

Ellsworth Convertible Growth and Income Fund, Inc.

65 Madison Avenue Suite 550 • Morristown, New Jersey 07960-7308 • www.ellsworthfund.com

First Quarter Update - December 31, 2000 (unaudited)

Financial Highlights

Market value 12/31/00	\$8.00
Net asset value (NAV) 12/31/00	\$9.60
Market discount to NAV	(16.67)%
12-Month income distribution	\$0.420
Yield on market price	5.25%
Capital gains distribution 11/29/00	\$1.315
Ratio of expenses to avg. net assets	1.31%*
Ratio of net income to avg. net assets	3.43%*
Portfolio turnover	15.45%
Shares outstanding	10,255,959
* Annualized.	

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (9/30/00)	\$11.23
Changes in NAV from Operations:	
Net Investment Income	0.08
Realized Gain	0.25
Decrease in Unrealized Gain	(0.51)
Total Change from Operations	(0.18)
Distributions:	
Net Investment Income	(0.13)
Capital Gains	(1.32)
Total Change from Distributions	(1.45)
Total Change	(1.63)
Ending NAV (12/31/00)	\$ 9.60

Major Industry Exposure as of 12/31/00

	% of Net Assets
Telecommunications	13.92
Energy	12.32
Technology	11.33
Entertainment	8.13
Financial & Insurance	7.87
Health Care & Drugs	7.35
Banking	6.61
Cable	5.17
Retail	4.32
Utilities	4.29

The portfolio holdings and industry exposure are as of December 31, 2000 and subject to change without notice.

Detailed portfolio information is available to any shareholder. Visit our website (www.ellsworthfund.com) to download the data, e-mail us at info@bcvecf.com or call us at (973) 631-1177.

Performance through 12/31/00 *with dividends reinvested*

	3 Months	1 Year	5 Years	10 Years
Ellsworth market value *	(5.22)%	14.50%	95.54%	336.70%
Ellsworth net asset value †	(6.96)	1.75	87.43	284.09
Closed-end conv. fund avg. †	(9.89)	(0.82)	59.91	251.16
S&P 500 *	(7.81)	(9.10)	131.93	399.01
Russell 2000 *	(5.09)	(2.92)	64.08	265.76‡
Lehman Aggregate Bond Total Return Index †	4.21	11.63	36.73	115.04

Performance data represent past results and do not reflect future performance.

* From Bloomberg L.P. pricing service.

† From Lipper, Inc. Closed-End Fund Performance Analysis, December 31, 2000.

‡ Simple appreciation of index.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Mar. 00	\$12.30	\$10.64	\$11.99	\$ 9.38	\$8.44	\$8.81
Jun. 00	12.02	10.87	11.86	9.25	8.38	9.19
Sep. 00	12.36	11.06	11.82	10.38	9.06	9.88
Dec. 00	11.83	9.15	9.60	9.94	7.50	8.00

Total Fund Investments as of 12/31/00

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 71,377	72.5
Convertible Preferred Stocks	20,493	20.8
Common Stock	14	0.0
Short-term Investments	5,693	5.8
Other Assets	864	0.9
Net Assets	\$ 98,441	100.0%

Ten Largest Investment Holdings as of 12/31/00

	% of Net Assets
by underlying common stock	
MetLife, Inc.	2.78
Apache Corp.	2.47
ACE Limited	2.18
Costco Companies, Inc.	2.17
American Express Company	2.13
Cable & Wireless Communications plc	2.11
Fifth Third Bancorp	2.10
General Electric Corp.	1.87
Cox Communications, Inc.	1.86
The Walt Disney Corp.	1.82

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To Our Shareholders:

February 9, 2001

With the transition of power that occurred on January 20 in Washington we can now assess the likely effects of the new administration's fiscal policies on the financial markets. The new President has shown that he intends to move forward with income tax cuts, inheritance tax cuts and a partial privatization of social security. All of these are likely to have significant positive effects on the financial markets if they are implemented in a timely fashion without any stretching out over several years, as were the Reagan tax cuts of 1981. Those did not become fully effective until 1983 and the economy stalled while waiting for their full implementation.

