

ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND



2004 Semi-Annual Report
March 31, 2004

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Ellsworth Convertible Growth and Income Fund, Inc. (the "Fund") operates as a closed-end, diversified management investment company and invests primarily in convertible securities, with the objectives of providing income and the potential for capital appreciation -- which objectives the Fund considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.

Highlights

Performance through 3/31/04 *with dividends reinvested*

	<u>3 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Ellsworth market value (a)	3.36%	13.36%	38.43%	187.29%
Ellsworth net asset value (b)	3.14	19.70	23.38	160.52
Closed-end convertible fund average (b)	2.67	24.55	29.42	123.58
S&P 500 (a)	1.69	35.12	(5.85)	201.74
Russell 2000 (a)	6.27	63.86	59.16	135.13(c)
Lehman Aggregate Bond Total Return Index (b)	2.66	5.40	42.17	106.89

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

(a) From Bloomberg L.P. pricing service.

(b) From Lipper, Inc. Closed-End Fund Performance Analysis, dated March 31, 2004.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

<u>Qtr. Ended</u>	<u>Net Asset Values</u>			<u>Market Prices (AMEX, symbol ECF)</u>		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
Jun. 03	\$8.71	\$7.95	\$8.58	\$8.42	\$7.52	\$8.31
Sep. 03	8.71	8.35	8.58	8.51	7.97	8.05
Dec. 03	8.92	8.58	8.91	8.22	7.80	8.00
Mar. 04	9.25	8.91	9.12	8.50	8.01	8.20

Dividend Distributions (12 Months)

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>Total</u>
5/15/03	5/29/03	\$0.070	\$ —	\$0.070
8/14/03	8/28/03	0.070	—	0.070
10/30/03	11/26/03	0.105	—	0.105
2/12/04	2/26/04	0.070	—	0.070
		<u>\$0.315</u>	<u>—</u>	<u>\$0.315</u>

To Our Shareholders

Many economic statistics are now pointing to a significant improvement in economic activity. Job creation and consumer confidence have both improved since our last report to you, so we are looking forward to a better economic environment. However, the factors that may reduce future growth include high energy prices and increases in interest rates.

Since there has been a global increase in economic activity and a decline in the dollar, prices paid for oil have risen substantially and it is not apparent that they will decline quickly even if Iraq's oil production expands. In this environment the Fund's energy related issues have been among its best performers.

Over the past few years, the Federal Reserve Board has acted to reduce interest rates for the purpose of stimulating economic activity. As economic activity picks up, the chairman of the Federal Reserve Board, Alan Greenspan, has made it clear that interest rates are likely to rise. This would have the effect of lowering bond prices and would also have an impact on interest rate sensitive industries. During this period our investments in industries such as banking and insurance have lagged the portfolio. We believe that much of the effect of these rate rises is currently factored into equity market prices.

From Ellsworth Convertible Growth and Income Fund's founding in 1986, the Fund's strategy has been to use convertible securities as an equity alternative to reduce risk and volatility. This strategy tends to outperform in bear markets and lag in bull markets. The Fund slightly outperformed the average of its peer-group for the quarter ended March 31, 2004 but lagged the average of its peer-group for the first half of its fiscal year 2004. Our peers consist of the fourteen closed-end convertible funds in the Lipper Closed-End Performance Analysis, but only four of these remain unleveraged convertible funds with greater than 80% of their investments in convertible securities. The addition of leverage usually makes portfolios more volatile and the addition of non-convertible debt increases exposure to interest rate risk.

The results of the 2004 annual shareholders' meeting are shown in the Miscellaneous Notes section of this report. We thank you for your support. The Fund's Ten Year Lipper Performance Achievement Certificate for the ten years ended December 31, 2003 is also listed in the Miscellaneous Notes section. Additional information on the Fund is available on the Fund's website (www.ellsworthfund.com). Further, shareholders who wish to obtain a copy of the most recent report on the Fund issued by Standard and Poor's should contact us.

At its April meeting, the Fund's Board of Directors declared a dividend of 7 cents per share. The dividend consists of undistributed net investment income and will be payable on May 27, 2004 to shareholders of record on May 13, 2004.



