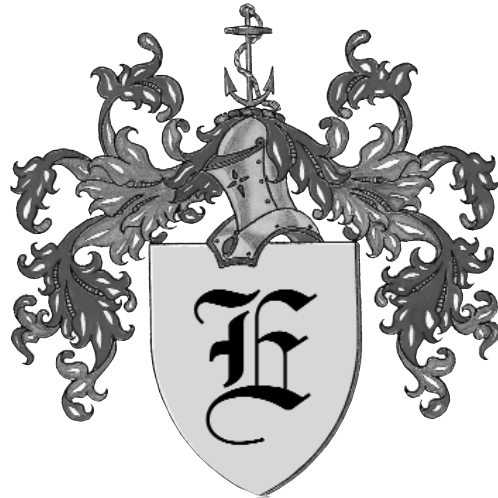


# ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND



2005 Semi-Annual Report  
March 31, 2005

*2005 Semi-Annual Report  
March 31, 2005*

*Ellsworth Convertible Growth and Income Fund, Inc. 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 March 31, 2005** *with dividends reinvested*

	Calendar <u>YTD</u>	<u>1 Year</u>	Cumulative <u>5 Years</u>	Cumulative <u>10 Years</u>
Ellsworth market price (a,b) . . . . .	(4.73)%	(3.30)%	24.63%	173.38%
Ellsworth net asset value (b,c,d) . . . . .	(2.54)	(0.50)	1.31	141.98
Closed-end convertible fund average (d) . . . . .	(2.56)	3.99	6.72	116.41
S&P 500 (a) . . . . .	(2.15)	6.69	(14.84)	178.60
Russell 2000 (d) . . . . .	(5.34)	5.41	21.73	169.60
Lehman Aggregate Bond Total Return Index (d)	(0.48)	1.15	41.16	99.32

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

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

(b) Performance is not adjusted for dilution due to the Fund's 2003 rights offering.

(c) For all periods shown, net asset value dilution resulting from the Ellsworth rights offering in 2003 was 2.21%.

(d) From Lipper, Inc. Closed-End Fund Performance Analysis, dated March 31, 2005.

### **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. 04	\$9.19	\$8.58	\$8.87	\$8.34	\$7.41	\$7.70
Sep. 04	8.82	8.39	8.71	8.05	7.15	7.95
Dec. 04	9.07	8.60	9.07	8.08	7.80	8.08
Mar. 05	9.02	8.70	8.77	8.11	7.47	7.63

### **Dividend Distributions (12 Months)**

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>Income</u>
5/13/04	5/27/04	\$0.070	—	\$0.070
8/16/04	8/30/04	0.070	—	0.070
10/28/04	11/24/04	0.085	—	0.085
2/11/05	2/25/05	0.070	—	0.070
		<u>\$0.295</u>		<u>\$0.295</u>

## To Our Shareholders

May 6, 2005

We are proud to announce that Ellsworth Convertible Growth and Income Fund, Inc. was awarded its third consecutive Lipper Performance Achievement Certificate for ten-year performance (number one in its category of seven closed-end convertible funds for the ten-year period ended December 31, 2004). The current certificate is listed in the Miscellaneous Notes section. While this achievement does not guarantee future performance it is an honor for the Fund to have realized this achievement against such competitors as Gabelli Asset Management, Fred Alger Management, and Putnam Investment Management.

The convertible securities market has long been characterized by two different styles of management: outright buyers, such as Ellsworth, who intend to hold the convertible and realize returns through yield and capital gains, and convertible hedge funds who generally buy a convertible and short the common stock it is convertible into. During the last several years, as interest rates fell, the hedge funds came to dominate the convertible market with over 80% of the trading volume. Now, as short-term interest rates are rising, many hedge funds have started to change how they set up their hedges and appear to have reduced many of their convertible positions. We believe that this has affected the value of many convertible securities and made them more volatile. Convertible securities appear to be getting cheaper (which is another way of saying that they have fallen more relative to their underlying common stock than expected). Going forward, we believe that this provides the convertible market with more attractive choices than it had a year ago.

The Fund's audit committee has recently approved the hiring of our new independent auditors, Tait, Weller & Baker. This audit firm specializes in mutual funds and other firms in the financial services industry.

Performance of the Fund during the past six months was affected by its industry exposure. Investments in energy companies, led by Valero Energy, Kerr-McGee and Chesapeake Energy provided the best performance for the Fund. Lagging industries such as telecommunications and automotive held back performance. Both of these industries were hurt by investor perception that economic growth would be slower than expected and that higher interest rates would also affect the demand for their products.

Since the founding of Ellsworth Convertible Growth and Income Fund in 1986, the Fund's strategy has consistently 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 performed in line with the average of its peer-group for the quarter ended March 31, 2005, although it underperformed the average for the twelve months ended March 31, 2005. Our peers consist of the twelve closed-end convertible funds in the *Lipper Closed-End Performance Analysis* survey. Of these twelve funds, only six, including the Fund, remain unleveraged convertible funds. In addition, many of our competitors have had greater exposure to non-convertible, low-rated, high yield debt than the Fund has had. We believe these factors contributed to the difference in performance between Ellsworth and many of the other funds in the group.

*continued on the following page*

## To Our Shareholders (continued)

Visit our website, [www.ellsworthfund.com](http://www.ellsworthfund.com), for additional information on the Fund. Shareholders who wish to obtain a copy of the most recent report on the Fund issued by Standard & Poor's should contact us.

The results of the 2005 annual meeting of shareholders are shown in the Miscellaneous Notes section of this report. We thank you for your support. At its April meeting, the Board of Directors declared a dividend of \$0.07 per share. The dividend consists of net investment income and will be payable on May 27, 2005 to shareholders of record on May 13, 2005.