The prices of oil and natural gas have risen during the last two years. Higher energy costs affect the economy in a manner similar to that of a tax increase and can slow economic activity. We believe that energy prices are likely to continue to fluctuate but trend higher than the last two decades. This implies that the proposed tax cuts are needed to help offset the deleterious effects of increased energy costs.

The economy is slowing down, but productivity remains high. Last year's productivity growth at 4.3% was the best since 1983. Normally as growth falters, productivity falters as well. The continuing gains in efficiency in the face of a slowdown appear to be sustainable and this makes us optimistic about the financial markets going forward.

For shareholders who have access to the Internet, the Fund's website, www.ellsworthfund.com contains press releases, dividend information and daily net asset values. The information sheet on Ellsworth on the back of this report was included in the Fund's January press release and is also available on the website. The Closed-End Fund Association (www.cefa.com), of which the Fund is a member, is another source of information on many closed-end funds. While we have no control over the content of their website, we have found it to be useful. Based upon data through January 31, 2001, Morningstar* has continued to rate Ellsworth's performance at four stars (above average). You can view the Morningstar's "Quicktake Report" report on their website, www.morningstar.com.** Shareholders who wish a copy of the most recent report on the Fund issued by Standard and Poor's should contact us.

At its January meeting the Board of Directors declared a dividend of nine cents per share. The dividend is payable February 27, 2001 to shareholders of record February 13, 2001.

At the Annual meeting of Shareholders held in January, the shareholders voted to elect Gordon F. Ahalt, Elizabeth C. Bogan, Ph.D., and Nicolas W. Platt to serve as directors until the Annual meeting in 2004. Additionally, shareholders ratified the appointment of PricewaterhouseCoopers LLP as independent accountants and approved a new Investment Advisory Agreement with Davis-Dinsmore Management Company. Shareholders did not approve the Charter Amendment in Proposal 4. We thank you for your support.



Chairman

*Morningstar is an analytical and statistical reporting service that reports on and rates most mutual funds.

**Morningstar is solely responsible for the content of its site.

The letter to Shareholders constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements which reflect the intent, belief or expectations of the Company and its management regarding the anticipated effect of events, circumstances and trends should be considered forward-looking statements. These forward-looking statements are not guarantees of future performance and there are a number of meaningful factors which could cause the Company's results to vary materially from those indicated by any such statements. Factors which could cause actual results to differ from expectations include, among others, changes in individuals' savings rates or investment choices, a decline in productivity, an increase in inflation, stable or increasing interest rates, or tax rates, continuation of social security in its current form, changes to foreign and domestic markets and economies in general or changes to the market for convertible securities.