Thomas H. Dinsmore
Chairman of the Board

May 11, 2004

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% of Total Net Assets
Teva Pharmaceutical Industries Ltd. <i>Develops, manufactures and markets generic and branded human pharmaceuticals and active pharmaceutical ingredients.</i>	\$ 3,191,563	2.8 %
Amerada Hess Corp. <i>The Company and its subsidiaries explore for, produce, purchase, transport and sell crude oil and natural gas. The Company also manufactures, purchases, transports and markets refined petroleum products.</i>	3,154,000	2.8
Washington Mutual, Inc. <i>A financial services company that provides a diversified line of products and services to consumers and small to mid-sized businesses.</i>	2,660,625	2.4
New York Community Bancorp, Inc. <i>A holding company for New York Community Bank, a thrift, that operates through divisional banks in New York and New Jersey.</i>	2,659,219	2.4
Sovereign Bancorp, Inc. <i>A holding company for Sovereign Bank. The Bank's primary business consists of attracting deposits from its network of banking offices, and originating commercial, consumer and residential mortgage loans, as well as automobile loans.</i>	2,475,000	2.2
Church & Dwight Co., Inc. <i>Produces sodium bicarbonate and sodium bicarbonate-based products. The Company sells its products primarily under the Arm & Hammer trademark, to consumers and to industrial customers and distributors.</i>	2,450,000	2.2
Lucent Technologies, Inc. <i>Designs, builds and delivers a wide range of public and private networks, communications systems and software, and data networking systems. The Company also designs, builds and delivers business telephone systems and microelectronic components.</i>	2,280,925	2.0
Fifth Third Bancorp <i>A diversified financial services company. The Company's principal businesses include retail banking, commercial banking, investment advisory and data processing.</i>	2,135,571	1.9
The TJX Companies, Inc. <i>Retails off-price apparel and home fashions. The Company currently operates T.J. Maxx, Marshalls, HomeGoods, A.J. Wright, Winners and T.K. Maxx stores.</i>	2,124,000	1.9
The Chubb Corp. <i>A holding company, offers property, and casualty insurance, which includes personal, standard commercial and specialty commercial insurance.</i>	<u>2,065,500</u>	<u>1.8</u>
	<u>\$25,196,403</u>	<u>22.4 %</u>

Major Industry Exposure

	<u>% of Total Net Assets</u>
Banking/Savings & Loan	12.6%
Energy	10.3
Pharmaceuticals	10.2
Technology	9.8
Financial & Insurance	9.6
Telecommunications	9.1
Retail	8.4
Health Care	5.5
Automotive	3.9
Consumer Goods	3.5
Total	<u>82.9%</u>

Major Portfolio Changes

Six months ended March 31, 2004

ADDITIONS

Amerada Hess Corp.
 Axcelis Technologies, Inc.
 Casual Male Retail Group, Inc.
 Chesapeake Energy Corp.
 EMC Corp.
(exchangeable from The Goldman Sachs Group, Inc.)
 Felcor Lodging Trust, Inc.
 Fifth Third Bancorp
(exchangeable from The Bear Stearns Cos., Inc.)
 Hewlett Packard Co., Inc.
 International Rectifier Corp.
 Ivax Corp.
 LSI Logic Corp.
(exchangeable from Lehman Brothers Holdings, Inc.)
 Nortel Networks Corp.
 Sovereign Bancorp, Inc.
(exchangeable from Sovereign Capital Trust IV)
 The TJX Companies, Inc.
 Teva Pharmaceuticals Industries Ltd.
(exchangeable from Teva Pharm. Finance II)

REDUCTIONS

Affiliated Computer Services, Inc.
 American Electric Power Company, Inc.
 Barnes & Noble, Inc.
 Bisys Group, Inc.
 ChevronTexaco Corp.
(exchangeable from Devon Energy Corp.)
 Graftech International, Ltd.
 The Interpublic Group of Companies, Inc.
 Ivax Corp.
 News Corp, Inc.
(exchangeable from News America, Inc.)
 Nextel Communications, Inc.
 Raytheon Co.
(exchangeable from RC Trust I)
 School Specialty Inc.
 Sunrise Assisted Living, Inc.
 Teva Pharmaceuticals Industries Ltd.
(exchangeable from Teva Pharm. Finance B.V.)
 Vishay Intertechnology, Inc.
 XL Capital, Ltd.

