

Ellsworth Convertible Growth and Income Fund, Inc.

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

Third Quarter Update - June 30, 2001 (unaudited)

Financial Highlights

Market value 6/30/01	\$8.79
Net asset value (NAV) 6/30/01	\$9.27
Market discount to NAV	(5.18)%
12-Month income distribution	\$0.42
Yield on market value	4.78%
Capital gains distribution 11/29/00 *	\$1.315
Ratio of expenses to avg. net assets †	1.18%
Ratio of net income to avg. net assets †	5.59%
Portfolio turnover	61.52%

Shares outstanding 10,255,959

* Includes \$.80 short-term gains.

† Annualized.

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (9/30/00)	\$11.82
Changes from Operations as of 6/30/01:	
Net Investment Income	0.40
Realized Gain	0.01
Decrease in Unrealized Gain	(1.32)
Total Change from Operations	(0.91)
Distributions:	
Net Investment Income	(0.32)
Capital Gains	(1.32)
Total Change from Distributions	(1.64)
Total Change	(2.55)
Ending NAV (6/30/01)	\$ 9.27

Major Industry Exposure as of 6/30/01

	% of Net Assets
Energy	11.24
Health Care & Drugs	9.46
Telecommunications	8.42
Banking	8.40
Technology	6.96
Cable	6.74
Entertainment	5.62
Financial & Insurance	5.51
Retail	5.29
Utilities	4.99

The portfolio holdings and industry exposure are as of June 30, 2001 and subject to change without notice.

Detailed portfolio information is available on our website (www.ellsworthfund.com). Visit us there or contact us by e-mail at info@ellsworthfund.com or call us at (973)631-1177.

Performance through 6/30/01 with dividends reinvested

	6 Months	1 Year	5 Years	10 Years
Ellsworth market value *	12.24%	15.53%	111.33%	313.21%
Ellsworth net asset value †	(1.49)	(7.89)	71.21	230.02
Closed-end conv. fund avg. †	2.49	(6.25)	49.04	201.83
S&P 500 *	(6.70)	(14.83)	96.58	307.62
Russell 2000 *	6.77	0.59	58.56	205.85‡
Lehman Aggregate Bond Total Return Index †	3.62	11.23	43.42	113.28

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, June 30, 2001.

‡ Simple appreciation of index.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
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
Mar. 01	9.90	8.92	9.13	9.00	8.13	8.40
Jun. 01	9.59	8.82	9.27	9.00	8.20	8.79

Total Fund Investments as of 6/30/01

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 73,772	77.6
Convertible Preferred Stocks	15,078	15.9
Common Stock	31	0.0
Short-term Investments	5,996	6.3
Other Assets	177	0.2
Net Assets	\$ 95,054	100.0%

Largest Investment Holdings as of 6/30/01

by underlying common stock	% of Net Assets
Sunrise Assisted Living, Inc.	2.37
Costco Companies, Inc.	2.30
National Data Corp.	2.23
AOL Time Warner, Inc.	2.10
Washington Mutual, Inc.	2.06
American Express Company	2.00
General Electric Corp.	1.93
Sovereign Bancorp, Inc.	1.93
The Walt Disney Corp.	1.90
Ivax Corp.	1.85

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To Our Shareholders:

August 10, 2001

“There is nothing more exhilarating than being shot at without result.” This quote from Winston Churchill sums up the presentations of a number of companies at the Robertson Stephens Technology conference that I attended in July. The companies that presented attempted to make the case that they have survived the technology downturn and have good prospects for the future. These companies made the further argument that technology will continue to play an important role in future economic activity and that they will grow.

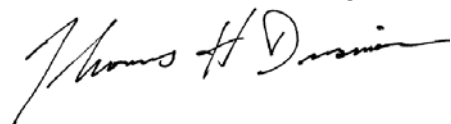
This reminded me of presentations made by a number of energy companies in the Eighties after the bursting of the energy price bubble. Those companies argued then that they were survivors and the prospects for the future were bright. It took over a decade for the energy industry to recover.

There are some differences that must be noted between the industries. Oil and gas do not become obsolete while technology does (analysts consider a standard technology cycle to be roughly 18 months long). Companies that have a position in the front of the pack of useful new technology and no large inventory of older products may increase their sales and improve their margins.

The Federal Reserve Bank is trying to do its part as it continues to lower interest rates. The problem, however, is that despite lowered rates, banks are not extending credit as readily as last year and interest rates for lower rated issues are actually up significantly over last year. The tax cut may be coming at an opportune moment to help the U.S. economy recover.

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 Closed-End Fund Association (www.cefa.com), of which the Fund is a member, is another source of information on many closed-end funds.* Based upon data through July 31, 2001, Morningstar has continued to rate Ellsworth’s performance at four stars (above average) on the “Quicktake Report” on their website.** Shareholders who wish a copy of the most recent report on the Fund issued by Standard and Poor’s should contact us.

At its July meeting the Board of Directors declared a dividend of ten cents per share. The dividend is payable August 30, 2001 to shareholders of record August 16, 2001.



Thomas H. Dinsmore
Chairman of the Board

* Closed End Fund Association is solely responsible for the content of its website.

** Morningstar is an analytical and statistical reporting service that reports on and rates most mutual funds. It is solely responsible for the content of its website.

The letter to Shareholders contains 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, its management and the Adviser 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 to the Federal Reserve Board’s monetary policy, a decline in economic activity, a decline in productivity or new products or technology, an increase in interest rates or taxes, increased volatility of securities in general as well as those purchased by the Company, changes to foreign and domestic markets in general or changes to the market for convertible securities.

Shareholder Services and Transfer Agent

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Stock Exchange Listing

AMEX - Symbol: ECF

Portfolio of Investments June 30, 2001 (unaudited)

Principal Amount or Shares		Value
	ADVERTISING — 2.7%	
\$1,500,000	The Interpublic Group Cos., Inc. 1.87% 2006 cv. sub. notes 144A (Baa1)	\$ 1,216,875
1,500,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa1)	1,390,470
		<u>2,607,345</u>
	AEROSPACE — 2.7%	
1,000,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sub. notes 144A (B1)	1,156,250
20,000 shs	RC Trust I 8.25% equity security units (exch. for Raytheon Co. class B common stock) (BA2)	972,500
700,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	420,000
		<u>2,548,750</u>
	BANKING — 8.4%	
30,000 shs	CNB Capital Trust I 6% SPuRS (A1) (exch. for Fifth Third Bancorp common stock)	1,170,000
1,000,000	Deutsche Bank Financial, Inc. 1.25% 2007 medium-term exch. notes * (Aa3) (exch. for CitiGroup, Inc. common stock)	1,090,000
1,000,000	JMH Finance, Ltd. 4.75% 2007 guaranteed bonds 144A * (NR) (exch. for J.P. Morgan Chase & Co. common stock)	1,045,000
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A1)	1,246,000
25,000 shs	Sovereign Capital Trust II 7.50% PIERS (B1) (exch. for Sovereign Bancorp, Inc. common stock)	1,830,000
30,000 shs	Washington Mutual Capital Trust PIERS units 144A (A3) (exch. for Washington Mutual Inc. common stock)	1,605,000
		<u>7,986,000</u>
	CABLE — 6.7%	
2,500 shs	Adelphia Communications Corp. 5.50% cv. pfd. (Caa)	325,313
800,000	Adelphia Communications Corp. 6% 2006 cv. sub. notes (B)	780,500
2,000,000	Bell Atlantic Financial Services, Inc. 4.25% 2005 euro. sr. exch. notes * (A1) (exch. for cash equiv. of Cable & Wireless Communications plc & NTL, Inc. common stocks)	1,968,750
1,300,000	Comcast Corp. cv. deb. 0% 2020 (Baa3)	1,057,875
20,000 shs	Cox Communications, Inc. 7% FELINE PRIDES ** (Baa2)	1,160,000
750,000	Cox Communications, Inc. 0.35% 2021 cv. sr. notes 144A (Baa2)	532,560
500,000	NTL Communications Corp. 6.75% cv. sr. notes 144A (exch. for NTL, Inc. common stock)	307,500
2,569 shs	UnitedGlobalCom, Inc. common stock	22,170
19,000 shs	UnitedGlobalCom, Inc. dep. shs. representing 7% series D sr. cum. cv. pfd. (Caa2)	250,563
		<u>6,405,231</u>
	CAPITAL GOODS — 3.0%	
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes * (A1) (exch. for General Electric Corp. common stock)	1,335,000
500,000	Exchangeable Certificate Corp. 1.25% 2004 exch. certificates 144A (Aaa)(exch. for General Electric Corp. common stock)	500,000
1,000,000	Hanover Compressor Co. 4.75% 2008 cv. sr. notes (Ba3)	1,035,000
		<u>2,870,000</u>