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Stock Exchange Listing

AMEX - Symbol: ECF

Portfolio of Investments December 31, 2000

Principal Amount or Shares		Value
	ADVERTISING — 2.9%	
\$1,500,000	Interpublic Group Cos., Inc. 1.87% 2006 cv. sub. deb. 144A (Baa1)	\$ 1,402,500
1,500,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa3)	1,481,250
		<u>2,883,750</u>
	AEROSPACE — 0.5%	
700,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	469,000
	BANKING — 6.6%	
50,000 shs	CNB Capital Trust I 6% SPuRS (A1) (exch. for Fifth Third Bancorp common stock)	2,062,500
1,000,000	Deutsche Bank Financial, Inc. 1.25% 2007 medium-term exch. notes (Aa3) (exch. for CitiGroup, Inc. common stock)	1,092,500
1,000,000	JMH Finance, Ltd. 4.75% 2007 guaranteed bonds 144A (NR) (exch. for J.P. Morgan Chase & Co. common stock)	1,005,000
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A1)	1,135,000
25,000 shs	Sovereign Capital Trust II 7.50% PIERS (B1) (exch. for Sovereign Bancorp, Inc. common stock)	1,212,500
		<u>6,507,500</u>
	CABLE — 5.2%	
2,500 shs	Adelphia Communications Corp. 5.50% cv. pfd. (Caa)	362,500
2,000,000	Bell Atlantic Financial Services, Inc. 4.25% 2005 euro. cv. sub. deb. (A1) (exch. for cash equiv. of Cable & Wireless Communications plc common stock)	2,077,500
650,000	Comcast Corp. cv. sub. notes 0% 2020 (Baa3)	522,438
30,000 shs	Cox Communications, Inc. 7% FELINE PRIDES * (Baa2)	1,830,000
19,000 shs	UnitedGlobalCom dep. shs. representing 7% series D sr. cum. cv. pfd. (Caa) . . .	301,625
		<u>5,094,063</u>
	CAPITAL GOODS — 2.7%	
1,050,000	Advanced Energy Industries, Inc. 5.25% 2006 cv. sub. notes (NR)	813,750
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes 144A (A1) (exch. for General Electric Corp. common stock)	1,342,500
500,000	Exchangeable Certificate Corp. 1.25% 2004 sr. medium-term exch. notes 144A (AAA)(exch. for General Electric Corp. common stock)	496,250
		<u>2,652,500</u>
	DATA-PROCESSING SERVICES — 2.3%	
1,750,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3)	1,602,344
1,000,000	Online Resources & Communications Corp. 8% 2005 cv. sub. notes 144A (NR) .	700,000
		<u>2,302,344</u>
	ENERGY — 12.3%	
40,800 shs	Apache Corp. \$2.015 dep. shs. representing ACES pfd. * (Baa2)	2,432,700
25,000 shs	The Coastal Corp. 6.625% FELINE PRIDES * (Baa2)	1,220,313
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. (Baa1) (conv. into Chevron Corp. common stock)	476,250
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. (Baa1) (conv. into Chevron Corp. common stock)	955,000
1,000,000	Diamond Offshore Drilling, Inc. 3.75% 2007 cv. sub. notes (Baa1)	1,103,125
30,000	Enron Corp. 7% 2002 exch. notes * (Baa1) (conv. into EOG Resources, Inc. common stock)	1,438,125
1,000,000	Exchangeable Certificate Corp. 2% 2005 medium-term exch. notes 144A (AAA)(exch. for Exxon Mobil Corp. common stock)	987,500
750,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa2)	944,063
500,000	Kerr-McGee Corp. 7.50% 2014 cv. sub. deb. (Baa2)	492,500
30,000	Kerr-McGee Corp. 5.50% 2004 DECS * (Baa1) (exch. for Devon Energy Corp. common stock)	1,629,375
500,000	Loews Corp. 3.125% 2007 cv. sub. deb. (A2) (conv. into Diamond Offshore Drilling, Inc. common stock)	444,375
		<u>16,350,451</u>

Portfolio of Investments December 31, 2000 (continued)