Thomas H. Dinsmore  
Chairman of the Board

## Major Portfolio Changes by underlying common stock Six months ended March 31, 2005

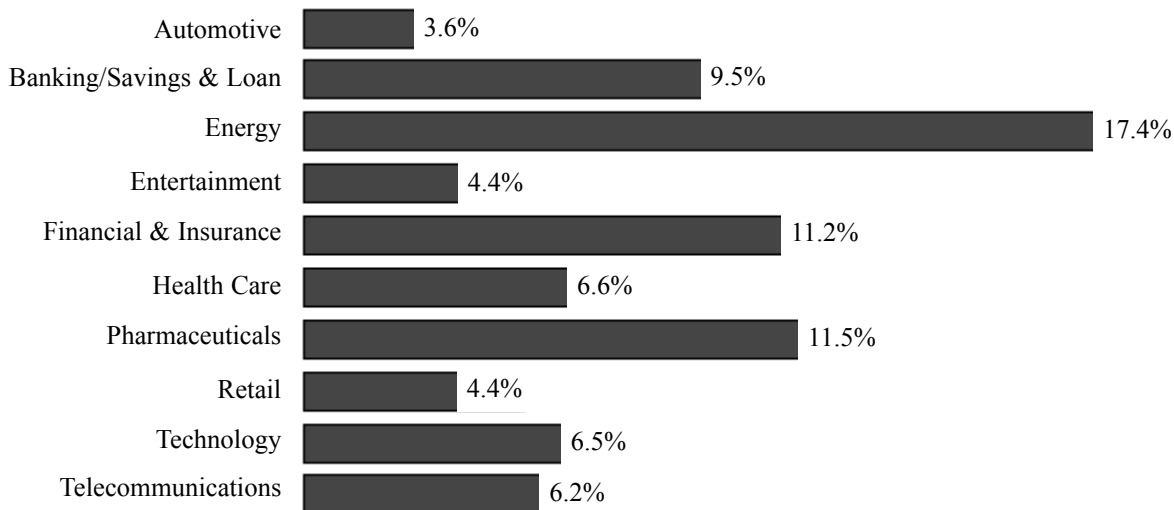
### ADDITIONS

CMS Energy Corp.  
Fannie Mae  
GlobalSantaFe Corp.  
Isolagen, Inc.  
The Walt Disney Company  
Weatherford International Ltd.

### REDUCTIONS

Axcelis Technologies, Inc.  
Capital One Financial Corp.  
General Dynamics Corp.  
*(exchangeable from The Goldman Sachs Group, Inc.)*  
Gilead Sciences, Inc.  
Radio One, Inc.  
Saks, Inc.

## Major Industry Exposure



## Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
The Walt Disney Company . . . . . <i>An entertainment company which conducts operations in media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.</i>	\$ 2,749,700	2.6 %
Weatherford International Ltd. . . . . <i>Provides equipment and services used for the drilling, completion, and production of oil and natural gas wells. The company offers drilling and intervention services, completion systems, artificial lift systems and compression services.</i>	2,587,720	2.4
Chesapeake Energy Corp. . . . . <i>Produces oil and natural gas. The company's operations are focused on developmental drilling and producing property acquisitions in onshore natural gas producing areas of the United States and Canada.</i>	2,301,750	2.1
International Rectifier Corp. . . . . <i>Designs, manufactures and markets power semiconductors. The company's products include power integrated circuits and advanced circuit devices, power systems and power components.</i>	2,205,000	2.0
Converse Technology, Inc. . . . . <i>Designs, manufactures, markets and supports computer and telecommunications systems and software for multimedia communications and information processing applications.</i>	2,190,075	2.0
Valero Energy Corp. . . . . <i>An independent petroleum refining and marketing company that owns and operates refineries in the United States and Canada.</i>	2,178,360	2.0
The Chubb Corp. . . . . <i>A holding company that offers property and casualty insurance, which includes personal, standard commercial and specialty commercial insurance.</i>	2,158,560	2.0
GlobalSantaFe Corp. . . . . <i>An international offshore and land contract driller. The company owns and operates a fleet consisting of marine and land drilling rigs located throughout the world.</i>	2,065,000	1.9
Devon Energy Corp. . . . . <i>An independent worldwide energy company involved in oil and gas property acquisition, exploration, and production.</i>	2,054,080	1.9
Lear Corp. . . . . <i>Supplies automotive interior systems to manufacturers worldwide. The company provides seat systems, flooring and acoustic systems, door panels, headliners, instrument panels, and electronic and electrical distribution systems.</i>	<u>2,050,313</u>	<u>1.9</u>
Total . . . . .	<u>\$22,540,558</u>	<u>20.8%</u>

# Statement of Assets and Liabilities *(unaudited)*

March 31, 2005

## Assets:

Investments at value (cost \$105,699,525) (Note 1) .....	\$107,720,062
Cash .....	801,687
Dividends and interest receivable .....	518,071
Other assets .....	17,169
Total assets .....	<u>109,056,989</u>

## Liabilities:

Payable for securities purchased .....	490,465
Accrued management fee (Note 2) .....	78,025
Accrued expenses .....	7,232
Other liabilities .....	3,355
Total liabilities .....	<u>579,077</u>

**Net Assets** .....

\$108,477,912

## Net assets consist of:

Undistributed net investment income .....	\$ 358,046
Accumulated net realized loss from investment transactions .....	(3,633,637)
Unrealized appreciation on investments .....	2,020,537
Capital shares (Note 3) .....	123,623
Additional paid-in capital .....	<u>109,609,343</u>

**Net Assets** .....

\$108,477,912

Net asset value per share (\$108,477,912 ÷ 12,362,269 outstanding shares) .....

