitative easing could set the stage for rising inflation expectations and upward pressure on long-term interest rates. Under this scenario, the returns of leveraged bond funds would be restrained by both negative pressure on bond valuations due to increased volatility and the potential for a rise in long-term interest rates.

About Your Fund

The use of leverage enables the DUC Fund to borrow at short-term rates and invest at long-term rates. As of December 31, 2009, the DUC Fund’s leverage consisted of Auction Market Preferred Shares (“AMPS”) in the amount of \$95 million and senior debt in the amount of \$95 million. On that date, the total amount of leverage represented by the AMPS and senior debt constituted approximately 37% of the DUC Fund’s total assets. The amount and type of leverage used is determined by the Board of Directors based on the DUC Fund’s expected earnings relative to the anticipated costs (including fees and expenses) associated with the leverage. In addition, the long-term expected benefits of leverage are weighed against the potential effect of increasing the volatility of both the DUC Fund’s net asset value and the market value of its common stock. Historically, the tendency of the U.S. yield curve to exhibit a positive slope (i.e., long-term rates higher than short-term rates) fosters an environment in which leverage can add incremental income. However, there is no assurance that this will continue to be the case in the future. If the use of leverage were to cease being beneficial, the amount and type of leverage employed by the DUC Fund could potentially be modified or eliminated.

Early in 2008, disruptions in the short-term fixed income market resulted in failures in the periodic auction and remarketing of all closed-end funds preferred shares, including the preferred shares of the DUC Fund. Management of the DUC Fund continues to seek ways to mitigate the impact of auction failures on preferred shareholders and believes a successful solution must serve three guiding principles.

- First, a successful solution must not materially disadvantage the common shareholders and their ability to benefit from the use of leverage.
- Second, the solution should be long-term oriented in nature. A short-term financing solution that provides near-term liquidity but no assurance of long-term funding could expose the DUC Fund’s shareholders to adverse changes in the market.
- Third, a feasible solution should not lead to an increase in investment restrictions, an encumbered investment process or a reduced pool of investment alternatives.

After reviewing various options for resolving preferred share illiquidity, in March 2009 management arranged a \$190 million credit facility with a commercial bank. Subsequently, the DUC Fund utilized the credit facility to redeem \$95 million of AMPS.

In May of 2009, the DUC Fund sought and received shareholder approval for an amendment to the Fund’s fundamental investment restriction relating to borrowing (which previously required a 300% asset coverage) to allow the DUC Fund to borrow money to the full extent permitted by the Investment Company Act of 1940 (the “1940 Act”) and related U.S. Securities and Exchange Commission (“SEC”) rules and interpretations, including exemptive orders.

In September of 2009, the DUC Fund received an exemptive order from the SEC that permits the DUC Fund, for a transitional period ending in October 2010, to maintain 200% asset coverage with respect to any new debt leverage that is used to refinance preferred stock, rather than the 300% that is normally required by the 1940 Act. The relief provided by the exemptive order is limited to any debt incurred to refinance the \$95 million of preferred stock that was outstanding in September 2009; it does not apply to the \$95 million of debt previously incurred.

The DUC Fund is also limited in its ability to redeem additional preferred stock by guidelines established by the rating agencies as a condition of maintaining the AAA rating of the preferred stock. When the DUC Fund arranged for the credit facility, one of the principal rating agencies granted approval for the Fund to utilize the full \$190 million to redeem its preferred stock, while the other rating agency granted approval for up to 60% of the DUC Fund’s leverage to be in the form of debt. Management has approached

that rating agency requesting flexibility to redeem additional preferred stock beyond the 60% but cannot be certain whether or when such approval will be granted. In addition, further redemptions of preferred stock are contingent on the ability of any solution to serve the aforementioned three guiding principles. Accordingly, the exact timing of any share redemptions is uncertain, and it is unlikely that all of the DUC Fund's outstanding preferred stock will be retired in the near future. The DUC Fund will announce any redemption through press releases and postings to its website.

The DUC Fund does not currently use derivatives and has no investments in structured investment vehicles ("SIVs"). Additionally, the portfolio has no direct exposure to financial intermediaries that focus exclusively on derivatives or SIVs. The DUC Fund's exposure is indirect and is limited to financial institutions with diversified revenue streams. However, due to the inherent interconnectivity of today's financial intermediaries, corporate bond investors are faced with the task of identifying and quantifying counterparty risk that is often the result of derivatives positions among both financial and non-financial companies. In addition, government intervention and the potential for additional regulation have introduced additional uncertainty into the capital structure of various financial intermediaries. In normal market conditions, at least 80% of the DUC Fund's total assets must be invested in Utility and Corporate Bonds, and at least 25% of the DUC Fund's total assets must be invested in Utility Income Securities. Due to this mandated exposure, any disruptions in the broader credit market could materially and adversely impact the valuation of the investments held in the DUC Fund. Although it is impossible for the DUC Fund to be completely insulated from turmoil in the financial markets, management believes that the diversification of the portfolio across sectors and issuers should help to limit volatility to some degree.

The DUC Fund seeks to provide investors with a stable monthly dividend that is primarily derived from current fiscal year net investment income. At times, a portion of the monthly distribution could be derived from realized capital gains, and to the extent necessary, paid-in-capital, in which case the DUC Fund is required to inform shareholders of the sources of the distribution based on U.S. generally accepted accounting principles ("GAAP"). A return of capital distribution does not necessarily reflect the DUC Fund's investment performance and should not be confused with "yield" or "income". Based on GAAP, for the twelve month period ended December 31, 2009, 82% of the total distributions were attributable to current year net investment income and 18% were in excess of current year net investment income and were therefore attributable to paid-in-capital. The characterization of the distributions for GAAP purposes and federal income tax purposes may differ, primarily because of a difference in the tax and GAAP accounting treatment of amortization for premiums on fixed income securities. For federal income tax purposes, 100% of the distributions in 2009 were derived from net investment income. In January 2010, a Form 1099-DIV was sent to shareholders which stated the amount and tax characterization of the DUC Fund's 2009 distributions.

Dividend Reinvestment and Cash Purchase Plan and Direct Deposit

To those of you receiving dividends in cash, you may want to consider taking advantage of the dividend reinvestment and cash purchase plan (the "Plan") available to all registered shareholders of the DUC Fund. Under the Plan, the DUC Fund absorbs all administrative costs (except brokerage commissions, if any) so that the total amount of your dividends and other distributions may be reinvested in additional shares of the DUC Fund. Also, the cash purchase option permits participants to purchase shares in the open market through the Plan Agent. Additional information about the Plan is available from the Plan Agent, The Bank of New York Mellon Corporation, at 1-866-221-1681, or for more details, please refer to page 16.

For those shareholders receiving dividend checks, you may want to consider having your monthly dividends deposited, free of charge, directly into your bank account through electronic funds transfer. Direct deposit provides the convenience of automatic and immediate access to your funds, while eliminating the possibility of mail delays and lost, stolen or destroyed checks. Additional information about direct deposit is available from The Bank of New York Mellon Corporation, at 1-866-221-1681.

For more information about the DUC Fund, shareholders can access www.ducfund.com.

We appreciate your investment in Duff & Phelps Utility and Corporate Bond Trust Inc. and look forward to continuing our service to you.