Statement of Assets and Liabilities *(unaudited)*

	<u>March 31, 2004</u>
Assets:	
Investments at value (cost \$100,913,487) (Note 1)	\$ 109,002,811
Cash	1,133,914
Receivable for securities sold	3,764,340
Dividends and interest receivable	368,644
Other assets	<u>18,942</u>
Total assets	<u>114,288,651</u>
Liabilities:	
Payable for securities purchased	2,074,900
Accrued management fee (Note 2)	10,243
Accrued expenses	<u>6,851</u>
Total liabilities	<u>2,091,994</u>
Net Assets	<u>\$ 112,196,657</u>
Net assets consist of:	
Undistributed net investment income	\$ 562,504
Accumulated net realized loss from investment transactions	(5,681,905)
Unrealized appreciation on investments	8,089,324
Capital shares (Note 3)	122,981
Additional paid-in capital	<u>109,103,753</u>
Net Assets	<u>\$ 112,196,657</u>
Net asset value per share (\$112,196,657 ÷ 12,298,127 outstanding shares)	<u>\$ 9.12</u>

Statement of Operations *(unaudited)*

Six Months Ended March 31, 2004

Investment Income (Note 1):	
Interest	\$ 1,055,556
Dividends	<u>1,090,497</u>
Total Income	<u>2,146,053</u>
Expenses (Note 2):	
Management fee	390,476
Custodian	9,350
Transfer agent	9,635
Professional fees	54,923
Directors' fees	60,300
Reports to shareholders	37,344
Treasurer's office	12,500
Other	<u>51,018</u>
Total Expenses	<u>625,546</u>
Net Investment Income	<u>1,520,507</u>
Realized and Unrealized Gain on Investments:	
Net realized gain from investment transactions	2,477,076
Net unrealized appreciation of investments	<u>6,671,602</u>
Net gain on investments	<u>9,148,678</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 10,669,185</u>

See accompanying notes to financial statements.

Statement of Changes in Net Assets

	<u>Six Months Ended</u> <u>March 31, 2004(a)</u>	<u>Year Ended</u> <u>September 30, 2003</u>
Change in net assets from operations:		
Net investment income	\$ 1,520,507	\$ 3,375,274
Net realized gain (loss) from investment transactions	2,477,076	(442,388)
Net unrealized appreciation of investments	<u>6,671,602</u>	<u>8,367,818</u>
Net increase in net assets resulting from operations	<u>10,669,185</u>	<u>11,300,704</u>
Dividends to shareholders from:		
Net investment income	(1,959,378)	(3,143,201)
Capital share transactions (Note 3)		
Value of shares issued on reinvestment of distributions	648,018	518,366
Net proceeds from rights offering	<u>13,037,642</u>	<u>—</u>
Total capital share transactions	<u>13,685,660</u>	<u>518,366</u>
Change in net assets	22,395,467	8,675,869
Net assets at beginning of period	<u>89,801,190</u>	<u>81,125,321</u>
Net assets at end of period (including undistributed net investment income of \$562,504 and \$1,001,377, respectively)	<u>\$112,196,657</u>	<u>\$89,801,190</u>