\$ 8.77

# Statement of Operations *(unaudited)*

Six Months Ended March 31, 2005

## Investment Income (Note 1):

Interest .....	\$ 1,092,406
Dividends .....	<u>1,143,964</u>
Total Income .....	<u>2,236,370</u>

## Expenses (Note 2):

Management fee .....	398,900
Custodian .....	9,712
Transfer agent .....	9,320
Professional fees .....	58,900
Directors' fees .....	58,100
Reports to shareholders .....	35,682
Treasurer's office .....	12,500
Other .....	63,974
Total Expenses .....	<u>647,088</u>

**Net Investment Income** .....

1,589,282

## Realized and Unrealized Gain on Investments:

Net realized gain from investment transactions .....	1,229,747
Net unrealized depreciation of investments .....	<u>(44,589)</u>
Net gain on investments .....	<u>1,185,158</u>

**Net Increase in Net Assets Resulting from Operations** .....

\$ 2,774,440

See accompanying notes to financial statements

# Statement of Changes in Net Assets

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>March 31, 2005(a)</b>	<b>September 30, 2004</b>
<b>Change in net assets from operations:</b>		
Net investment income .....	\$ 1,589,282	\$ 3,647,400 (b)
Adjustment for change in amortization policy .....	—	(248,111)
Net investment income, as adjusted .....		<u>3,399,289</u>
Net realized gain from investment transactions .....	1,229,747	3,243,708 (b)
Adjustment for change in amortization policy .....	—	66,057
Net realized gain from investment transactions, as adjusted .....		<u>3,309,765</u>
Net change in appreciation of investments .....	(44,589)	411,096 (b)
Adjustment for change in amortization policy .....	—	182,054
Net unrealized appreciation of investments, as adjusted .....		<u>593,150</u>
Net increase in net assets resulting from operations .....	2,774,440	7,302,204 (b)
Adjustment for change in amortization policy .....	—	—
Net increase in net assets resulting from operations, as adjusted .....	<u>2,774,440</u>	<u>7,302,204</u>
<b>Dividends to shareholders from:</b>		
Net investment income .....	(1,910,700)	(3,681,116)
<b>Capital share transactions (Note 3)</b>		
Value of shares issued on reinvestment of distributions .....	506,725	648,017
Net proceeds from rights offering .....	—	13,037,152
Total capital share transactions .....	<u>506,725</u>	<u>13,685,169</u>
<b>Change in net assets</b> .....	1,370,465	17,306,257
Net assets at beginning of period .....	<u>107,107,447</u>	<u>89,801,190</u>
<b>Net assets at end of period</b> .....	<u>\$108,477,912</u>	<u>\$107,107,447</u>
Undistributed net investment income at end of period .....	<u>\$ 358,046</u>	\$ 967,661(b)
Adjustment for change in amortization policy .....		(288,197)
Undistributed net investment income at end of period, as adjusted .....		<u>\$ 679,464</u>

(a) Unaudited.

(b) As previously reported.

*See accompanying notes to financial statements*

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

	Six Months					
	Ended March 31, 2005 (a)	2004	2003	2002	2001	2000
<b>Operating Performance:</b>						
Net asset value, beginning of period . . . . .	\$8.71	\$8.58	\$7.81	\$8.67	\$11.82	\$11.23
Net investment income . . . . .	0.13	0.30(b)	0.32(b)	0.34(b)	0.47	0.42
Adjustment for change in amortization policy . . . . .	—	(0.02)	(0.01)	—	—	—
Net investment income, as adjusted . . . . .	0.13	0.28	0.31	0.34	0.47	0.42
Net realized and unrealized gain (loss) . . . . .	0.09	0.35(b)	0.75(b)	(0.76)(b)	(1.88)	1.71
Adjustment for change in amortization policy . . . . .	—	0.02	0.01	—	—	—
Net realized and unrealized gain (loss), as adjusted . . . . .	0.09	0.37	0.76	(0.76)	(1.88)	1.71
Total from investment operations . . . . .	0.22	0.65	1.07	(0.42)	(1.41)	2.13
<b>Less Distributions:</b>						
Dividends from net investment income . . . . .	(0.16)	(0.32)	(0.30)	(0.44)	(0.42)	(0.35)
Distributions from realized gains . . . . .	—	—	—	—	(1.32)	(1.23)
Total distributions . . . . .	(0.16)	(0.32)	(0.30)	(0.44)	(1.74)	(1.58)
<b>Capital Share Transactions:</b>						
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>\$8.77</u>	<u>\$8.71</u>	<u>\$8.58</u>	<u>\$7.81</u>	<u>\$8.67</u>	<u>\$11.82</u>
Market value, end of period . . . . .	\$7.63	\$7.95	\$8.05	\$7.55	\$8.35	\$9.88
Total Net Asset Value Return %(c) . . . . .	2.5	5.2	14.0	(5.2)	(13.3)	21.9
Total Investment Return %(d) . . . . .	(2.1)	2.8	10.8	(4.5)	2.2	25.7
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in thousands) . . . . .	\$108,478	\$107,107	\$89,801	\$81,125	\$88,901	\$109,180
Ratio of expenses to average net assets (%) . . . . .	1.2(e)	1.2	1.2	1.2	1.2	1.2
Ratio of net investment income to average net assets (%) . . . . .	2.9(e)	3.2(f)	3.8(f)	4.0(f)	5.0	3.8
Portfolio turnover rate (%) . . . . .	32	70	86	89	82	98

(a) Unaudited.

(b) As previously reported.

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

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

(e) Annualized.

(f) Ratios for 2004, 2003 and 2002 reflect ratios adjusted for change in amortization policy. Ratios previously reported for 2004, 2003 and 2002 were 3.4%, 3.9% and 3.9%, respectively.