Sincerely,



Daniel J. Petrisko, CFA
Chief Investment Officer



Nathan I. Partain, CFA
Director, President & CEO

**DUFF & PHELPS UTILITY AND CORPORATE
BOND TRUST INC.**

Portfolio of Investments

December 31, 2009

Principal Amount (000)	Description	Value (Note 1)
LONG-TERM INVESTMENTS—153.3%		
U.S. Government and Agency Obligations—10.0%		
	Federal National Mortgage Association,	
\$10,000	7.25%, 1/15/10	\$ 10,022,390
5,000	6.00%, 5/15/11	5,354,720
231	8.00%, 10/01/30	264,731
858	7.00%, 12/01/31	955,681
	Government National Mortgage Association Pass-Through Certificates,	
14	7.00%, 3/15/26	15,275
90	8.00%, 11/15/30	104,100
34	8.00%, 2/15/31	38,854
	U.S. Treasury Note,	
10,000	4.75%, 2/15/10	10,055,470
5,000	4.00%, 3/15/10	5,039,260
	Total U.S. Government and Agency Obligations (Cost \$31,571,716)	31,850,481
Corporate Bonds—136.6%		
Financial—26.2%		
	Boeing Capital Corp.,	
7,000 ^(a)	6.50%, 2/15/12	7,659,568
	Caterpillar Financial Services Corp.,	
7,000	7.15%, 2/15/19	8,108,590
	CPG Partners L.P.,	
7,900	8.25%, 2/01/11	8,266,204
	Daimler Finance NA LLC.,	
5,000	7.75%, 1/18/11	5,317,240
	ERP Operating Limited Partnership,	
5,000	6.625%, 3/15/12	5,341,730
	General Electric Capital Corp.,	
6,000	6.125%, 2/22/11	6,341,934
	Household Finance Corp.,	
6,000	8.00%, 7/15/10	6,218,730
	JPMorgan Chase & Co.,	
10,000	7.875%, 6/15/10	10,313,890
	Keybank, N.A.,	
3,200	7.30%, 5/01/11	3,297,354
	Mack-Cali Realty, L.P.,	
7,000	7.75%, 2/15/11	7,365,974
	NationsBank Capital Trust IV,	
10,000	8.25%, 4/15/27	9,975,000

Principal Amount (000)	Description	Value (Note 1)
\$5,000	Wells Fargo Bank N.A., 6.45%, 2/01/11	\$ 5,281,615
		83,487,829
Industrial—32.9%		
	Archer-Daniels-Midland Company,	
4,000 ^(a)	7.125%, 3/01/13	4,501,928
	Coca-Cola Enterprises, Inc.,	
5,000 ^(a)	8.50%, 2/01/12	5,631,560
	Devon Financing Corp.,	
6,000 ^(a)	6.875%, 9/30/11	6,520,584
	Dow Chemical Company,	
6,000	9.00%, 4/01/21	6,431,112
	Hewlett-Packard Co.,	
5,000 ^(a)	6.125%, 3/01/14	5,592,110
	Kraft Foods, Inc.,	
5,000	6.25%, 6/01/12	5,391,680
	Potash Corporation of Saskatchewan, Inc.,	
8,578 ^(a)	7.75%, 5/31/11	9,302,515
	Premcor Refining Group, Inc.,	
5,000 ^(a)	6.125%, 5/01/11	5,206,875
	Sun Company, Inc.,	
5,000 ^(a)	9.00%, 11/01/24	5,309,700
	Target Corp.,	
5,000	6.00%, 1/15/18	5,527,315
	Tele-Communications, Inc.,	
5,275 ^(a)	10.125%, 4/15/22	6,787,764
3,200 ^(a)	9.875%, 6/15/22	3,905,930
	Time Warner Entertainment Company, L.P.,	
5,000 ^(a)	8.875%, 10/01/12	5,746,505
	Time Warner, Inc.,	
5,000 ^(a)	9.15%, 2/01/23	6,046,395
	USX Corporation,	
10,000 ^(a)	9.125%, 1/15/13	11,402,510
	Wal-Mart Stores, Inc.,	
5,000	6.75%, 10/15/23	5,801,800
	XTO Energy, Inc.,	
5,000 ^(a)	6.50%, 12/15/18	5,723,385
		104,829,668
Telephone—17.7%		
	AT&T Wireless Services, Inc.,	
10,000 ^(a)	8.125%, 5/01/12	11,305,400
	British Telecommunications PLC,	
10,000 ^(b)	8.125%, 12/15/10	10,715,700
	Deutsche Telekom International Finance,	
12,000 ^{(a)(b)}	8.00%, 6/15/10	12,402,480

See Notes to Financial Statements.

Principal Amount (000)	Description	Value (Note 1)
\$7,625 ^{(a)(b)}	France Telecom SA, 7.75%, 3/01/11	\$ 8,174,534
5,000	New York Telephone Co., 8.625%, 11/15/10	5,306,280
7,500 ^(a)	Verizon Global Funding Corp., 7.375%, 9/01/12	8,459,287
		<u>56,363,681</u>
	Utilities—59.8%	
10,000 ^(a)	AGL Capital Corp., 7.125%, 1/14/11	10,555,920
5,000	American Water Capital Corp., 6.593%, 10/15/37	5,049,120
5,000 ^(a)	Arizona Public Service Co., 6.875%, 8/01/36	5,005,115
10,000 ^(a)	CalEnergy Company, Inc., 8.48%, 9/15/28	12,289,950
6,713 ^(a)	Cleveland Electric Illumination Co., 8.875%, 11/15/18	8,301,195
10,000	Duke Energy Corporation, 7.375%, 3/01/10	10,104,020
10,000 ^(a)	Entergy Texas, Inc., 7.125%, 2/01/19	11,102,940
5,000 ^(a)	FirstEnergy Corp., 7.375%, 11/15/31	5,434,730
10,000	Hydro-Quebec, 7.50%, 4/01/16	11,772,680
10,088	KeySpan Gas East Corporation, 7.875%, 2/01/10	10,136,775
5,000	Kinder Morgan Energy Partners, 7.75%, 3/15/32	5,654,750
6,040 ^(a)	Northern Border Partners L.P., 8.875%, 6/15/10	6,242,920
7,020	NSTAR, 8.00%, 2/15/10	7,076,118
4,060	ONEOK Inc., 7.125%, 4/15/11	4,295,456
6,000 ^(a)	Progress Energy, Inc., 7.10%, 3/01/11	6,352,320
7,195 ^(a)	PSE&G Power, LLC., 7.75%, 4/15/11	7,701,355
10,000 ^(a)	Reliant Energy Resources Corp., 7.75%, 2/15/11	10,578,810
10,000	Sempra Energy, 7.95%, 3/01/10	10,110,400
5,685	South Carolina Electric & Gas Co., 6.50%, 11/01/18	6,430,440
5,512	Southern California Edison Company, 7.625%, 1/15/10	5,521,966
10,000	Trans-Canada Pipelines Limited, 9.875%, 1/01/21	13,454,650

Principal Amount (000)	Description	Value (Note 1)
\$6,000	Wisconsin Energy Corp., 6.50%, 4/01/11	\$ 6,348,960
10,131 ^(a)	Xcel Energy, Inc., 7.00%, 12/01/10	10,666,900
		<u>190,187,490</u>
	Total Corporate Bonds (Cost \$416,491,266)	<u>434,868,668</u>
	Asset-Backed Securities—1.8%	
	Detroit Edison Securitization Funding LLC 2001-1 A6, 6.62%, 3/01/16	5,703,620
	Total Asset-Backed Securities (Cost \$5,925,000)	<u>5,703,620</u>
	Shares	
	Non-Convertible Preferred Stock—4.9% Financial—4.9%	
100,000	Duke Realty Corp., Series M, 6.95%	2,018,000
100,000	Duke Realty Corp., Series N, 7.25%	2,120,000
100,000	Kimco Realty Corp., Series G, 7.75%	2,455,000
120,000	Public Storage, Inc., Series I, 7.25%	3,060,000
100,000	Realty Income Corp., Series D, 7.375%	2,522,000
100,000	UDR, Inc., Series G, 6.75%	2,310,000
50,000	Vornado Realty Trust, Series I, 6.625%	1,102,000
	Total Non-Convertible Preferred Stock (Cost \$16,713,000)	<u>15,587,000</u>
	Total Investments—153.3% (Cost \$470,700,982)	<u>488,009,769</u>
	Liabilities in Excess of Other Assets—(23.4)%	(74,616,703)
	Liquidation Value of Preferred Shares—(29.9)%	<u>(95,000,000)</u>
	Net Assets Applicable to Common Stock—100%	<u>\$318,393,066</u>

(a) All or a portion of this security has been segregated and made available for loan.

(b) Security's original coupon rate is shown. Coupon rate subject to change if security's rating is upgraded or downgraded by Standard & Poor's Ratings Services or Moody's Investors Service, Inc.

See Notes to Financial Statements.

Notes

The Fund's investments are carried at fair value which is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. The three-tier hierarchy of inputs established to classify fair value measurements for disclosure purposes is summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical securities

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risks, etc.)

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in these securities. The following is a summary of the inputs used to value each of the Fund's investments as of December 31, 2009:

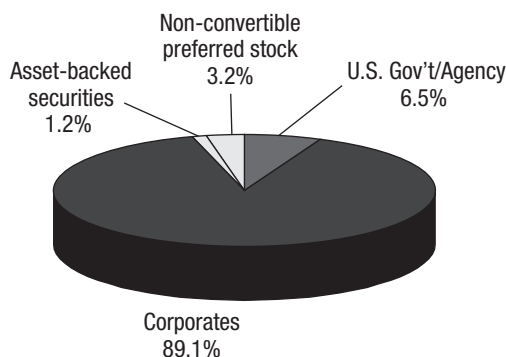
	Level 1	Level 2	Level 3	Total
Asset-backed securities	\$ —	\$ 5,703,620	\$ —	\$ 5,703,620
Corporate bonds—Financial	—	83,487,829	—	83,487,829
Corporate bonds—Industrial	—	104,829,668	—	104,829,668
Corporate bonds—Telephone	—	56,363,681	—	56,363,681
Corporate bonds—Utilities	—	190,187,490	—	190,187,490
Mortgage-backed securities	—	16,755,751	—	16,755,751
Non-convertible preferred stock	15,587,000	—	—	15,587,000
U.S. Government obligations	—	15,094,730	—	15,094,730
Total	<u>\$15,587,000</u>	<u>\$472,422,769</u>	<u>\$ —</u>	<u>\$488,009,769</u>

Summary of Ratings as a Percentage of Long-Term Investments
as of December 31, 2009
(Unaudited)

Rating *	%
AAA	7.7%
AA	3.5%
A	30.5%
BBB	54.4%
BB and Below	3.9%
	<u>100.0%</u>

* Based on the lowest rating of Standard & Poor's Ratings Services or Moody's Investors Service, Inc.

Sector Allocation as a Percentage of Total Investment
as of December 31, 2009
(Unaudited)



See Notes to Financial Statements.

**DUFF & PHELPS UTILITY AND CORPORATE
BOND TRUST INC.**

**Statement of Assets and Liabilities
December 31, 2009**

Assets

Investments, at value (cost \$470,700,982)	\$488,009,769
Cash	11,372,796
Interest receivable	9,298,123
Dividends receivable	84,505
Other assets	<u>27,923</u>
Total assets	<u>508,793,116</u>

Liabilities

Bank loan payable (Note 7)	95,000,000
Investment advisory fee payable (Note 2)	237,703
Administrative fee payable (Note 2)	44,765
Dividends payable on Auction Market Preferred Shares	15,553
Interest payable on bank loan (Note 7)	6,565
Accrued expenses	<u>95,464</u>
Total liabilities	<u>95,400,050</u>

Auction Market Preferred Shares (7,600 shares authorized, 3,800 shares issued and outstanding, liquidation preference \$25,000 per share)	<u>95,000,000</u>
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**Net Assets Applicable to
Common Stock**

\$318,393,066

Capital

Common stock, \$.01 par value, 599,992,400 shares authorized, 27,207,145 shares issued and outstanding (Note 5)	\$ 272,072
Additional paid-in capital	369,002,862
Distributions in excess of net investment income . . .	(13,463,914)
Accumulated net realized loss on investment transactions	(54,726,741)
Net unrealized appreciation on investments	<u>17,308,787</u>

**Net Assets Applicable to
Common Stock**

\$318,393,066

Net asset value per share of common stock: (\$318,393,066 ÷ 27,207,145 shares of common stock issued and outstanding)	<u>\$ 11.70</u>
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**DUFF & PHELPS UTILITY AND CORPORATE
BOND TRUST INC.**

**Statement of Operations
For the Year Ended December 31, 2009**

Investment Income

Interest income	\$ 26,150,348
Dividend income	<u>1,028,324</u>
Total investment income	<u>27,178,672</u>

Expenses

Investment advisory fees (Note 2)	2,471,138
Bank loan fees and expenses (Note 7)	1,279,862
Administrative fees (Note 2)	456,342
Directors' fees and expenses	281,687
Commissions expense—Auction Market Preferred Shares	242,550
Professional fees	190,905
Reports to shareholders	135,626
Custodian fees and expenses	47,202
Transfer agent fees and expenses	37,244
Registration fees	23,922
Leverage fees and expenses	12,800
Other	<u>45,219</u>

Total operating expenses 5,224,497

Interest expense (Note 7) 1,215,733

Total expenses 6,440,230

Net investment income 20,738,442

**Realized and Unrealized Gain/(Loss)
on Investments**

Net realized loss on investment transactions (10,626,872)

Net change in unrealized appreciation/depreciation
on investments 43,688,159

Net realized and unrealized gain on investments 33,061,287

**Dividends and Distributions On Auction
Market Preferred Shares from Net
Investment Income**

(1,829,247)

**Net Increase in Net Assets Applicable
to Common Stock Resulting from
Operations**

\$ 51,970,482

See Notes to Financial Statements.

**DUFF & PHELPS UTILITY AND CORPORATE
BOND TRUST INC.**

Statement of Changes In Net Assets

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
Operations		
Net investment income	\$ 20,738,442	\$ 22,754,001
Net realized gain/(loss) on investment transactions	(10,626,872)	8,408,055
Net change in unrealized appreciation/depreciation on investments	43,688,159	(30,752,274)
Dividends and distributions on Auction Market Preferred Shares from net investment income . . .	(1,829,247)	(7,390,987)
Net increase/(decrease) in net assets resulting from operations	51,970,482	(6,981,205)
Dividends and Distributions on Common Stock		
from and in excess of net investment income	(22,395,510)	(21,119,409)
Capital Stock Transactions		
Reinvestment of dividends resulting in the issuance of 122,832 shares and 8,152 shares of common stock, respectively	1,391,999	88,042
Total increase/(decrease) in net assets	30,966,971	(28,012,572)
Net Assets		
Beginning of year	287,426,095	315,438,667
End of year(a)	<u>\$318,393,066</u>	<u>\$287,426,095</u>
(a) includes distributions in excess of net investment income of . . .	<u>\$ (13,463,914)</u>	<u>\$ (18,258,292)</u>

See Notes to Financial Statements.

DUFF & PHELPS UTILITY AND CORPORATE BOND TRUST INC.
Statement of Cash Flows
For the Year Ended December 31, 2009

Increase/(Decrease) in Cash

Cash flows provided from (used for) operating activities:

Interest and dividends received (excluding discount and premium amortization of (\$7,554,786))	\$ 34,426,940
Long-term capital gains dividends received	173,863
Operating expenses paid	(5,256,066)
Interest expense paid	(1,209,168)
Dividends paid on preferred stock	(1,846,952)
Purchase of long-term portfolio investments	(126,837,453)
Proceeds from sales and maturities of long-term portfolio investments	<u>112,460,022</u>
Net cash provided from operating activities	<u>11,911,186</u>

Cash flows provided from (used for) financing activities:

Redemption of Auction Market Preferred Shares	(95,000,000)
Bank loan	95,000,000
Dividends paid on common stock(a)	<u>(21,047,592)</u>
Net cash used for financing activities	<u>(21,047,592)</u>

Net decrease in cash	(9,136,406)
Cash at beginning of year	<u>20,509,202</u>
Cash at end of year	<u>\$ 11,372,796</u>

Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Provided from Operating Activities

Net increase in net assets resulting from operations	<u>\$ 51,970,482</u>
Increase in investments	(6,822,645)
Net realized loss on investment transactions	10,626,872
Net realized long-term capital gains dividend received	173,863
Net change in unrealized appreciation/depreciation on investments	(43,688,159)
Increase in interest receivable	(306,518)
Increase in other assets	(350)
Increase in interest payable on bank loan	6,565
Decrease in accrued expenses and other liabilities	<u>(48,924)</u>
Total adjustments	<u>(40,059,296)</u>
Net cash provided from operating activities	<u>\$ 11,911,186</u>

(a) Non-cash financing activities not included herein consist of reinvestment of dividends of \$1,391,999.

See Notes to Financial Statements.

DUFF & PHELPS UTILITY AND CORPORATE BOND TRUST INC.

Financial Highlights

	For the Year Ended December 31,				
	2009	2008	2007	2006	2005
PER SHARE OPERATING PERFORMANCE					
Net asset value, beginning of year	\$ 10.61	\$ 11.65	\$ 11.97	\$ 12.50	\$ 13.51
Net investment income(1)	0.77	0.84	0.93	0.71	0.73
Net realized and unrealized gain/(loss) on investments transactions	1.22	(0.83)	(0.09)	(0.25)	(0.72)
Dividends and distributions on Auction Market Preferred Shares from net investment income	(0.07)	(0.27)	(0.38)	(0.07)	—
Net increase/(decrease) from investment operations	1.92	(0.26)	0.46	0.39	0.01
Dividends and distributions on common stock from and in excess of net investment income	(0.83)	(0.78)	(0.78)	(0.84)	(1.02)
Offering costs—Auction Market Preferred Shares	—	—	—	(0.08)	—
Net asset value, end of year	\$ 11.70	\$ 10.61	\$ 11.65	\$ 11.97	\$ 12.50
Per share market value, end of year	\$ 12.29	\$ 10.11	\$ 10.32	\$ 11.62	\$ 13.10
TOTAL INVESTMENT RETURN ON COMMON STOCK(2)	30.69%	5.30%	(4.71)%	(4.82)%	(3.84)%
RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON STOCK(3)					
Total expenses	2.12%	1.37%	1.34%	2.98%	2.55%
Operating expenses(4)	1.72%	1.37%	1.34%	1.12%	1.05%
Net investment income(5)	6.82%	7.42%	7.88%	5.87%	5.64%
SUPPLEMENTAL DATA					
Portfolio turnover	23%	12%	19%	15%	15%
Net assets applicable to common stock, end of year (000)	\$318,393	\$287,426	\$315,439	\$324,056	\$337,952
Preferred stock outstanding (000)	\$ 95,000	\$190,000	\$190,000	\$190,000	\$ —
Asset coverage per share of preferred stock, end of the year	\$108,788	\$ 62,819	\$ 66,505	\$ 67,639	\$ —
Bank loan outstanding (000)	\$ 95,000	\$ —	\$ —	\$ —	\$ —
Asset coverage per \$1,000 on bank loan, end of the year	\$ 5,352	\$ —	\$ —	\$ —	\$ —
COMMERCIAL PAPER INFORMATION					
Aggregate amount outstanding at end of year (000)	\$ —	\$ —	\$ —	\$ —	\$143,000
Average daily amortized cost of commercial paper outstanding (000)	\$ —	\$ —	\$ —	\$ —	\$142,295
Asset coverage per \$1,000 at end of year	\$ —	\$ —	\$ —	\$ —	\$ 3,363

(1) Based on average shares outstanding.

(2) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each year reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Brokerage commissions are not reflected.

(3) As a percentage of average weekly net assets which includes any liabilities or senior securities constituting indebtedness in connection with financial leverage.

(4) Ratio from 2005 and 2006 excluded interest and other commercial paper expenses. Commercial paper program was terminated on October 25, 2006. Ratio from 2006 through 2009 includes Commissions expense—Auction Market Preferred Shares. Ratio for the year ended December 31, 2009 excludes Interest expense.

(5) Ratios do not reflect dividends paid on the preferred stock. Accordingly, the ratio of net investment income after preferred stock dividends to average net assets to common stock is 6.22%, 5.01%, 4.66%, 5.31%, and 5.64%, respectively.

See Notes to Financial Statements.

DUFF & PHELPS UTILITY AND CORPORATE BOND TRUST INC.**Notes to Financial Statements****December 31, 2009**

Duff & Phelps Utility and Corporate Bond Trust Inc. (the “Fund”) was incorporated in Maryland on November 23, 1992 as a diversified, closed-end management investment company with operations commencing on January 29, 1993.

The Fund’s investment objective is to seek high current income consistent with investing in securities of investment-grade quality. The Fund seeks to achieve its investment objective by investing substantially all of its assets in a diversified portfolio of Utility Income Securities, Corporate Income Securities, Mortgage-Backed Securities and Asset-Backed Securities. The ability of the issuers of the securities held by the Fund to meet their obligations may be affected by economic developments in a specific state, industry or region.

Note 1. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial

statements.

Securities Valuation: Equity securities traded on a national or foreign securities exchange or traded over-the-counter and quoted on the NASDAQ System are valued at the last reported sale price or, if there was no sale on the pricing date, then the security is valued at the mean of the bid and ask prices as obtained on that day from one or more dealers regularly making a market in that security. Fixed income securities are valued at the mean of bid and ask prices provided by an independent pricing service when such prices are believed to reflect the fair value of such securities. Such bid and ask prices are determined taking into account securities prices, yields, maturities, call features, ratings, and institutional size trading in similar securities and developments related to specific securities. Any securities for which it is determined that market prices are unavailable or inappropriate are valued at a fair value using a procedure determined in good faith by the Board of Directors. Short-term investments having a maturity of 60 days or less at date of purchase are valued on an amortized cost basis, which approximates fair value.

Securities Transactions and Investment Income: Securities transactions are recorded on the trade date. Realized gains and losses on sales of securities are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the

accrual basis. The Fund amortizes premiums and accretes discounts on securities using the effective interest method.

Federal Income Taxes: It is the Fund’s intention to meet the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute sufficient net taxable income and capital gains to shareholders to qualify as a regulated investment company. Therefore, no provision for federal income or excise tax is required. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund’s tax returns for each of the four years in the period ended December 31, 2009 are subject to such review.

Dividends and Distributions: The Fund will declare and pay dividends on its common stock monthly from net investment income. Net long-term capital gains, if any, in excess of loss carryforwards are expected to be distributed annually. The Fund will make a determination at the end of its fiscal year as to whether to retain or distribute such gains. Dividends and distributions are recorded on the ex-dividend date. Dividends and distributions on preferred shares are accrued on a daily basis and are determined as described in Note 6.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from investment income and capital gains recorded in accordance with U.S. generally accepted accounting principles.

Recent Accounting Pronouncements: In March 2008, the Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Codification™ (ASC), *Derivatives and Hedging* (ASC 815) (formerly known as FAS 161). ASC 815 is intended to improve financial reporting for derivative instruments and hedging activities and enable investors to understand how and why an entity uses derivatives, how derivative instruments and hedging activity are accounted for, and how derivative instruments and hedging activity affect an entity’s results of operations and financial position.

The adoption of ASC 815 had no impact on the financial statement disclosure as the Fund did not hold derivative instruments during the year ended December 31, 2009.

In June 2009, the FASB established ASC as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”). The ASC supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The ASC did not change

GAAP but rather organized it into a hierarchy where all guidance within the ASC carries an equal level of authority. The ASC became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Fund appropriately updated relevant GAAP references to reflect the new ASC.

On January 21, 2010, the FASB issued an Accounting Standards Update, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* which provides guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for Level 2 or Level 3 positions ii) transfers between all levels (including Level 1 and Level 2) will be required to be disclosed on a gross basis (i.e. transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements must be shown on a gross basis in the Level 3 rollforward rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009 however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time the Fund is evaluating the implications of the amendment to ASC 820 and the impact to the financial statements.

Reclassification of Capital Accounts: U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the year ended December 31, 2009, \$8,280,693 has been reclassified between accumulated net realized loss on investment transactions and distributions in excess of net investment income as a result of permanent differences attributable to amortization methods on fixed income securities and accounting for prepayments on mortgage-backed securities. These reclassifications had no effect on net assets or net asset value per share.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2. Agreements

The Fund has an Advisory Agreement with Duff & Phelps Investment Management Co. (the “Adviser”), a subsidiary of Virtus Investment Partners, Inc. (“Virtus”), and an Administration Agreement with Princeton Administrators, LLC (“Princeton”).

The investment advisory fee paid to the Adviser is computed weekly and payable monthly at an annual rate of 0.50% of the Fund’s average weekly managed assets, which is defined as the average weekly value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (other than the aggregate amount of any outstanding borrowings or other indebtedness constituting financial leverage).

The administration fee paid to Princeton is computed weekly and payable monthly at an annual rate of 0.15% of the Fund’s average weekly net assets, which is defined as the average weekly value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (including the aggregate amount of any outstanding borrowings or other indebtedness constituting financial leverage), subject to a monthly minimum of \$12,500.

Pursuant to the Advisory Agreement, the Adviser provides continuous supervision of the investment portfolio and pays the compensation of officers of the Fund who are affiliated persons of the Adviser. Pursuant to the Administration Agreement, Princeton provides administration services that include oversight of the Fund’s books and records and preparation of financial statements and other regulatory filings. The Fund bears all other costs and expenses.

Note 3. Portfolio Securities

Purchases and sales of investment securities, other than U.S. Government securities and short-term investments, for the year ended December 31, 2009 aggregated \$111,472,140 and \$106,994,173, respectively. For the year ended December 31, 2009, the Fund had purchases and sales of \$15,365,313 and \$0, respectively, of U.S. Government securities.

The United States federal income tax basis of the Fund’s investments and the net unrealized depreciation as of December 31, 2009 was as follows:

<u>Tax Basis of Investments</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Unrealized Depreciation</u>
\$492,978,300	\$11,327,514	\$16,296,045	\$4,968,531

Note 4. Distributions to Stockholders

The tax character of distributions paid during the fiscal years ended December 31, 2009 and 2008 was as follows:

	2009	2008
<i>Distributions paid from:</i>		
Ordinary income	\$24,224,757	\$28,510,396
Total taxable distributions*	<u>\$24,224,757</u>	<u>\$28,510,396</u>

* The distributions presented above include distributions payable to preferred shareholders at December 31, 2009 and 2008.

As of December 31, 2009, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income—net	\$ 8,813,404
Undistributed long-term capital gains	—
Total undistributed earnings	8,813,404
Capital loss carryforward	(54,726,741)*
Unrealized gains/(losses)—net	(4,968,531)**
Total accumulated earnings/(losses)	<u>\$(50,881,868)</u>

* On December 31, 2009, the Fund had a net capital loss carryforward of \$54,726,741, of which \$11,512,356 expires in 2011, \$3,731,126 expires in 2012, \$3,265,594 expires in 2013, \$4,213,979 expires in 2014, \$13,096,121 expires in 2015 and \$18,907,565 expires in 2017. This carryforward will be available to offset amounts of any future taxable gains.

** The difference between book-basis and tax-basis unrealized gains/(losses) is attributable primarily to the difference between book and tax amortization methods for premiums and discounts on fixed income securities.

Note 5. Capital

There are 600 million shares of stock, \$0.01 par value per share, authorized. For the years ended December 31, 2009 and 2008, there were 122,832 and 8,152 shares of common stock issued, respectively, in connection with the reinvestment of dividends.

Note 6. Auction Market Preferred Shares

The Fund's Charter grants the authority to the Board of Directors to authorize the creation and issuance of one or more series of preferred stock out of the authorized and unissued stock of the Fund. Accordingly, on October 25, 2006, the Fund issued 7,600 shares of Auction Market Preferred Shares ("AMPS") in two series of 3,800 shares each at a public offering price of \$25,000 per share. The underwriting discount and other offering costs incurred in connection with the issuance of the AMPS were recorded as a reduction of paid-in capital on common stock. Dividends on shares of AMPS are cumulative from their date of original issue and payable on each dividend payment date. On March 24, 2009, the Fund

redeemed 3,800 shares of its T7 series of AMPS at liquidation value. As of December 31, 2009, there were 3,800 shares of AMPS outstanding. Dividend rates ranged from 1.15% to 1.71% for the year ended December 31, 2009.

Under the Investment Company Act of 1940, the Fund may not declare dividends or make other distributions on shares of common stock or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred stock would be less than 200%.

The AMPS are redeemable at the option of the Fund, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared. The AMPS are also subject to a mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Fund as set forth in the Fund's Charter are not satisfied.

The holders of AMPS have voting rights equal to the holders of common stock (one vote per share) and will vote together with holders of common stock as a single class. However, holders of AMPS, voting separately as a class, are also entitled to elect two of the Fund's directors. In addition, the Investment Company Act of 1940 requires that along with any approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding shares of preferred stock, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the preferred stock, and (b) take certain actions requiring a vote of security holders, including, among other things, changes in the Fund's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

Since February 2008, the AMPS market has been ineffective at matching buyers with sellers. This has impacted the Fund's AMPS. The AMPS dividend rate was reset to the maximum applicable rate which ranged from 1.15% to 6.01% between February 14, 2008 and the date of this report. A failed auction is not an event of default for the Fund, but it is a liquidity problem for the holders of its AMPS. Dislocations in the auction rate securities markets have triggered numerous failed auctions for many closed-end funds. A failed auction occurs when there are more sellers of AMPS than buyers. It is impossible to predict how long this imbalance will last. A successful auction of the Fund's AMPS may not occur for a long period of time, if ever. Even if the AMPS market becomes more liquid, the holders of the Fund's AMPS may not have the amount of liquidity they desire or the ability to sell the AMPS at par.

Note 7. Borrowings On March 12, 2009, the Fund entered into a Committed Facility Agreement (the “Facility”) with a commercial bank (the “Bank”) that allows the Fund to borrow cash from the Bank, up to a limit of \$190,000,000. The purpose of the Facility is to enable the Fund to retire its outstanding preferred stock. Borrowings under the Facility are collateralized by certain assets of the Fund (the “Hypothecated Securities”). Interest is charged at a 3 month LIBOR (London Interbank Offered Rate) plus an additional percentage rate on the amount borrowed and a percentage rate on the undrawn balance (the commitment fee). The Fund also paid a one time arrangement fee based on a percentage of the total borrowing limit. Total commitment and arrangement fees paid for the year ended December 31, 2009 were \$1,279,862 and are included in Bank loan fees and expenses on the Statement of Operations. The Bank has the ability to require repayment of the Facility upon six months notice or following an event of default. For the period from March 24, 2009 through December 31, 2009, the average daily borrowings under the Facility and the weighted daily average interest rate were \$95,000,000 and 1.6293%, respectively. As of December 31, 2009, the amount of such outstanding borrowings was \$95,000,000. The interest rate applicable to the borrowing on December 31, 2009 was 1.351%. The Bank has the ability to borrow the Hypothecated Securities, (“Rehypothecated Securities”). The Fund is entitled to receive a fee from the Bank in connection with the borrowing of Rehypothecated Securities. The Fund can recall any Rehypothecated Security at any time and if the Bank fails to return it (or an equivalent security) in a timely fashion, the Bank will be liable to the Fund for the ultimate delivery of such security and certain costs associated with delayed delivery. In the event the Bank does not return the Rehypothecated Security or an equivalent security, the Fund will have the right to,

among other things, apply and set off an amount equal to one hundred percent (100%) of the then-current fair market value of such Rehypothecated Securities against any amounts owed to the Bank under the Facility. At December 31, 2009, Hypothecated Securities under the Facility had a market value of \$222,824,421 and there were no Rehypothecated Securities outstanding.

Note 8. Indemnifications

Under the Fund’s organizational documents, its Officers and Directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and believes the risk of loss to be remote.

Note 9. Subsequent Events

Subsequent to December 31, 2009, dividends paid on preferred stock totaled \$204,136 through February 25, 2010. On January 4, 2010, the Board of Directors of the Fund declared a dividend of \$0.07 per share of common stock payable on January 29, 2010 to shareholders of record on January 15, 2010. On February 1, 2010 the Board of Directors of the Fund declared a dividend of \$0.07 per share of common stock payable on February 26, 2010 to shareholders of record on February 16, 2010.

Management has evaluated events and transactions that have occurred from December 31, 2009 through February 25, 2010, the date of issuance of these financial statements, for potential recognition or disclosure in these financial statements and has determined there are none.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
of Duff & Phelps Utility and Corporate Bond Trust Inc.

We have audited the accompanying statement of assets and liabilities of Duff & Phelps Utility and Corporate Bond Trust Inc. (the "Fund"), including the portfolio of investments, as of December 31, 2009, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Duff & Phelps Utility and Corporate Bond Trust Inc. at December 31, 2009, the results of its operations and cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Chicago, Illinois
February 25, 2010

FEDERAL INCOME TAX INFORMATION (Unaudited)

The following information is provided with respect to the ordinary income distributions paid by the Fund during the year ended December 31, 2009 by:

Interest-Related Dividends for Non-U.S. Residents	82.03%*
Federal Obligation Interest	1.13%**

* Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations under 871(k)(1) of the Internal Revenue Code.

** The law varies in each state as to whether and what percentage of dividend income attributable to federal obligations is exempt from state income tax. We recommend that you consult your tax advisor to determine if any portion of the dividends you received is exempt from state income tax.

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (Unaudited)

Common shareholders are automatically enrolled in the Fund's Dividend Reinvestment and Cash Purchase Plan (the "Plan"). Under the Plan, all distributions to common shareholders of dividends and capital gains will automatically be reinvested by The Bank of New York Mellon Corporation (the "Plan Agent") in additional shares of common stock of the Fund unless an election is made to receive distributions in cash. Shareholders who elect not to participate in the Plan will receive all distributions in cash via direct deposit or paid by check in U.S. dollars mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent.

The Plan Agent serves as agent for the common shareholders in administering the Plan. After the Fund declares a dividend or determines to make a capital gains distribution, if (1) the market price of shares on the valuation date equals or exceeds the net asset value of these shares, the Fund will issue new shares at net asset value, provided that the Fund will not issue new shares at a discount of more than 5% from the then current market price; or if (2) the market price is lower than the net asset value, or if dividends or capital gains distributions are declared and payable only in cash, then the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy shares of common stock in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value per share of the common stock, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's common stock, resulting in the acquisition of fewer shares of common stock than if the dividend or distribution had been paid in common stock issued by the Fund. As described below, the Plan was amended, effective December 1, 1999, whereby the Fund will issue new shares in circumstances in which it will be beneficial to plan participants.

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Fund. However, each participant will pay a pro rata share of brokerage commissions (or equivalent purchase costs) incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions and with voluntary additional share investments. There are no other charges to participants for reinvesting dividends or capital gains distributions, except for certain brokerage commissions (or equivalent purchase costs) as described above.

The Plan also permits Plan participants to periodically purchase additional shares of common stock through the Plan by delivering to the Plan Agent a check for at least \$100, but not more than \$5,000 in any month. The Plan Agent will use the funds to purchase shares in the open market or in private transactions. The Fund will not issue any new shares in connection with voluntary additional share investments. Purchases made pursuant to the Plan will be made commencing at the time of the first dividend or distribution payment following the second business day after receipt of the funds for additional purchases, and may be aggregated with purchases of shares for reinvestment of the dividends and distributions. Shares will be allocated to the accounts of participants purchasing additional shares at the average price per share, plus a service charge imposed by the Plan Agent and brokerage commissions (or equivalent purchase costs) paid by the Plan Agent for all shares purchased by it, including for reinvestment of dividends and distributions. Checks drawn on a foreign bank are subject to collection and collection fees, and will be invested at the time of the next distribution after funds are collected by the Plan Agent.

The Plan Agent will make every effort to invest funds promptly, and in no event more than 30 days after the Plan Agent receives a dividend or distribution, except where postponement is deemed necessary to comply with applicable provisions of the federal securities laws.

Funds sent to the Plan Agent for voluntary additional share investment may be recalled by the participant by written notice received by the Plan Agent not later than two business days before the next distribution payment date. If for any reason a regular monthly distribution is not paid by the Fund, funds for voluntary additional share investment will be returned to the participant, unless the participant specifically directs that they continue to be held by the Plan Agent for subsequent investment.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent. When a participant withdraws from the Plan or upon termination of the Plan as provided below, certificates for whole shares credited to his or her account under the Plan will be issued and a cash payment will be made for any fraction of a share credited to such account. An election to withdraw from the Plan will, until such election is changed, be deemed to be an election by a common shareholder to take all subsequent dividends and distributions in cash. Elections will only be effective for dividends and distributions declared after, and with a record date of at least ten days after, such elections are received by the Plan Agent. There is no penalty for non-participation in or withdrawal from the Plan, and shareholders who have withdrawn from the Plan may rejoin it at any time. The Plan Agent imposes charges on participants for selling participants shares on termination of participation (currently a base fee of \$5.00 plus \$.04 per share). The Fund reserves the right to amend the Plan to institute a service charge to participants.

The Plan Agent maintains each shareholder's account in the Plan and furnishes monthly written confirmations of all transactions in the accounts, including information needed by shareholders for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased pursuant to the Plan.

Common shareholders whose common stock is held in the name of a broker or nominee should contact such broker or nominee to determine whether or how they may participate in the Plan.

In the case of shareholders, such as banks, brokers or nominees, that hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the record shareholder as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who are participants in the Plan.

The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable or required to be withheld on such dividends or distributions.

The Fund reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to all participants in the Plan at least 90 days before the record date for the dividend or distribution. The Plan may also be amended or terminated by the Plan Agent by at least 90 days' written notice to all participants in the Plan. All questions concerning the Plan should be directed to the Plan Agent by calling (866) 221-1681.

ADDITIONAL INFORMATION (Unaudited)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may from time to time purchase its shares of common stock in the open market.

PROXY VOTING POLICY AND PROCEDURES (Unaudited)

Although the Fund does not typically hold voting securities, the Fund's Board of Directors has adopted proxy voting procedures whereby Duff & Phelps Investment Management Co., the Fund's investment adviser (the "Adviser"), would review any proxy solicitation materials on a case-by-case basis and would vote any such securities in accordance with the Adviser's good faith belief as to the best interests of the Fund and its shareholders. These proxy voting procedures may be changed at any time or from time to

time by the Fund's Board of Directors. A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities during the most recent 12-month period ended June 30 are available without charge, upon request, by calling the Adviser toll free at (800) 338-8214 and on the Securities Exchange Commission's (SEC) website at www.sec.gov.

AVAILABILITY OF QUARTERLY SCHEDULE OF INVESTMENTS (Unaudited)

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) 732-0330. The Fund's Form N-Q is also available, without charge, upon request, by calling the Adviser toll free at (800) 338-8214.

PRIVACY PRINCIPLES OF THE FUND (Unaudited)

The Fund is committed to maintaining the privacy of its shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Fund collects, how the Fund protects that information and why, in certain cases, the Fund may share information with select other parties.

Generally, the Fund does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Fund. The Fund does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Fund restricts access to non-public personal information about its shareholders to employees of the Fund's investment adviser, administrator and their respective affiliates with a legitimate business need for the information. The Fund maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

DIRECTORS OF THE FUND (Unaudited)

Information pertaining to the Directors of the Fund is set forth below. Directors who are not deemed to be “interested persons” of the Funds, as defined in the Investment Company Act of 1940, as amended (“the 1940 Act”) are referred to as “Independent Directors.” Directors who are deemed to be “interested persons” of the Fund are referred to as “Interested Directors.” “Fund Complex” refers to the Fund and all other investment companies advised by affiliates of Virtus, the Adviser’s parent company.

Independent Directors

Name, Address and Age	Positions Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director
Stewart E. Conner c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive Suite 500 Chicago, IL 60606 Age: 68	Director	Term expires 2012; Director since 2009	Attorney, Wyatt Tarrant & Combs LLP since 1966 (Chairman, Executive Committee 2000-2004, Managing Partner 1988-2000)	3	
Connie K. Duckworth ⁽¹⁾ c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive Suite 500 Chicago, IL 60606 Age: 55	Director	Term expires 2011; Director since 2009	Founder, Chairman and President, Arzu, Inc. (nonprofit corporation created to assist Afghan women through sale of homemade rugs) since August 2003; Member, Eight Wings Enterprises LLC (investor in early-stage businesses) 2002-2004; Advisory Director, Goldman Sachs & Company, December 2000-December 2001 (Managing Director, December 1996-December 2000, Partner 1990-1996, Chief Operating Officer of Firmwide Diversity Committee 1990-1995)	3	Director, Smurfit-Stone Container Corporation (packaging manufacturer) and Frank Russell Company (investment services companies); Trustee, Northwestern Mutual Life Insurance Company; Director and Past Chairman, NorthShore University HealthSystem; Member, Board of Overseers, Wharton School of the University of Pennsylvania; Trustee, Global Heritage Fund (archaeological conservation organization)
Robert J. Genetski c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive Suite 500 Chicago, IL 60606 Age: 67	Director	Term expires 2010; Director since 2009	President, Robert Genetski & Associates, Inc. (economic and financial consulting firm) since 1991; Senior Managing Director, Chicago Capital Inc. (financial services firm) 1995-2001; former Senior Vice President and Chief Economist, Harris Trust & Savings Bank, author of several books; regular contributor to the Nikkei Financial Daily	3	Director, Midwest Banc Holdings, Inc.

Name, Address and Age	Positions Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director
Francis E. Jeffries c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 79	Director and Chairman Emeritus of the Board	Term expires 2010; Director since 1992	Chairman Emeritus of the Board of the Fund, of DNP Select Income Fund Inc. (“DNP”) and of DTF Tax-Free Income Inc. (“DTF”) since May 2009; Chairman of the Board of the Fund, November 1992-May 2009 , of DTF, September 1991-May 2009, and of DNP, May 2005-May 2009 (President of the Fund and DTF, January 2000-February 2004; Vice Chairman of the Board of DNP, April 2004-May 2005); Chairman of the Board of Phoenix Investment Partners, Ltd. (“PXP”), November 1995-May 1997; Chairman and Chief Executive Officer, Duff & Phelps Corporation, June 1993-November 1995 (President and Chief Executive Officer, January 1992-June 1993); Chairman of the Board of the Adviser, 1988-1993	3	
Nancy Lampton ⁽²⁾ c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 67	Director and Vice Chairman of the Board	Term expires 2012; Director since 2005	Vice Chairman of the Board of the Fund and DTF since May 2007 and of DNP since February 2006; Chairman and Chief Executive Officer, Hardscuffle Inc. (insurance holding company) since January 2000; Chairman and Chief Executive Officer, American Life and Accident Insurance Company of Kentucky since 1971	3	Director, Constellation Energy Group, Inc. (public utility holding company); Strategic Advisory Council Member, Lightbridge Corporation (designer of non-proliferative fuel for nuclear energy needs)
Philip R McLoughlin c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 63	Director	Term expires 2010; Director since 1996	Managing Director, Seacap Partners LLC (strategic advisory firm) since February 2009; Partner, CrossPond Partners, LLC (investment management consultant) 2006-2008; Consultant to PXP, 2002-2004; Chief Executive Officer of PXP, 1995-2002 (Chairman 1997-2002, Director 1995-2002); Executive Vice President and Chief Investment Officer, The Phoenix Companies, Inc. 2000-2002	49	Director, The World Trust Fund (closed-end fund)