Financial Highlights *Selected data for a share of common stock outstanding*

	Six Months Ended March 31, 2004(a)	2003	Years Ended September 30,			
			2002	2001	2000	1999
Operating Performance:						
Net asset value, beginning of period	\$8.58	\$7.81	\$8.67	\$11.82	\$11.23	\$11.18
Net investment income	0.12	0.32	0.34	0.47	0.42	0.33
Net realized and unrealized gain (loss)	0.80	0.75	(0.76)	(1.88)	1.71	1.40
Total from investment operations	0.92	1.07	(0.42)	(1.41)	2.13	1.73
Less Distributions:						
Dividends from net investment income	(0.18)	(0.30)	(0.44)	(0.42)	(0.35)	(0.32)
Distributions from realized gains	—	—	—	(1.32)	(1.23)	(1.36)
Total distributions	(0.18)	(0.30)	(0.44)	(1.74)	(1.58)	(1.68)
Capital Share Transactions:						
Effect of rights offering	(0.20)	—	—	—	—	—
Capital share repurchases	—	—	—	—	0.04	—
Total capital share transactions	(0.20)	—	—	—	0.04	—
Net asset value, end of period	<u>\$9.12</u>	<u>\$8.58</u>	<u>\$7.81</u>	<u>\$8.67</u>	<u>\$11.82</u>	<u>\$11.23</u>
Market value, end of period	\$8.20	\$8.05	\$7.55	\$8.35	\$9.88	\$9.38
Total Net Asset Value Return %(b)	8.4	14.0	(5.2)	(13.3)	21.9	16.4
Total Investment Return %(c)	4.1	10.8	(4.5)	2.2	25.7	10.4
Ratios/Supplemental Data:						
Net assets, end of period (in thousands) ...	\$112,197	\$89,801	\$81,125	\$88,901	\$109,180	\$96,040
Ratio of expenses to average net assets (%)	1.2(d)	1.2	1.2	1.2	1.2	1.1
Ratio of net investment income to						
average net assets (%)	2.9(d)	3.9	3.9	5.0	3.8	3.0
Portfolio turnover rate (%)	45	86	89	82	98	67

(a) Unaudited.

(b) Assumes valuation of the Fund's shares, and reinvestment of dividends, at net asset values.

(c) Assumes valuation of the Fund's shares at market price and reinvestment of dividends at actual reinvestment price.

(d) Annualized.

Portfolio of Investments March 31, 2004 *(unaudited)*

Principal Amount	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — 49.2%	
Advertising — 1.0%	
\$1,000,000 Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2)	<u>\$1,076,875</u>
Aerospace and Defense — 1.3%	
1,500,000 The Goldman Sachs Group, Inc. 1.00% 2009 exh. equity-linked notes (Aa3) (exch. for General Dynamics Corp. common stock) ⁽¹⁾	<u>1,436,400</u>
Automotive — 2.6%	
1,000,000 American Axle & Manufacturing Holdings, Inc. 2% 2024 cv. sr. notes (Baa3) (Acquired 02/06/04 - 02/12/04; Cost \$1,042,116) ⁽¹⁾⁽²⁾	1,014,375
3,500,000 Lear Corp. 0% 2022 cv. sr. notes (Ba1)	<u>1,865,938</u>
	<u>2,880,313</u>
Banking/Savings and Loan — 1.9%	
2,077,000 Bear Stearns Cos., Inc. 0.25% 2010 medium term notes (A1) (exch. for Fifth Third Bancorp common stock) ⁽¹⁾	<u>2,135,571</u>
Consumer Goods — 2.2%	
2,000,000 Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (B1)	<u>2,450,000</u>
Data-Processing Services — 1.3%	
1,500,000 Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes (NR)	<u>1,421,251</u>
Energy — 1.4%	
1,500,000 Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	<u>1,616,415</u>
Entertainment — 1.1%	
1,250,000 Citadel Broadcasting Corp. 1.875% 2011 cv. sub. notes (NR) (Acquired 02/11/04 - 02/25/04; Cost \$1,246,250) ⁽²⁾	<u>1,212,500</u>
Financial and Insurance — 0.9%	
1,000,000 Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (Aa1) (conv. into Swiss Reinsurance Company common stock) (Acquired 11/15/01 - 12/05/01; Cost \$1,007,875) ⁽²⁾	<u>988,500</u>
Health Care — 3.9%	
1,000,000 AmerisourceBergen Corp. 5% 2007 cv. sub. notes (B1)	1,154,751
1,000,000 Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,103,750
1,000,000 LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	1,042,500
875,000 Mentor Corp. 2.75% 2024 cv. deb. (NR) (Acquired 12/17/03 - 01/30/04; Cost \$941,250) ⁽²⁾	<u>1,065,859</u>
	<u>4,366,860</u>
Office Equipment — 1.4%	
1,500,000 IOS Capital, LLC 5% 2007 cv. sub. notes (Ba2) (exch. for IKON Office Solutions, Inc. common stock) (Acquired 05/08/02 - 06/02/03; Cost \$1,498,125) ⁽²⁾	<u>1,641,563</u>
Pharmaceuticals — 7.8%	
2,000,000 Amgen, Inc. 0% 2032 LYONS (A2) ⁽¹⁾	1,501,540
1,250,000 Gilead Sciences, Inc. 2% 2007 cv. sr. notes (NR)	1,648,625
625,000 Impax Laboratories, Inc. 1.25% 2024 cv. sr. sub. deb. (NR) (Acquired 03/31/04; Cost \$647,500) ⁽²⁾	<u>659,375</u>