*See accompanying notes to financial statements*

# Portfolio of Investments March 31, 2005 (unaudited)

Principal Amount		Value (Note 1)
<b>CONVERTIBLE BONDS AND NOTES — 55.4%</b>		
<b>Automotive — 2.6%</b>		
\$1,000,000	American Axle & Manufacturing Holdings, Inc. 2% 2024 cv. sr. notes (Baa3) <sup>(1)</sup> . . .	\$ 790,400
4,500,000	Lear Corp. 0% 2022 cv. sr. notes (Baa3) . . . . .	2,050,313
		<u>2,840,713</u>
<b>Banking/Savings and Loan — 2.9%</b>		
2,077,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium-term notes (A1) (exch. for Fifth Third Bancorp common stock) <sup>(1)</sup> . . . . .	1,798,910
1,500,000	Ocwen Financial Corp. 3.25% 2024 contingent cv. sr. unsecured notes (B-) . . . . .	1,398,750
		<u>3,197,660</u>
<b>Consumer Goods — 1.7%</b>		
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2) . . . . .	1,850,888
<b>Data-Processing Services — 1.7%</b>		
1,000,000	Open Solutions, Inc. 1.4673% 2035 sr. sub. cv. notes (NR) (Acquired 01/28/05; Cost \$533,560) <sup>(2)</sup> . . . . .	511,490
1,500,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes (NR) . . . . .	1,367,681
		<u>1,879,171</u>
<b>Electrical Supplies — 1.0%</b>		
1,500,000	Graftech International Ltd. 1.625% 2024 cv. sr. deb. (B2) . . . . .	1,117,500
<b>Energy — 8.3%</b>		
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1) . . . . .	1,635,938
3,500,000	Devon Energy Corp. 0% 2020 cv. sr. deb. (BBB) . . . . .	2,054,080
3,500,000	GlobalSantaFe Corp. 0% 2020 cv. deb. (Baa1) . . . . .	2,065,000
750,000	OMI Corp. 2.875% 2024 cv. sr. notes (B+) . . . . .	710,625
4,000,000	Weatherford International Ltd. 0% 2020 cv. sr. deb. (Baa1) . . . . .	2,587,720
		<u>9,053,363</u>
<b>Entertainment — 3.5%</b>		
1,250,000	Citadel Broadcasting Corp. 1.875% 2011 cv. sub. notes (NR) . . . . .	1,044,250
2,500,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1) . . . . .	2,749,700
		<u>3,793,950</u>
<b>Financial and Insurance — 2.7%</b>		
2,000,000	Leucadia National Corp. 3.75% 2014 cv. sr. sub. notes (Ba3) . . . . .	1,980,000
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (A1) (conv. into Swiss Reinsurance Company common stock) (Acquired 11/15/01 - 12/05/01; Cost \$1,007,875) <sup>(2)</sup> . . . . .	945,050
		<u>2,925,050</u>
<b>Health Care — 5.3%</b>		
1,500,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3) . . . . .	1,646,775
1,750,000	Isolagen, Inc. 3.5% 2024 cv. sub. notes (NR) (Acquired 10/29/04 - 03/30/05; Cost \$1,771,250) <sup>(2)</sup> . . . . .	1,701,875
1,000,000	LifePoint Hospitals, Inc. 4.5% 2009 cv. sub. notes (B3) . . . . .	1,023,750
1,125,000	Mentor Corp. 2.75% 2024 cv. sub. notes (NR) . . . . .	1,365,469
		<u>5,737,869</u>
<b>Metals — 0.9%</b>		
1,000,000	Ryerson Tull, Inc. 3.5% 2024 cv. sr. notes (NR) (Acquired 11/05/04 - 12/09/04; Cost \$1,020,000) <sup>(2)</sup> . . . . .	903,755
<b>Multi-Industry — 0.9%</b>		
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) <sup>(1)</sup> . . . . .	936,100
<b>Office Equipment — 1.4%</b>		
1,500,000	IOS Capital, LLC 5% 2007 cv. sub. notes (Ba3) (exch. for IKON Office Solutions, Inc. common stock) (Acquired 05/08/02 - 06/02/03; Cost \$1,498,125) <sup>(2)</sup> . . . . .	1,500,000

# Portfolio of Investments March 31, 2005 (continued)

Principal Amount		Value (Note 1)
<b>CONVERTIBLE BONDS AND NOTES — continued</b>		
<b>Pharmaceuticals — 6.9%</b>		
\$2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) <sup>(1)</sup> .....	\$1,455,770
1,000,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR) (Acquired 03/11/05; Cost \$1,013,125) <sup>(2)</sup> .....	995,005
1,500,000	Impax Laboratories, Inc. 1.25% 2024 cv. sr. sub. deb. (NR) .....	1,278,795
500,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) .....	498,750
1,250,000	Ivax Corp. 1.5% 2024 cv. sr. notes (NR) <sup>(1)</sup> .....	1,272,188
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.5% 2024 cv. sr. deb. (BBB) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock) ..	993,750
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock) ..	<u>1,007,500</u>
		<u>7,501,758</u>
<b>Retail — 4.4%</b>		
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR) .....	1,170,313
750,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2) .....	792,660
1,000,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (B) .....	739,700
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1) .....	<u>2,025,096</u>
		<u>4,727,769</u>
<b>Technology — 5.9%</b>		
1,000,000	Advanced Micro Devices, Inc. 4.75% 2022 cv. sr. deb. (B3) <sup>(1)</sup> .....	993,750
1,250,000	Agilent Technologies, Inc. 3% 2021 sr. cv. deb. (Ba2) <sup>(1)</sup> .....	1,240,625
1,000,000	Conexant Systems, Inc. 5.25% 2006 cv. sub. notes (NR) .....	975,000
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2) .....	2,205,000
1,000,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) (Acquired 2/15/05 - 2/16/05; Cost \$1,003,750) <sup>(2)</sup> .....	<u>967,180</u>
		<u>6,381,555</u>
<b>Telecommunications — 5.3%</b>		
1,500,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) <sup>(3)</sup> .....	2,190,075
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B2) .....	1,053,980
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B2) .....	550,450
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3) .....	1,151,563
750,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR) .....	<u>778,121</u>
		<u>5,724,189</u>
	<b>TOTAL CONVERTIBLE BONDS AND NOTES</b> .....	<u>\$60,071,290</u>
<b>CONVERTIBLE PREFERRED STOCKS — 20.8%</b>		
<b>Automotive — 1.0%</b>		
50,000	General Motors Corp. 6.25% 2033 series C cv. sr. deb. (Baa2) .....	<u>1,040,000</u>
<b>Banking/Savings and Loan — 6.6%</b>		
17,500	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock) .....	1,094,643
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR) .....	1,468,000
20,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2) .....	1,045,000
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) <sup>(1)</sup> .....	1,645,000
35,000	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock) .....	<u>1,863,750</u>
		<u>7,116,393</u>

# Portfolio of Investments March 31, 2005 (continued)

Principal Amount or Shares		Value (Note 1)
	<b>CONVERTIBLE PREFERRED STOCKS — continued</b>	
	<b>Energy — 4.7%</b>	
1,550 shs	Chesapeake Energy Corp. 4.125% cum. cv. pfd. (NR) .....	\$ 2,301,750
5,000 shs	Semco Energy, Inc. 5% series B cv. cum. pfd. (NR) (Acquired 03/09/05 - 03/10/05; Cost \$1,003,750) (2) .....	975,000
20,000 shs	The Williams Companies, Inc. 5.5% 2033 jr. sub. cv. deb. (B-) .....	1,822,500
		<u>5,099,250</u>
	<b>Entertainment — 0.9%</b>	
22,500 shs	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1) .....	1,022,355
	<b>Financial and Insurance — 4.5%</b>	
20 shs	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05; Cost \$2,078,125) (2) .....	1,880,000
20,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2) .....	1,168,437
80,000 shs	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1) ....	1,771,600
		<u>4,820,037</u>
	<b>Health Care — 1.3%</b>	
28,000 shs	Omnicare Capital Trust II 4% PIERS (NR) (exch. for Omnicare, Inc. common stock) (1) .....	1,456,000
	<b>Mining — 1.8%</b>	
2,000 shs	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-) .....	1,969,804
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> .....	<u>\$22,523,839</u>
	<b>MANDATORY CONVERTIBLE SECURITIES — 16.8% (4)</b>	
	<b>Chemicals — 0.9%</b>	
20,000 shs	Huntsman Corp. 5% mand. cv. pfd. (NR) .....	1,017,720
	<b>Consumer Goods — 1.9%</b>	
50,000 shs	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. (B) .....	2,020,500
	<b>Energy — 3.6%</b>	
20,000 shs	Amerada Hess Corp. 7% mand. cv. pfd. ACES (Ba3) .....	1,683,400
30,000 shs	Valero Energy Corp. 2% mand. cv. pfd. (BB+) .....	2,178,360
		<u>3,861,760</u>
	<b>Financial and Insurance — 4.0%</b>	
72,000 shs	The Chubb Corp. 7% equity units (A2) (1) .....	2,158,560
40,000 shs	Platinum Underwriters Holdings, Ltd. 7% equity security units (NR) (1) .....	1,146,000
45,000 shs	XL Capital, Ltd. 6.5% equity security units (A2) .....	1,075,680
		<u>4,380,240</u>
	<b>Foods — 1.8%</b>	
40,000 shs	Albertson's, Inc. 7.25% HITS units (Baa2) (1) .....	916,400
40,000 shs	Lehman Brothers Holdings, Inc. 6.25% PIES (A1) (exch. for General Mills, Inc. common stock) .....	1,055,000
		<u>1,971,400</u>
	<b>Pharmaceuticals — 3.0%</b>	
31,500 shs	Baxter International, Inc. 7% equity units (Baa1) (1) .....	1,697,220
30,000 shs	Schering-Plough Corp. 6% mand. cv. pfd. (Baa3) .....	1,509,000
		<u>3,206,220</u>
	<b>Technology — 0.6%</b>	
\$1,100,000	Lehman Brothers Holdings, Inc. 6% 2005 YEELDS (A) (performance linked to LSI Logic Corp. common stock) .....	674,630
	<b>Utilities — 1.0%</b>	
45,000 shs	DTE Energy Co. 8.75% equity security units (BBB-) (1) .....	1,143,000
	<b>TOTAL MANDATORY CONVERTIBLE SECURITIES (4)</b> .....	<u>\$18,275,470</u>

# Portfolio of Investments March 31, 2005 (continued)

Principal Amount or Shares		Value (Note 1)
	<b>COMMON STOCKS — 4.3%</b>	
	<b>Aerospace and Defense — 1.0%</b>	
19,171 shs	Northrop Grumman Corp. ....	\$ 1,034,851
	<b>Energy — 0.8%</b>	
11,372 shs	Kerr-McGee Corp. ....	890,200
	<b>Pharmaceuticals — 1.6%</b>	
26,300 shs	Johnson & Johnson ....	1,766,308
	<b>Telecommunications — 0.9%</b>	
40,000 shs	SBC Communications, Inc. ....	947,600
	<b>TOTAL COMMON STOCKS</b> .....	<b>\$ 4,638,959</b>
	<b>SHORT-TERM SECURITIES — 2.0%</b>	
	<b>Commercial Paper — 2.0%</b>	
\$2,200,000	American Express Credit Corp. (P1) (2.65% maturing 04/01/05) .....	2,199,514
	<b>U.S. Government Obligations — 0.0%</b>	
11,000	U.S. Treasury notes 1.625% 04/30/05 (Aaa) <sup>(5)</sup> .....	10,990
	<b>TOTAL SHORT-TERM SECURITIES</b> .....	<b>2,210,504</b>
	<b>Total Convertible Bonds and Notes — 55.4%</b> .....	<b>60,071,290</b>
	<b>Total Convertible Preferred Stocks — 20.8%</b> .....	<b>22,523,839</b>
	<b>Total Mandatory Convertible Securities — 16.8%</b> .....	<b>18,275,470</b>
	<b>Total Common Stocks — 4.3%</b> .....	<b>4,638,959</b>
	<b>Total Short-Term Securities — 2.0%</b> .....	<b>2,210,504</b>
	<b>Total Investments — 99.3%</b> .....	<b>107,720,062</b>
	<b>Other assets and liabilities, net — 0.7%</b> .....	<b>757,850</b>
	<b>Total Net Assets — 100.0%</b> .....	<b><u>\$108,477,912</u></b>

- (1) Contingent payment debt instrument which accrues contingent interest. 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). 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, 2005 was \$10,379,355 which represented 9.6% of the Fund's net assets.  
 (3) Non-income producing security.  
 (4) Mandatory convertible. See Note 1(f).  
 (5) Collateral for a letter of credit.

ACES	Automatic Convertible Equity Securities.	PEPS	Premium Equity Participating Securities.
ADR	American Depositary Receipts.	PIERS	Preferred Income Equity Redeemable Securities.
BONUSES	Bifurcated Option Note Unit Securities.	YEELDS	Yield Enhanced Equity Linked Debt Securities.
HITS	Hybrid Income Term Security.	ZYPS	Zero Yield Puttable Securities.
LYONS	Liquid Yield Option Notes.		

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's.  
 NR is used whenever a rating is unavailable.

*See accompanying notes to financial statements*

# Notes to Financial Statements (unaudited)

## **1. Significant Accounting Policies and Change in Accounting Policy**

Ellsworth Convertible Growth and Income Fund, Inc. (the “Fund”), established in 1986, 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 original maturities of 60 days or less are valued at amortized cost.

### **(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 3 cents per share for the six months ended March 31, 2005. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At March 31, 2005 there were unrealized losses of approximately 2 cents per share on contingent payment debt instruments.

### **(c) Changes in Method of Accounting For Bond Premium and Discount Amortization**

Effective October 1, 2004, the Fund began amortizing discounts and premiums on all debt securities. Prior to October 1, 2004, the Fund amortized discounts on original issue discount debt securities. The new method of amortization was adopted in accordance with the provisions of the AICPA Audit and Accounting Guide, Audits of Investment Companies and the financial highlights and statement of changes in net assets presented herein have been restated to reflect the new method retroactive to October 1, 2001.

The effect of this accounting change is included in the financial highlights for the years ended September 30, 2002, 2003 and 2004, and in the statement of changes in net assets for the year ended September 30, 2004. The cumulative effect of this accounting change had no impact on the total net assets of the Fund or on distributions for tax purposes, but resulted in a \$79,579 increase in the cost of securities held and a corresponding \$79,579 reduction in the net unrealized gains based on the securities held on October 1, 2001. The impact of this change during the six months ended March 31, 2005 was to reduce net investment income by \$7,898, reduce unrealized gains by \$211,151 and increase realized gains by \$219,049. These changes had no effect on previously reported total net assets or total returns.

## Notes to Financial Statements (continued)

### (d) Federal Income Taxes

The Fund's policy is 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, 2004, the Fund had a capital loss carryforward of \$4,915,273 available to the extent allowed by tax law to offset future net capital gains, if any. To the extent that the carryforward is used, no capital gains distributions will be made. The carryforward expires in 2011. The Fund utilized net capital loss carryforwards of \$2,804,454 during the fiscal year ended September 30, 2004.

### (e) Distributions to Shareholders

Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the fiscal years ended September 30, 2004 and 2003 were \$3,681,116 and \$3,143,201, respectively, both from ordinary income.

### (f) Market Risk

It is the Fund's policy 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 of their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but generally less than that of the underlying common stock. The market value of those securities was \$18,275,470 at March 31, 2005, representing 16.8% 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 furnishes investment advice, office equipment and facilities, and pays the salaries of all executive officers of the Fund. The Fund pays all expenses incurred by it and not assumed by the Adviser and in addition will pay the costs and expenses of its Treasurer's office, up to a maximum of \$25,000 per year, incurred in connection with its performance of certain services for the Fund. These services include the valuation of securities owned by the Fund, and the preparation of financial statements and schedules of the Fund's investments for inclusion in certain periodic reports to the Fund's Board of Directors and to the U.S. Securities and Exchange Commission, the maintenance of files relating to the foregoing, and rent, personnel costs and other overhead expenses allocable to the aforementioned services.

## 3. Portfolio Activity

At March 31, 2005 there were 12,362,269 shares of \$.01 par value common stock outstanding, (20,000,000 shares authorized). During the six months ended March 31, 2005, 64,142 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$506,725.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$35,546,379 and \$33,127,215, respectively, for the six months ended March 31, 2005.

A distribution of \$0.07 per share from net investment income was declared on April 12, 2005, payable May 27, 2005 to shareholders of record at the close of business May 13, 2005.

## Board Approval of Advisory Contract

*The independent directors of Ellsworth renewed the advisory contract with Davis-Dinsmore Management Company in November 2004. The following are the material factors and conclusions that formed the basis for that approval.*

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*The nature and extent of the advisory services provided by Davis-Dinsmore.* Based on the independent directors' review of the services provided and to be provided by Davis-Dinsmore under the Advisory Agreement, the independent directors concluded that the range of services to be provided by Davis-Dinsmore under the Advisory Agreement was appropriate and that Davis-Dinsmore currently is providing services in accordance with the terms of each Advisory Agreement.

*The quality of services provided by Davis-Dinsmore.* In reviewing the qualifications of Davis-Dinsmore to provide investment advisory services, the independent directors reviewed the credentials and experience of Davis-Dinsmore's investment personnel, and considered such issues as Davis-Dinsmore's portfolio and product review process, compliance function, use of technology, portfolio administration function, investment research operations and trading operations. Based on the review of these and other factors, the independent directors concluded that the quality of services to be provided by Davis-Dinsmore was appropriate and that Davis-Dinsmore currently is providing satisfactory services in accordance with the terms of the Advisory Agreement.

*The performance of the Fund relative to comparable funds.* The independent directors reviewed the performance of the Fund against the performance of funds advised by other advisors with investment strategies comparable to those of the Fund. The independent directors noted that although during the past year the Fund has underperformed its peers, the Fund's long-term performance was better, and concluded that no changes should be made to the Fund's investment objective or policies at this time. In addition, the independent directors determined that the Fund's portfolio management team should remain in place.

*The performance of the Fund relative to indices.* The independent directors reviewed the performance of each Fund against the performance of applicable indices. The independent directors noted that although during the past year the Fund has underperformed relative to relevant indices, the Fund's long-term comparative performance was better, and concluded that no changes should be made to the Fund's investment objective or policies at this time. In addition, the independent directors determined that the Fund's portfolio management team should remain in place.

*Meetings with the Fund's portfolio manager and investment personnel.* The independent directors noted that they meet regularly with the Fund's portfolio manager and investment personnel, and believe that such individuals are competent and able to continue to carry out their responsibilities under the Advisory Agreement.

*Overall performance of Davis-Dinsmore.* After considering the overall performance of Davis-Dinsmore in providing investment advisory and portfolio administrative services to the Fund, the independent directors concluded that such performance was satisfactory.

*Fees relative to those of clients of Davis-Dinsmore with comparable investment strategies.* The independent directors noted that the Fund and Bancroft Convertible Fund are the only clients of Davis-Dinsmore, and that the advisory fee rates for the funds are the same. The independent directors concluded that, because the fee rates are the same for each fund, the current advisory fee rate of a fund was fair as compared to the rate for the other fund.

*Fees relative to those of comparable funds with other advisers.* After reviewing the advisory fee rate for the Fund against the advisory fee rates for funds advised by other advisors with investment strategies comparable to those of the Fund, the independent directors determined that the Fund's advisory fee rate was at approximately the median of the funds in its peer group, and concluded that the current advisory fee rate of the Fund was fair and reasonable.

*Expense limitations and fee waivers.* The independent directors noted that, although there are no contractual expense limitations or fee waivers in effect for the Fund, Davis-Dinsmore is very diligent in its efforts to keep expenses of the Fund as low as possible. The independent directors also noted that the Fund's expense ratios had declined as a result of the Fund's rights offering in late 2003, but that

## Board Approval of Advisory Contract (continued)

the cost of compliance with regulatory initiatives was increasing. The independent directors concluded that the current level of expenses for the Fund was reasonable.

*Breakpoints and economies of scale.* The independent directors reviewed the structure of the Fund's advisory fee under the Advisory Agreement, and noted that the fee includes a significant breakpoint when the Fund's assets reach \$100 million. The independent directors noted that breakpoints had become effective as a result of the Fund's 2003 rights offering, which resulted in lower management fee expenses as a percentage of assets. The independent directors concluded that it was not necessary to implement any further changes to the structure of the advisory fee for the Fund.

*Profitability of Davis-Dinsmore.* The independent directors reviewed information concerning the profitability and financial condition of Davis-Dinsmore, noting that Davis-Dinsmore's sole source of revenue was advisory fees from Ellsworth and Bancroft Convertible Fund. The Board noted that Davis-Dinsmore's operations remain profitable, and that the continued success of the two funds will positively impact Davis-Dinsmore's profitability. Based on the review of the profitability of Davis-Dinsmore and its financial condition, the independent directors concluded that the compensation to be paid by Ellsworth to Davis-Dinsmore under its Advisory Agreement was not excessive.

*Benefits of soft dollars to Davis-Dinsmore.* The independent directors discussed the fact that there are no third-party soft dollar arrangements in effect with respect to the Fund. The independent directors recognized that Davis-Dinsmore does receive proprietary research from brokers with whom it executes portfolio transactions on behalf of the Fund. This research is used by Davis-Dinsmore in making investment decisions for the Fund. The directors also considered representations made by Davis-Dinsmore that portfolio transactions received best execution. Because such research ultimately benefits the Fund, the Board concluded that it was appropriate to receive proprietary research.

*Davis-Dinsmore's financial soundness in light of the needs of the Fund.* The independent directors considered whether Davis-Dinsmore is financially sound and has the resources necessary to perform its obligations under the Advisory Agreement, and concluded that Davis-Dinsmore has the financial resources necessary to fulfill its obligations under the Advisory Agreement.

*Historical relationship between the Fund and Davis-Dinsmore.* In determining whether to continue the Advisory Agreement for the Fund, the independent directors also considered the prior relationship between Davis-Dinsmore and the Fund, as well as the independent directors' knowledge of Davis-Dinsmore's operations, and concluded that it was beneficial to maintain the current relationship, in part, because of such knowledge. The independent directors also reviewed the general nature of the non-investment advisory services currently performed by Davis-Dinsmore, such as administrative services, and the fees received by Davis-Dinsmore for performing such services. In addition to reviewing such services, the independent directors also considered the organizational structure employed by Davis-Dinsmore to provide those services. Based on the review of these and other factors, the independent directors concluded that Davis-Dinsmore was qualified to continue to provide non-investment advisory services to the Funds, including administrative services, and that Davis-Dinsmore currently is providing satisfactory non-investment advisory services.

*Other factors and current trends.* The independent directors considered the culture of compliance and high ethical standards at Davis-Dinsmore, and the efforts historically and currently undertaken by Davis-Dinsmore to engage in best practices. The independent directors noted Davis-Dinsmore's historical adherence to compliance procedures, as well as the Fund's investment objectives, policies and restrictions. The independent directors concluded that this commitment to adhere to the highest ethical standards was an important factor in their determination that they should continue the Advisory Agreement for the Fund.

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After consideration of all of the above factors, the independent directors found that with respect to the Fund: (i) the services provided by Davis-Dinsmore to such Fund and its shareholders were adequate; (ii) such Fund's Advisory Agreement was fair and reasonable under the circumstances; and (iii) the fees payable under such Fund's Advisory Agreement would have been obtained through arm's length negotiations. The independent directors therefore concluded that the Fund's Advisory Agreement was in the best interests of such Fund and its shareholders and should be continued for another year.

## Miscellaneous Notes

### Results of the 2005 Annual Shareholders Meeting

The results of the shareholder vote at the Annual Meeting of Shareholders held on January 14, 2005 were:

- All directors nominated were elected.

<u>Terms expiring in 2008</u>	<u>Shares voted for</u>	<u>Shares withheld</u>
Donald M. Halsted, Jr.	11,534,148	431,254
Duncan O. McKee	11,532,927	432,475
Thomas H. Dinsmore	11,574,815	390,587

<u>Term expiring in 2006</u>	<u>Shares voted for</u>	<u>Shares withheld</u>
Robert J. McMullan	11,539,393	426,009

- The Audit Committee's appointment of PricewaterhouseCoopers LLP ("PwC") as independent accountants was ratified with 11,666,651 shares voted for, 138,499 shares voted against and 160,252 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 1,446,658 shares voted for, 3,534,137 shares voted against, 293,293 shares abstained, and 6,691,314 shares were broker non-votes.

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### Change in the Fund's Independent Accountant

On March 17, 2005, PwC resigned as independent registered public accountants for the Fund. The Fund's audit committee appointed Tait, Weller & Baker as independent accountants for the Fund on April 12, 2005 for the 2005 fiscal year, which appointment was ratified by the Fund's independent directors. The reports of PwC on the Fund's financial statements for each of the fiscal years ended September 30, 2004 and September 30, 2003 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the Fund's fiscal years ended September 30, 2003 and September 30, 2004 and during the period October 1, 2004 through March 17, 2005, there have been no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of PwC, would have caused them to make reference thereto in their reports on the financial statements for such years.

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### Notice of Privacy Policy

The Fund has adopted a privacy policy in order to protect the confidentiality of nonpublic personal information that we have about you. We receive personal information, such as your name, address and account balances, when transactions occur in Ellsworth shares registered in your name.

We may disclose this information to companies that perform services for the Fund, such as the Fund's transfer agent or proxy solicitors. These companies may only use this information in connection with the services they provide to the Fund, and not for any other purpose. We will not otherwise disclose any nonpublic personal information about our stockholders or former stockholders to anyone else, except as required by law.

Access to nonpublic information about you is restricted to our employees and service providers who need that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

## Miscellaneous Notes (continued)

### **For More Information About Portfolio Holdings**

In addition to the semi-annual and annual reports that Ellsworth delivers to shareholders and makes available through the Ellsworth public website, the Fund files a complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the Fund's first and third fiscal quarters each fiscal year on Form N-Q. Ellsworth does not deliver the schedule for the first and third fiscal quarters to shareholders, however the schedule is posted to the Ellsworth public website, [www.ellsworthfund.com](http://www.ellsworthfund.com). You may obtain the Form N-Q filings by accessing the SEC's website at [www.sec.gov](http://www.sec.gov). You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330.

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### **Proxy Voting Policies and Procedures / Proxy Voting Record**

The Fund's policies and procedures with respect to the voting of proxies relating to the Fund's portfolio securities is available without charge, upon request, by calling (973) 631-1177, or at our website at [www.ellsworthfund.com](http://www.ellsworthfund.com). This information is also available on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, information on how the Fund voted such proxies relating to portfolio securities during the most recent twelve-month period ended June 30, is available without charge at the above sources.

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The Fund received a *Lipper Performance Achievement Certificate* for total NAV return performance achieved during the ten-year period ended December 31, 2004. Certificates are awarded to funds that rank first in their classification over a one-, five-, ten- or fifteen-year period depending on their peer universe. Ellsworth outperformed the other closed-end convertible funds followed by Lipper during this ten-year period. Past performance does not guarantee future results.



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The Fund is a member of the Closed-End Fund Association (CEFA). Its website address is [www.cefa.com](http://www.cefa.com). CEFA is solely responsible for the content of its website.

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### **Disclosure of Portfolio Holdings to Broker-Dealers**

From time to time, brokers with whom the Fund's Adviser, Davis-Dinsmore Management Company, has a pre-existing relationship may request that the Adviser disclose Fund portfolio holdings to such broker in advance of the public disclosure of such portfolio holdings. The Adviser may make such disclosure under the following conditions: (i) the specific purpose of the disclosure is to assist the Adviser in identifying potential investment opportunities for the Funds; (ii) prior to the receipt of non-public portfolio holdings, the broker, by means of e-mail or other written communication, shall agree to keep the non-public portfolio holdings confidential and not to use the information for the broker's own benefit, except in connection with the above described purpose for which it was disclosed; (iii) the Adviser shall keep written records of its agreement with each broker to which it distributes non-public portfolio holdings; and (iv) the Adviser will secure a new agreement with a broker any time the broker directs the non-public portfolio holdings to be sent to a new recipient.

**Board of Directors**

GORDON F. AHALT  
WILLIAM A. BENTON  
ELIZABETH C. BOGAN  
THOMAS H. DINSMORE, C.F.A.  
DONALD M. HALSTED, JR.  
DUNCAN O. MCKEE  
ROBERT J. McMULLAN  
JANE D. O'KEEFFE  
NICOLAS W. PLATT

**Officers**

THOMAS H. DINSMORE, C.F.A.  
*Chairman of the Board*

JANE D. O'KEEFFE  
*President*

GARY I. LEVINE  
*Executive Vice President, Chief Financial Officer  
and Secretary*

H. TUCKER LAKE, JR.  
*Vice President*

GERMAINE M. ORTIZ  
*Vice President*

MERCEDES A. PIERRE  
*Vice President, Chief Compliance Officer  
and Assistant Treasurer*

JOSHUA P. LAKE, C.T.P.  
*Treasurer and Assistant Secretary*

JESSICA K. LAKE  
*Assistant Vice President*

JOANN VENEZIA  
*Assistant Vice President and Assistant Secretary*

**Internet**

www.ellsworthfund.com  
email: info@ellsworthfund.com

**Investment Adviser**

Davis-Dinsmore Management Company  
65 Madison Avenue, Morristown, NJ 07960-7308  
(973) 631-1177

**Shareholder Services and Transfer Agent**

American Stock Transfer & Trust Company  
59 Maiden Lane  
New York, NY 10038  
(800) 937-5449  
www.amstock.com

**Common Stock Listing**

American Stock Exchange Symbol: ECF

**Legal Counsel**

Ballard Spahr Andrews & Ingersoll LLP

**Independent Accountants**

Tait, Weller & Baker

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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.

ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND, INC.  
65 MADISON AVENUE, SUITE 550  
MORRISTOWN, NEW JERSEY 07960  
[www.ellsworthfund.com](http://www.ellsworthfund.com)