Name, Address and Age	Positions Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director
Geraldine M. McNamara c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 58	Director	Term expires 2011; Director since 2003	Private investor since July 2006; Managing Director, U.S. Trust Company of New York 1982-July 2006	49	
Eileen A. Moran c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 55	Director	Term expires 2012; Director since 1996	President and Chief Executive Officer, PSEG Resources L.L.C. (investment company) since 1990	3	
Christian H. Poindexter c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age 71	Director	Terms expires 2011; Director since 2008	Retired Executive Committee Chairman, Constellation Energy Group, Inc. (public utility holding company) since March 2003 (Executive Committee Chairman, July 2002-March 2003; Chairman of the Board, April 1999-July 2002; Chief Executive Officer, April 1999-October 2001; President, April 1999-October 2000) Chairman, Baltimore Gas and Electric Company, January 1993-July 2002 (Chief Executive Officer January 1993-July 2000; President, March 1998-October 2000; Director, 1988-2003)	3	Director, The Baltimore Life Insurance Company
Carl F. Pollard ⁽²⁾ c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 71	Director	Term expires 2011; Director since 2006	Owner, Hermitage Farm L.L.C. (thoroughbred breeding) since January 1995; Chairman, Columbia Healthcare Corporation 1993-1994; Chairman and Chief Executive Officer, Galen Health Care, Inc. March-August 1993; President and Chief Operating Officer, Humana Inc. 1991-1993 (previously Senior Executive Vice President, Executive Vice President and Chief Financial Officer)	3	Chairman of the Board and Director, Churchill Downs Incorporated

Name, Address and Age	Positions Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by the Director
David J. Vitale c/o Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 63	Director and Chairman of the Board	Term expires 2012; Director since 2005	Chairman of the Board of the Fund, DTF and DNP since May 2009; Private investor since December 2008; Senior Advisor to the CEO, Chicago Public Schools April 2007-December 2008; Chief Administrative Officer, Chicago Public Schools April 2003-April 2007; Private investor November 2002-April 2003; President and Chief Executive Officer, Board of Trade of the City of Chicago, Inc. March 2001-November 2002; Private investor 1999-2001; Vice Chairman and Director, Bank One Corporation, 1998-1999; Vice Chairman and Director, First Chicago NBD Corporation, and President, The First National Bank of Chicago, 1995-1998; Vice Chairman, First Chicago Corporation and The First National Bank of Chicago, 1993-1998 (Director, 1992-1998; Executive Vice President, 1986-1993)	3	Director, UAL Corporation (airline holding company), Alion Science and Technology Corporation, ISO New England Inc. (not for profit independent system operator of New England's electricity supply), Ariel Capital Management, LLC and Wheels, Inc. (automobile fleet management)

Interested Director

Nathan I. Partain, CFA ⁽³⁾ Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 53	Director	Term expires 2010; Director since 2007	President and Chief Executive Officer of the Fund and DTF since 2004; President and Chief Investment Officer of the Adviser since April 2005 (Executive Vice President 1997-2005); President and Chief Executive Officer of DNP since February 2001 (Chief Investment Officer since April 1998; Executive Vice President, April 1998-February 2001; Senior Vice President, January 1997-April 1998); Director of Utility Research, Duff & Phelps Investment Research Co. 1989-1996 (Director of Equity Research, 1993-1996 and Director of Fixed Income Research, 1993)	3	Director, Otter Tail Corporation (manages diversified operations in the electric, plastics, manufacturing, health services, food ingredient processing and other business operations sectors)
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(1) Ms. Duckworth, who served as a director during 2009, resigned from the board on January 15, 2010 in order to devote more time to Arzu, Inc. (Arzu Studio Hope), a non-profit organization of which she is the founder and CEO. The Fund extends its appreciation to Ms. Duckworth for her valued service as a director of the Fund.

(2) Elected to their respective position on the board by the preferred stockholders, voting as a separate class.

(3) Mr. Partain is an Interested Director because he is an officer and employee of the Adviser.

MANAGEMENT OF THE FUND (Unaudited)

The officers serve until their respective successors are chosen and qualified. The Fund's officers receive no compensation from the Fund, but are also officers of the Adviser or Virtus and receive compensation in such capacities. Information pertaining to Nathan I. Partain, the President and Chief Executive Officer of the Fund, is set forth on page 22 of this report. Information pertaining to the other officers of the Fund is set forth below.

Name, Address and Age	Position(s) Held with Fund and Length of Time Served	Principal Occupation(s) During Past 5 Years
T. Brooks Beittel, CFA Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 59	Secretary since 2005	Executive Vice President and Assistant Chief Investment Officer of the Adviser since 2008 (Senior Vice President 1993-2008, Vice President 1987-1993); Secretary and Senior Vice President of DNP since 1995 (Treasurer 1995-2002); Secretary of DTF since 2005
Alan M. Meder, CFA, CPA Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 50	Treasurer since 2000; Principal Financial and Accounting Officer and Assistant Secretary since 2002	Senior Vice President of the Adviser since 1994; Treasurer of DTF since 2000; Principal Financial and Accounting Officer and Assistant Secretary of DTF since 2002
Daniel J. Petrisko, CFA Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 49	Chief Investment Officer since 2004 (Vice President since 2000; Portfolio Manager 2002-2004)	Senior Vice President of the Adviser since 1997 (Vice President 1995-1997)
Joyce B. Riegel Duff & Phelps Investment Management Co. 200 South Wacker Drive, Suite 500 Chicago, IL 60606 Age: 55	Chief Compliance Officer since 2003	Senior Vice President and Chief Compliance Officer of the Adviser since 2004 (Vice President and Chief Compliance Officer 2002-2004); Chief Compliance Officer of DTF since 2003 and of DNP since 2004; Vice President and Chief Compliance Officer, Stein Roe Investment Counsel LLC 2001-2002

Directors

David J. Vitale, *Chairman*
Francis E. Jeffries, CFA, *Chairman Emeritus*
Nancy Lampton, *Vice Chairman*
Stewart E. Conner
Robert J. Genetski
Philip R. McLoughlin
Geraldine M. McNamara
Eileen A. Moran
Nathan I. Partain, CFA
Christian H. Poindexter
Carl F. Pollard

Officers

Nathan I. Partain, CFA
President & Chief Executive Officer
Daniel J. Petrisko, CFA
Vice President & Chief Investment Officer
T. Brooks Beittel, CFA
Secretary
Alan M. Meder, CFA, CPA
Treasurer & Assistant Secretary
Joyce B. Riegel,
Chief Compliance Officer

Investment Adviser

Duff & Phelps Investment Management Co.
200 South Wacker Drive, Suite 500
Chicago, Illinois 60606
(800) 338-8214
www.dpimc.com

Administrator

Princeton Administrators, LLC
800 Scudders Mill Road
Plainsboro, NJ 08536

Custodian

The Bank of New York Mellon Corporation
BNY Mellon Asset Services

Transfer Agent

The Bank of New York Mellon Corporation
BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252
(866) 221-1681

Independent Registered Public Accounting Firm

Ernst & Young LLP
233 South Wacker Drive
Chicago, IL 60606

Legal Counsel

Mayer Brown LLP
71 South Wacker Drive
Chicago, IL 60606

This report is for stockholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares. Information contained in this report is dated and subject to change. Past performance is no guarantee of future results.

Duff & Phelps Utility and Corporate Bond Trust Inc.



ANNUAL REPORT DECEMBER 31, 2009