Principal Amount or Shares		Value
	ENTERTAINMENT — 8.1%	
\$1,750,000	America Online, Inc. 0% 2019 cv. sub. deb. (Ba3)	\$ 843,281
1,500,000	Clear Channel Communications, Inc. 2.625% 2003 sr. cv. notes (Baa3)	1,514,063
2,000,000	Deutsche Bank Financial, Inc. 1% 2007 sr. medium-term exch. notes (Aa3) (exch. for cash value of The Walt Disney Corp. common stock)	1,793,750
1,000,000	EchoStar Communications Corp. 4.875% 2007 cv. sub. notes 144A (Caa2)	745,625
1,000,000	Imax Corp. 5.75% 2003 cv. sub. notes 144A (B1)	368,750
2,000,000	Merrill Lynch & Co., Inc. 0.25% 2006 series B medium-term notes (Aa3) (exch. for Time Warner, Inc. common stock)	1,740,000
1,000 shs	Radio One Inc. 6.50% HIGH TIDES 144A (Caa)	797,500
250 shs	Radio One Inc. 6.50% HIGH TIDES (Caa)	199,375
		<u>8,002,344</u>
	FINANCIAL & INSURANCE — 7.9%	
25,000 shs	ACE Limited 8.25% FELINE PRIDES * (A2)	2,150,000
2,150,000	Exchangeable Certificate Corp. 0.625% 2005 medium-term exch. notes 144A (AAA)(exch. for American Express Company common stock)	2,101,625
25,000	MetLife Capital Trust I 8% equity security units * (A1) (exch. for MetLife, Inc. common stock)	2,734,375
325,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes 144A (BB+)	261,219
625,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes (BB+)	502,344
		<u>7,749,563</u>
	HEALTH CARE & DRUGS — 7.3%	
815,000	Allergan 0% LYON 144A (Baa1)	566,425
750,000	Amerisource Health Corp. 5% 2007 cv. sub. notes 144A (Baa3)	882,656
1,500,000	Elan Finance Corp. 0% 2018 LYON 144A (Baa3) (exch. for ADRs representing Elan Corp., plc common stock)	1,100,625
800,000	Human Genome Sciences, Inc. 3.75% 2007 cv. sub. notes (NR)	675,000
500,000	Ivax Corp. 5.50% 2007 cv. senior sub. notes 144A (NR)	624,375
1,000,000	Merrill Lynch & Co., Inc. 2% 2005 medium-term notes (Aa3) (exch. for Johnson & Johnson common stock)	1,058,750
625,000	Roche Holdings, Inc. 0% 2015 LYON 144A (NR) (exch. for Genentech, Inc. common stock)	557,031
1,000,000	Sepracor, Inc. 7% 2005 cv. notes 144A (CCC+)	1,413,750
250,000	Sepracor, Inc. 7% 2005 cv. notes (CCC+)	353,438
		<u>7,232,050</u>
	MULTI-INDUSTRY — 1.7%	
1,900,000	Lehman Brothers Holdings, Inc. 0% 2003 BASES notes (A3) (based on the value of the performance of the 10 Uncommon Values index)	1,681,500
	RETAIL — 4.3%	
1,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	950,000
1,250,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,187,500
32,500 shs	Dollar General Trust 8.50% STRYPES * (NR) (conv. into Dollar General Corp. common stock)	1,098,906
12,300 shs	Estee Lauder Trust \$5.40 TRACES II * (NR) (conv. into Estee Lauder Companies, Inc. common stock)	1,013,981
		<u>4,250,387</u>

Portfolio of Investments December 31, 2000 (continued)

Principal Amount or Shares		Value
	TECHNOLOGY — 11.3%	
\$1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (NR)	\$1,109,375
1,000,000	CS First Boston, Inc. 2% 2010 medium-term exch. notes 144A (A1) (exch. for Cisco Systems, Inc. common stock)	912,500
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes (A1) (exch. for Microsoft Corp. common stock)	1,207,500
1,200,000	Cypress Semiconductor Corp. 3.75% 2005 cv. sub. deb. (B1)	840,060
1,000,000	Exchangeable Certificate Corp. 0.25% 2005 medium-term exch. notes 144A (AAA)(exch. for Intel Corp. common stock)	817,500
1,000,000	Exodus Communications, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	763,750
448	The Goldman Sachs Group, Inc. 8% 2002 medium-term notes (A1) (exch. for Brocade Communications Corp. common stock)	816,046
1,000,000	The Goldman Sachs Group, Inc. 0.25% 2007 medium-term notes (A1) (exch. for EMC common stock)	1,029,590
1,000,000	Hewlett-Packard Co. 0% 2017 LYON 144A (Aa3)	531,875
1,000,000	LSI Logic Corp. 4% 2005 cv. sub. notes (B1)	716,250
500,000	Peregrine Systems, Inc. 5.50% 2007 cv. sub. notes 144A (NR)	492,500
500,000	Rational Software Corp. 5% 2007 cv. sub. notes 144A (NR)	645,000
1,250,000	Sci Systems, Inc. 3% 2007 cv. sub. notes (Ba1)	1,001,563
1,000,000	Soletron Corp. 0% 2019 LYON (Baa3)	588,750
750,000	STMicroelectronics, N.V. 0% 2010 cv. sub. notes 144A (A3)	501,075
		<u>11,157,288</u>
	TELECOMMUNICATIONS — 13.9%	
750,000	American Tower Corp. 5% 2010 cv. sub. deb. 144A (NR)	690,000
4,000,000	Anixter International, Inc. 0% 2020 LYON 144A (Ba3)	910,000
1,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 cv. sub. deb. 144A (A1) (exch. for cash equiv. Telecom Corp. of New Zealand common stock)	979,375
1,000,000	Corning, Inc. 0% 2015 cv. deb. (A2)	710,625
525 shs	Crown Castle International Corp. common stock	14,208
15,000 shs	Crown Castle International Corp. 6.25% 2012 cv. pfd. (Caa)	671,250
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 medium-term exch. notes 144A (AAA)(exch. for specific telephone and cable common stocks **)	863,750
1,000,000	First Union National Bank 7% 2002 equity-linked series B notes (AA3) (linked to the value of QUALCOMM, Inc. common stock)	1,267,500
820,000	Level 3 Communications, Inc. 6% 2009 cv. sub. notes (Caa1)	580,663
1,000,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sub. notes 144A (B2)	1,110,000
1,000,000	Liberty Media Corp. 3.75% 2030 sr. exch. deb. 144A (Baa3) (exch. for Sprint Corporation PCS common stock)	567,500
25,000	MediaOne Group, Inc. 7% 2002 PIES-a * (A3) (exch. for ADRs representing Vodafone AirTouch plc common stock)	918,750
1,500,000	Nextel Communications, Inc. 5.25% 2010 cv. sr. notes 144A (B1)	1,093,125
500,000	Pinnacle Holdings, inc. 5.50% 2007 cv. sub. notes 144A (NR)	240,000
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,380,600
500,000	Tekelec 3.25% 2004 cv. sub. discount notes 144A (NR)	890,625
		<u>13,704,017</u>
	TRANSPORTATION — 1.9%	
15,000 shs	Continental Airlines Finance Trust II 6% cv. pfd. TIDES 144A (NR) (exch. for Continental Airlines, Inc. common stock)	780,000
1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (AAA)	1,050,000
		<u>1,830,000</u>