Portfolio of Investments March 31, 2004 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — (continued)		
Pharmaceuticals — (continued)		
\$ 500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR)	\$ 506,250
1,250,000	Ivax Corp. 1.50% 2024 cv. sr. notes (NR) (Acquired 02/27/04; Cost \$1,256,339) ^{(1) (2)}	1,284,375
750,000	Teva Pharmaceutical Finance B.V. 0.75% 2021 cv. sub. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,109,063
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.50% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,033,750
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,048,750
		<u>8,791,728</u>
Retail — 7.6%		
1,300,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (NR) (Acquired 02/11/04 - 03/15/04; Cost \$917,558) ⁽²⁾	941,688
1,000,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR) (Acquired 11/13/03 - 11/25/03; Cost \$1,050,545) ⁽²⁾	1,205,000
1,250,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2)	1,416,406
1,500,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,289,063
550,000	Saks, Inc. 2% 2024 cv. sr. notes (Ba3) (Acquired 03/17/04 - 03/18/04; Cost \$552,500) ⁽²⁾	586,927
800,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	932,256
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	2,124,000
		<u>8,495,340</u>
Technology — 7.6%		
1,500,000	Axcelis Technologies, Inc. 4.25% 2007 cv. sub. notes (NR)	1,500,000
1,000,000	Conexant Systems, Inc. 5.25% 2006 cv. sub. notes (NR)	1,017,500
2,379,000	Hewlett-Packard Co., Inc. 0% 2017 LYONs (Baa1)	1,356,030
1,500,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	1,515,000
1,100,000	Lehman Brothers Holdings, Inc. 6% 2005 YEELDS (A) (linked to LSI Logic Corp. common stock)	1,086,250
2,000,000	STMicroelectronics, N.V. 0% 2013 sr. cv. bonds (A3) (Acquired 07/29/03 - 11/25/03; Cost \$2,095,000) ^{(2) (3)}	2,050,000
		<u>8,524,780</u>
Telecommunications — 6.8%		
1,500,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) ⁽³⁾	1,815,300
1,000,000	Level 3 Communications, Inc. 2.875% 2010 cv. sub. notes (Caa2)	837,740
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (Caa1)	1,494,290
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (Caa1)	786,635
500,000	NII Holdings, Inc. 2.875% 2034 cv. sr. notes (NR) (Acquired 01/27/04; Cost \$510,313) ⁽²⁾	525,625
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,278,906
750,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes (NR)	887,813
		<u>7,626,309</u>
Transportation — 0.4%		
500,000	ExpressJet Holdings, Inc. 4.25% 2023 cv. notes (NR)	514,796
		<u>55,179,201</u>
TOTAL CONVERTIBLE BONDS AND NOTES		
CONVERTIBLE PREFERRED STOCKS — 23.2%		
Automotive — 1.4%		
50,000	General Motors Corp. 6.25% series C cv. sr. deb. (Baa1)	1,521,875

Portfolio of Investments March 31, 2004 (continued)

Shares	Value (Note 1)
CONVERTIBLE PREFERRED STOCKS — (continued)	
Banking/Savings and Loan — 9.6%	
20,000 Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	\$ 1,388,751
40,000 National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,572,000
30,000 New York Community Bancorp, Inc. 6% BONUSES units (Baa2)	2,659,219
50,000 Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	2,475,000
45,000 Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	2,660,625
	<u>10,755,595</u>
Energy — 2.9%	
12,500 Chesapeake Energy Corp. 6% cum. cv. pfd. (B3)	926,563
1,000 Chesapeake Energy Corp. 4.125% cum. cv. pfd. (B3) (Acquired 03/24/04; Cost \$1,000,000) ⁽²⁾	1,036,250
20,000 The Williams Cos., Inc. 5.50% 2033 jr. sub. cv. deb. (Baa1)	1,292,500
	<u>3,255,313</u>
Entertainment — 2.2%	
22,500 Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	1,095,469
1,250 Radio One, Inc. 6.50% HIGH TIDES (B3)	1,336,484
	<u>2,431,953</u>
Financial and Insurance — 3.3%	
30,000 Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,770,000
80,000 Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. notes (A3)	1,945,000
	<u>3,715,000</u>
Health Care — 1.6%	
28,000 Omnicare Capital Trust I 4% PIERS (Ba3) (exch. for Omnicare, Inc. common stock) ⁽¹⁾	1,834,000
Mining — 0.9%	
1,000 Freeport-McMoRan Copper and Gold, Inc. 5.50% cv. perpetual pfd. (CCC)	1,021,250
Real Estate — 1.3%	
60,000 Felcor Lodging Trust, Inc. 7.80% cum. cv. pfd. (B3)	1,437,000
	<u>25,971,986</u>
MANDATORY CONVERTIBLE SECURITIES — 22.6% Note 1(e)	
Aerospace and Defense — 1.4%	
15,000 Northrop Grumman Corp. 7.25% equity units (NR) ⁽¹⁾	1,550,700
Banking/Savings and Loan — 1.1%	
5,000 State Street Corp. 6.75% treasury backed ACES (NR)	1,233,906
Consumer Goods — 1.4%	
50,000 Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. (B)	1,532,500

Portfolio of Investments March 31, 2004 (continued)

Shares	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — (continued)	
Energy — 5.9%	
50,000 Amerada Hess Corp. 7% mandatory cv. pfd. ACES (Ba3)	\$ 3,154,000
30,000 Kerr-McGee Corp. 5.50% 2004 DECS (Baa3) (exch. for Devon Energy Corp. common stock)	1,500,000
25,000 Teekay Shipping Corp. 7.25% PEPS units (BB-)	1,050,000
30,000 Valero Energy Corp. 2% mandatory cv. pfd. (BB+)	933,840
	6,637,840
Financial and Insurance — 5.4%	
27,800 Capital One Financial Corp. 6.25% Upper DECS (Baa3) ⁽¹⁾	1,515,100
72,000 The Chubb Corp. 7% equity units (A2) ⁽¹⁾	2,065,500
40,000 Platinum Underwriters Holdings, Ltd. 7% equity security units (NR) ⁽¹⁾	1,300,000
45,000 XL Capital, Ltd. 6.5% equity security units (A2)	1,153,125
	6,033,725
Paper and Paper Products — 1.0%	
20,000 Temple-Inland, Inc. 7.50% Upper DECS (Baa3) ⁽¹⁾	1,144,000
Pharmaceuticals — 1.5%	
31,500 Baxter International, Inc. 7% equity units (A3) ⁽¹⁾	1,704,150
Retail — 0.8%	
18,580 Toys “R” Us, Inc. 6.25% equity securities units (Ba2) ⁽¹⁾	889,610
Technology — 2.2%	
105,550 The Goldman Sachs Group, Inc. 7.50% mandatory exch. notes (Aa3) (exch. for EMC Corp. common stock)	1,475,325
36,395 The Goldman Sachs Group, Inc. 5.625% mandatory exch. notes (Aa3) (exch. for Intel Corp. common stock)	985,868
	2,461,193
Telecommunications — 0.9%	
27,700 The Goldman Sachs Group, Inc. 7.30% mandatory exch. notes (Aa3) (exch. for Verizon Communications, Inc. common stock)	1,004,956
Utilities — 1.0%	
45,000 DTE Energy Co. 8.75% equity security units (BBB) ⁽¹⁾	1,163,250
TOTAL MANDATORY CONVERTIBLE SECURITIES Note 1(e)	25,355,830
COMMON STOCKS — 2.2%	
Pharmaceuticals — 0.8%	
18,300 Johnson & Johnson	928,176
Telecommunications — 1.4%	
40,000 SBC Communications, Inc.	981,600
20,000 UTStarcom, Inc. ⁽³⁾	575,000
	1,556,600
TOTAL COMMON STOCKS	2,484,776

Portfolio of Investments March 31, 2004 (continued)

Principal Amount		Value (Note 1)
	SHORT-TERM SECURITIES — 0.0%	
\$11,000	U.S. Treasury notes 3.375% 04/30/04 (Aaa) ⁽⁴⁾	\$ 11,024
	Total Investments — 97.2%	109,002,811
	Other assets and liabilities, net — 2.8%	3,193,846
	Total Net Assets — 100.0%	<u>\$112,196,657</u>

- (1) Contingent payment debt instrument which accrues contingent interest income. See Note 1(b).
- (2) Security not registered under the Securities Act of 1933, as amended (e.g., the security was purchased in a Rule 144A transaction or a Regulation D transaction). The security may be resold only pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of these securities. The aggregate market value of these securities at March 31, 2004 was \$14,212,037, which represented 12.7% of the Fund's net assets.
- (3) Non-income producing security.
- (4) Collateral for a letter of credit.

ACES	Automatic Convertible Equity Securities.	LYONS	Liquid Yield Option Notes.
ADR	American Depositary Receipts.	PEPS	Premium Equity Participating Securities.
BONUSES	Bifurcated Option Note Unit Securities.	PIERS	Preferred Income Equity Redeemable Securities.
DECS	Debt Exchangeable for Common Stock.	YEELDS	Yield Enhanced Equity Linked Debt Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.	ZYPS	Zero Yield Puttable Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies. NR is used whenever a rating is unavailable.

The cost of investments for federal income tax purposes is \$100,913,487 resulting in gross unrealized appreciation and depreciation of \$9,507,917 and \$1,418,593, respectively, or net unrealized depreciation of \$8,089,324 on a tax cost basis.

The Fund invests primarily in convertible securities. Some convertible securities the Fund invests in may be "restricted securities." Typically, securities are considered "restricted securities" when they are not registered under the Securities Act of 1933, as amended (the "Securities Act") and may be resold only pursuant to an exemption from registration under the Securities Act.

See accompanying notes to financial statements.

Notes to Financial Statements (unaudited)

1. Significant Accounting Policies

Ellsworth Convertible Growth and Income Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements:

(a) Security Valuation

Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Unlisted securities traded in the over-the-counter market and listed securities for which no sales were reported, are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith by management with the approval of the Board of Directors. Short-term debt securities with initial maturities of 60 days or less are valued at amortized cost.

Notes to Financial Statements (continued)

(b) Securities Transactions and Related Investment Income

Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as “contingent payment debt instruments,” Federal tax regulations require the Fund to record non-cash, “contingent” interest income in addition to interest income actually received. Contingent interest income amounted to 2 cents per share for the six months ended March 31, 2004.

(c) Federal Income Taxes

It is the policy of the Fund to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary. At September 30, 2003, the net capital loss carryforward of the Fund which may be used to offset possible future net realized gains was approximately \$7,719,727, and expires in 2009, 2010 and 2011.

(d) Dividends and Distributions to Shareholders

The liability for dividends and distributions payable is recorded on the ex-dividend date.

(e) Market Risk

It is the Fund’s policy, under normal circumstances, to invest at least 80% of its assets in convertible securities. Although convertible securities do derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Fund’s investments include features which render them more sensitive to price changes in their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but still less than that of the underlying common stock. At March 31, 2004, the market value of those securities was \$25,355,830, representing 22.6% of net assets.

2. Management Fee and Other Transactions with Affiliates

The management fee is paid to the investment adviser, Davis-Dinsmore Management Company (the “Adviser”). The contract provides for payment of a monthly advisory fee, computed at an annual rate of $\frac{3}{4}$ of 1% of the first \$100,000,000 and $\frac{1}{2}$ of 1% of the excess over \$100,000,000 of the Fund’s net asset value in such month.

The Adviser invests the Fund’s assets, furnishes office equipment and facilities, and pays the salaries of all executive officers of the Fund, except that the costs associated with personnel and certain non-personnel expenses of the office of the Treasurer up to a maximum of \$25,000 a year are reimbursed by the Fund. Such reimbursements amounted to \$12,500 for the six months ended March 31, 2004. The officers of the Fund are also directors, officers or employees of the Adviser, and are compensated by the Adviser.

3. Portfolio Activity

At March 31, 2004 there were 12,298,127 shares of \$.01 par value common stock outstanding (20,000,000 shares authorized). During the six months ended March 31, 2004, 81,307 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$648,018.

On November 19, 2003, the Fund completed a rights offering of Common Stock to its stockholders at the rate of one common share for each 6 rights held by stockholders of record on October 14, 2003. The rights offering was fully subscribed, resulting in the issuance of 1,754,826 common shares at a price of \$7.53, and proceeds of \$13,213,840 to the Fund prior to the deduction of expenses. The net asset value per share of the Fund’s Common Stock was reduced by approximately \$0.20 per share as a result of the issuance.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$58,014,301 and \$45,778,318, respectively, for the six months ended March 31, 2004.

A distribution of \$0.07 per share from net investment income was declared on April 19, 2004, payable May 27, 2004 to shareholders of record at the close of business May 13, 2004.

Miscellaneous Notes

Results of the 2004 Annual Shareholders Meeting

The results of the shareholder vote at the Annual Meeting of Shareholders held on February 14, 2004, were:

- All directors nominated by management were elected for terms expiring in 2007.

	<u>Shares voted for</u>	<u>Shares withheld</u>
Gordon F. Ahalt	11,410,469	340,570
Elizabeth C. Bogan, Ph.D.	11,402,827	348,212
Nicolas W. Platt	11,420,426	330,613

- The Audit Committee's appointment of PricewaterhouseCoopers LLP as independent accountants was ratified with 11,402,144 shares voted for, 126,811 shares voted against and 222,084 shares abstaining.
- The proposal to amend the Articles of Incorporation that would give shareholders the right to tender their shares during the current fiscal year did not pass, as 1,591,784 shares voted for, 3,733,521 shares voted against, 331,834 shares abstained, and 6,093,900 shares were broker non-votes.

Visit us on the Internet at www.ellsworthfund.com. The site provides information about the Fund including daily net asset values (NAV), historical dividends and press releases, as well as information about Davis-Dinsmore Management Company, the Fund's adviser. In addition you can send email to us at info@ellsworthfund.com.

The Fund is a member of the Closed-End Fund Association (CEFA). The group's website address is www.cefa.com. CEFA is solely responsible for the content of its website.

The Fund's Proxy Voting Guidelines (the "Guidelines") are available without charge, by calling the Fund collect at (973) 631-1177. The Guidelines are also posted on the Fund's website at <http://www.ellsworthfund.com> and are available on the SEC's website at <http://www.sec.gov>.

Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future purchase shares of its own common stock from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares.

The Fund received a Performance Achievement Certificate from Lipper, Inc. for the 10 year period ended December 31, 2003. Lipper, Inc. awarded this Certificate to the Fund after determining that the Fund outperformed the other closed-end convertible funds followed by Lipper, Inc. during such ten year period. Past performance does not guarantee future results.



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Board of Directors

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WILLIAM A. BENTON	<i>Retired Stock Exchange Specialist</i>
ELIZABETH C. BOGAN, PH.D.	<i>Senior Lecturer in Economics at Princeton University</i>
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