Portfolio of Investments June 30, 2001 (continued)

Principal Amount or Shares		Value
	DATA-PROCESSING SERVICES — 3.8%	
\$1,000,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	\$ 1,116,250
2,000,000	National Data Corp. 5% 2003 cv. sub. notes (B1)	2,123,750
625,000	Online Resources & Communications Corp. 8% 2005 cv. sub. notes 144A (NR) .	<u>400,000</u>
		<u>3,640,000</u>
	ENERGY — 11.2%	
35,800 shs	Apache Corp. \$2.015 dep. shs. representing ACES pfd. ** (Baa2)	1,552,825
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa1) (conv. into Chevron Corp. common stock)	503,125
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa1) (conv. into Chevron Corp. common stock)	1,011,250
3,300,000	El Paso Corp. 0% cv. deb. 144A (Baa2)	1,381,875
30,000	Enron Corp. 7% 2002 exch. notes ** (Baa1) (exch. for EOG Resources, Inc. common stock)	961,200
1,000,000	Exchangeable Certificate Corp. 2% 2005 exch. certificates 144A (Aaa)(exch. for Exxon Mobil Corp. common stock)	982,500
750,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa2)	926,719
463,000	Kerr-McGee Corp. 7.50% 2014 cv. sub. deb. (Baa2)	463,000
30,000	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa1) (exch. for Devon Energy Corp. common stock)	1,443,750
1,000,000	Loews Corp. 3.125% 2007 exch. sub. notes (A2) (conv. into Diamond Offshore Drilling, Inc. common stock)	853,750
1,000,000	Pride International, Inc. 0% 2021 cv. sr. deb. (Ba3)	<u>606,040</u>
		<u>10,686,034</u>
	ENTERTAINMENT — 5.6%	
1,750,000	AOL Time Warner, Inc. 0% 2019 cv. sub. deb. (Baa2)	945,000
2,000,000	Deutsche Bank Financial, Inc. 1% 2007 medium-term exch. notes * (Aa3) (exch. for cash value of The Walt Disney Co. common stock)	1,806,250
1,000,000	Merrill Lynch & Co., Inc. 0.25% 2006 series B medium-term notes * (Aa3) (exch. for AOL Time Warner, Inc. common stock)	1,052,500
3,000,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Limited common stock)	<u>1,539,375</u>
		<u>5,343,125</u>
	FINANCIAL & INSURANCE — 5.5%	
15,000 shs	ACE Limited 8.25% FELINE PRIDES ** (A2)	1,200,000
2,150,000	Exchangeable Certificate Corp. 0.625% 2005 exch. certificates 144A (Aaa)(exch. for American Express Company common stock)	1,897,375
25,000	HFI Trust I 7% MEDS units ** (Baa1) (exch. for Heller Financial, Inc. class A common stock)	717,188
10,000	MetLife Capital Trust I 8% equity security units **,* (A1) (exch. for MetLife, Inc. common stock)	972,500
750,000	XL Capital, Ltd. 0% 2021 sr. cv. deb. 144A (A+)	<u>450,938</u>
		<u>5,238,001</u>
	FUNERAL SERVICES — 0.6%	
500,000	Service Corp. International 6.75% 2008 cv. sub. nts. (B3)	<u>546,875</u>

Portfolio of Investments June 30, 2001 (continued)

Principal Amount or Shares		Value
	HEALTH CARE & DRUGS — 9.5%	
\$1,000,000	AmeriSource Health Corp. 5% 2007 cv. sub. notes 144A (Ba3)	\$ 1,267,500
1,000,000	Elan Finance Corporation Ltd. 0% 2018 LYONs 144A (Baa3) (exch. for ADRs representing Elan Corporation, plc common stock)	874,375
1,500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes 144A (NR)	1,762,500
1,000,000	Merrill Lynch & Co., Inc. 2% 2005 medium-term notes * (Aa3) (exch. for Johnson & Johnson common stock)	1,002,500
1,315,000	Roche Holdings, Inc. 0% 2015 LYONs 144A (NR) (exch. for Genentech, Inc. common stock)	969,813
1,000,000	Sepracor, Inc. 7% 2005 cv. sub. deb. 144A (CCC+)	863,750
2,312,000	Sunrise Assisted Living, Inc. 5.50% 2002 cv. sub. notes (B2)	<u>2,254,200</u>
		<u>8,994,638</u>
	INSTRUMENTS — 1.0%	
1,000,000	Thermo Electron Corp. 4.25% 2003 cv sub deb (Baa3)	<u>967,500</u>
	MULTI-INDUSTRY — 4.9%	
1,500,000	Cendant Corp. 0% 2021 sr. cv. CODES 144A * (Baa1)	1,102,500
1,900,000	Lehman Brothers Holdings, Inc. 0% 2003 BASES notes * (A2) (based on the value of the performance of the 10 Uncommon Values Index †)	1,520,000
2,000,000	Lehman Brothers Holdings, Inc. 0.25% 2006 BASES notes * (A2) (based on the value of the performance of the 10 Uncommon Values Index †)	<u>2,000,000</u>
		<u>4,622,500</u>
	RETAIL — 5.3%	
1,750,000	American Greetings Corp. 7% 2006 cv. sub. notes 144A (Ba3)	1,737,969
1,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	971,250
1,250,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,214,063
2,000,000	Jones Apparel Group, Inc. 0% 2021 cv. sr. notes 144A (Baa2)	<u>1,100,460</u>
		<u>5,023,742</u>
	TECHNOLOGY — 7.0%	
1,000,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (BB+)	1,077,500
1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (BBB)	1,150,781
1,000,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	932,500
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes * (A1) (exch. for Microsoft Corp. common stock)	1,356,563
51,000 shs	CS First Boston, Inc. 10% 2002 medium-term notes (A1) (exch. for Sun Microsystems, Inc. common stock)	870,188
1,000,000	Exodus Communications, Inc. 5.25% 2008 cv. sub. notes (Caa1)	203,125
1,000,000	Hewlett-Packard Co. 0% 2017 LYONs (Aa3)	546,875
1,150,000	Soletron Corp. 0% 2020 LYONs (Baa3)	<u>476,172</u>
		<u>6,613,704</u>

Portfolio of Investments June 30, 2001 (continued)

Principal Amount or Shares		Value
	TELECOMMUNICATIONS — 8.4%	
\$ 500,000	Amdocs Limited 2% 2008 cv. notes (Baa3)	\$ 471,250
700,000	American Tower Corp. 2.25% 2009 cv. notes (Caa1)	579,250
4,000,000	Anixter International, Inc. 0% 2020 LYONs 144A (Ba3)	1,152,500
1,700,000	Anixter International, Inc. 0% 2020 LYONs (Ba3)	489,813
1,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 sr. exch. notes 144A * (A1) (exch. for cash equiv. Telecom Corp. of New Zealand common stock)	1,005,000
500,000	CIENA Corp. 3.75% 2008 cv. notes (Ba3)	370,625
568 shs	Crown Castle International Corp. common stock	9,202
15,000 shs	Crown Castle International Corp. 6.25% 2012 cv. pfd. (Caa1)	502,500
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 exch. certificates 144A (Aaa)(exch. for specific telephone and cable common stocks ††)	912,500
1,000,000	Liberty Media Corp. 3.75% 2030 sr. exch. deb. 144A * (Baa3) (exch. for Sprint PCS Group common stock)	620,320
25,000	MediaOne Group, Inc. 7% 2002 PIES ** (Baa1) (exch. for ADRs representing Vodafone AirTouch plc common stock)	646,875
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,247,475
		<u>8,007,310</u>
	TRANSPORTATION — 2.1%	
20,000 shs	Continental Airlines Finance Trust II 6% cv. pfd. TIDES 144A (B2) (exch. for Continental Airlines, Inc. common stock)	1,017,500
1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	1,012,500
		<u>2,030,000</u>
	UTILITIES — 5.0%	
16,000 shs	AES Trust VII \$3 trust cv. pfd. securities 144A (Ba3) (conv. into AES Corp. common stock)	906,000
17,500 shs	Calpine Capital Trust III 5% HIGH TIDES 144A (Ba2) (exch. for Calpine Corp. common stock)	980,000
8,250 shs	Calpine Capital Trust III 5% HIGH TIDES (Ba2) (exch. for Calpine Corp. common stock)	462,000
1,000,000	International Power (Cayman) Limited 2% 2005 sr. cv. notes 144A (Ba3) (exch. for ADSs representing International Power plc common stock)	1,160,000
1,250,000	Ogden Corp. 6% 2002 euro cv. sub. deb. (Baa3) (conv. into Covanta Energy Corp. common stock)	1,231,250
		<u>4,739,250</u>
	U.S. TREASURY NOTES — 0.0%	
11,000	6.50% 3/31/02 #	11,217
	CORPORATE SHORT-TERM NOTES — 6.3%	
6,000,000	American Express Credit Corp. (P1) (3.75% maturing 7/3/01)	5,996,250
	Total Convertible Bonds and Notes — 77.6%	73,771,961
	Total Convertible Preferred Stocks — 15.9%	15,077,889
	Total Common Stocks — 0.0%	31,372
	Total Corporate Short-Term Notes — 6.3%	5,996,250
	Total Investments — 99.8%	<u>94,877,472</u>
	Other assets and liabilities, net — 0.2%	176,576
	Total Net Assets — 100.0%	<u>\$ 95,054,048</u>

Portfolio of Investments June 30, 2001 (continued)

* Contingent payment debt instrument which accrues contingent interest income. See Note 1(b) Semi-Annual Report to Shareholders, dated March 31, 2001.

** See Note 1(e) Semi-Annual Report to Shareholders, dated March 31, 2001.

† Ticker symbols: AA, BBY, CEFT, CMCSK, CSCO, HDI, LMG/A, MIR, WM & WMI.

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

Collateral for a letter of credit.

ACES	Automatically Convertible Equity Securities.
ADB	American Depositary Bonds.
ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
CODES	Contingent Debt Securities.
DECS	Debt Exchangeable for Common Stock.
FELINE	Family of Equity-Linked Income Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYONS	Liquid Yield Option Notes.
MEDS	Mandatory Enhanced Securities.
PIERS	Preferred Income Equity Redeemable Securities.
PIES	Premium Income Exchangeable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.
SPuRS	Shared Preference Redeemable Securities.
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.