Portfolio of Investments December 31, 2000 (continued)

Principal Amount or Shares		Value
	UTILITIES — 4.3%	
24,000 shs	AES Trust VII \$3 trust cv. pfd. securities 144A (Ba3) (conv. into AES Corp. common stock)	\$ 1,641,000
17,500 shs	Calpine Capital Trust III 5% HIGH TIDES 144A (Ba2) (exch. for Calpine Corp. common stock)	1,076,250
8,250 shs	Calpine Capital Trust III 5% HIGH TIDES (Ba2) (exch. for Calpine Corp. common stock)	507,375
\$1,000,000	International Power (Cayman) Limited 2% 2005 sr. cv. notes 144A (Ba3) (exch. for ADSs representing International Power plc common stock)	1,002,500
		<u>1,830,000</u>
	U.S. TREASURY NOTES — 0.0%	
17,000	4.875% 3/31/01 †	16,952
	CORPORATE SHORT-TERM NOTES — 5.8%	
5,700,000	American Express Credit Corp. (P1) (6.00% maturing 1/5/01)	5,693,350
	Total Convertible Bonds and Notes — 72.5%	71,376,726
	Total Convertible Preferred Stocks — 20.8%	20,492,775
	Total Common Stocks — 0.0%	14,208
	Total Corporate Short-Term Notes — 5.8%	5,693,350
	Total Investments — 99.1%	<u>97,577,059</u>
	Other assets and liabilities, net — 0.9%	863,563
	Total Net Assets — 100.0%	<u>\$ 98,440,622</u>

* See Note 1(e) Annual Report to Shareholders, dated September 30, 2000.

** Ticker symbols: CSCO, CMCSK, TWX, IBM, LMGa and WCOM.

† Collateral for a letter of credit.

ACES	Automatically Convertible Equity Securities.
ADBs	American Depositary Bonds.
ADRs	American Depositary Receipts.
ADSs	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
DECS	Debt Exchangeable for Common Stock.
FELINE	Family of Equity-Linked Income Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYON	Liquid Yield Option Note.
PIERS	Preferred Income Equity Redeemable Securities.
PIES	Premium Income Exchangeable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.
SPuRS	Shared Preference Redeemable Securities.
STRYPES	Structured Yield Product Exchangeable for Stock.
TIDES	Term Income Deferrable Equity Securities.
TRACES	Trust Automatic Common Exchange Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies.