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, 2002 (unaudited)

Financial Highlights

Market value 6/30/02	$8.25
Net asset value (NAV) 6/30/02	$8.52
Market discount to NAV	(3.17)%
12-Month income distribution	$0.46
Yield on market value	5.58%
Capital gains distribution 11/29/01	$0.00
Ratio of expenses to avg. net assets	1.19%*
Ratio of net income to avg. net assets	3.72%*
Portfolio turnover	79.30%
Shares outstanding	10,393,877

* *Annualized.*

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (9/30/01)	$8.67
Changes in NAV from Operations:	
Net Investment Income	0.24
Realized Loss	(0.47)
Increase in Unrealized Gain	0.44
Total Change from Operations	0.21
Distributions:	
Net Investment Income	(0.36)
Capital Gains	0.00
Total Change from Distributions	(0.36)
Total Change	(0.15)
Ending NAV (6/30/02)	$ 8.52

Major Industry Exposure as of 6/30/02

	% of Net Assets
Financial & Insurance	11.8
Aerospace & Defense	9.2
Retail	8.2
Technology	8.1
Health Care	8.0
Pharmaceuticals	7.6
Banking	5.2
Energy	4.8
Data-Processing Services	4.5
Advertising	4.3

Performance through 6/30/02 *with dividends reinvested*

	6 Months	1 Year	5 Years	10 Years
Ellsworth market value (a)	(2.67)%	(0.87)%	62.15%	247.44%
Ellsworth net asset value (b)	(2.28)	(3.19)	34.53	173.24
Closed-end conv. fund avg. (b)	(5.66)	(6.05)	19.76	134.96
S&P 500 (a)	(13.16)	(17.99)	19.72	194.87
Russell 2000 (a)	(4.69)	(8.45)	25.00	145.26(c)
Lehman Aggregate Bond Total Return Index (b)	3.79	8.63	44.05	103.16

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, June 30, 2002.
(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

	Net Asset Values			Market Prices		
Qtr. Ended	High	Low	Close	High	Low	Close
Sep. 01	$9.30	$8.45	$8.67	$9.05	$7.55	$8.35
Dec. 01	8.95	8.63	8.89	8.90	7.85	8.65
Mar. 02	8.94	8.49	8.75	8.95	8.05	8.14
Jun. 02	8.84	8.42	8.52	8.49	7.87	8.25

Total Fund Investments as of 6/30/02

	(000's)	% of Net Assets
Convertible Bonds and Notes	$ 63,825	72.1
Convertible Preferred Stocks	20,910	23.6
Short-term Investments	2,999	3.4
Other Assets	811	0.9
Net Assets	$ 88,545	100.0%

Largest Investment Holdings as of 6/30/02

by underlying common stock

	% of Net Assets
Capital One Financial Corp.	2.4
Washington Mutual Inc.	2.4
National Data Corp.	2.3
Northrop Grumman Corp.	2.3
Reinsurance Group of America, Inc.	2.1
School Specialty, Inc.	2.1
GenCorp Inc.	2.0
General Dynamics Corp.	1.9
AmerisourceBergen Corp.	1.8
Anixter International, Inc.	1.8

The portfolio holdings and industry exposure are as of June 30, 2002 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.*

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To Our Shareholders: August 12, 2002

The current bear market began in the late winter/early spring of 2000. The final burst upwards to the top of the last bull market was, in our opinion, caused by the U.S. monetary authorities injecting additional money into the banking system to ward off potential problems that could have been created by the "Year 2000 Problem." When this "problem" proved to be mostly harmless, the monetary authorities began reducing the flow of money into the banking system. The combination of an overly exuberant market in 1999 with this contractionary action by the Federal Reserve Board marked the beginning of the current stock market decline.

Typically, big bear markets occur in periods of deflation or serious inflation. Further, it has been observed that the last two-thirds of the decline in a bear market occur in the last third of that market. It is clear that this is not a typical bear market. Consumer price changes have been moderate and not extreme. Additionally, terrorism has brought the war between authoritarianism and democracy to our shores, which severely impacted the market last fall. But one thing has been typical: the excesses of the previous bull market are continuing to haunt us as bad times reveal poor and corrupt decisions by corporate officials who expected the bull market to continue to cover up their problems.

Just as markets tend to go too high in bull markets, they also tend to go too low in bear markets: The best five year return in stocks occurred after the 1929 Crash, between 1932 and 1937. Corporate misdeeds are being tended to (although the Sarbanes-Oxley Act will have unintended consequences such as the re-centralization of corporate structures) and the Federal Reserve Board is maintaining appropriate monetary liquidity to make the next bull market, whenever it finally shows up, possible. We are dealing with the terrorist threat and we will win, eventually.

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, 2002, Morningstar has continued to rate Ellsworth's performance at four stars (above average) overall as shown 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 8 cents per share. This dividend will be payable on August 30, 2002 to shareholders of record on August 16, 2002.

Thomas H. Dinsmore
Chairman of the Board

August 12, 2002

* The 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.

Portfolio of Investments June 30, 2002 (unaudited)

Principal Amount or Shares		Value
	ADVERTISING — 4.2%	
$1,550,000	The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR)	$1,420,188
1,000,000	Omnicom Group, Inc. 0% 2031 LYONS * (A3)	930,000
1,500,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa1)	1,410,300
		3,760,488
	AEROSPACE & DEFENSE — 9.2%	
1,625,000	GenCorp Inc. 5.75% 2007 cv. sub. notes 144A (B1)	1,762,109
1,500,000	The Goldman Sachs Group, Inc. 1.00% 2009 exch. equity-linked notes * (A1) (exch. for General Dynamics Corp. common stock)	1,652,970
750,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3)	1,096,875
15,000 shs	Northrop Grumman Corp. 7.25% equity units *,** (Baa3)	1,992,900
20,000 shs	RC Trust I 8.25% equity security units *,** (Ba2) (exch. for Raytheon Co. class B common stock)	1,307,500
700,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	350,000
		8,162,354
	AUTOMOTIVE — 3.6%	
20,000 shs	Ford Motor Co. Capital Trust II 6.50% cv. pfd. (Baa2) (exch. for Ford Motor Co. common stock)	1,137,500
35,500	General Motors Corp. Series B cv. sr. deb. (A3)	930,100
2,500,000	Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1)	1,106,250
		3,173,850
	BANKING — 5.2%	
20,000 shs	Commerce Capital Trust II 5.95% cv. trust pfd. 144A (Baa1) (exch. for Commerce Bancorp common stock)	1,067,500
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A2)	1,398,000
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual Inc. common stock)	1,837,500
5,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual Inc. common stock)	262,500
		4,565,500
	CABLE — 1.1%	
1,000,000	Charter Communications, Inc. 5.75% 2005 cv. sr. notes (B3)	530,000
42,500 shs	Equity Securities Trust II 6.25% ** (NR) (exch. for Rainbow Media Group Class A tracking stock of Cablevision Systems Corp.)	485,988
		1,015,988
1,500,000	**CAPITAL GOODS — 1.4%** CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes * (A3) (exch. for General Electric Corp. common stock)	1,237,500
	DATA-PROCESSING SERVICES — 4.5%	
1,000,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	1,175,000
1,000,000	Documentum, Inc. 4.50% 2007 cv. sr. notes 144A (NR)	783,750
2,000,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3)	2,007,790
		3,966,540
	ENERGY — 4.8%	
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa2) (conv. into Chevron Corp. common stock)	498,940
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa2) (conv. into Chevron Corp. common stock)	999,520
1,300,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa2)	1,443,065
30,000	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa2) (exch. for Devon Energy Corp. common stock)	1,340,625
		4,282,150

Portfolio of Investments June 30, 2002 (continued)

Principal Amount or Shares		Value
	ENTERTAINMENT — 1.6%	
$3,000,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Limited common stock)	$1,410,390
	FINANCIAL & INSURANCE — 11.8%	
40,000 shs	Capital One Financial Corp. 6.25% Upper DECS *,** (Baa3)	1,940,800
1,500,000	Exchangeable Certificate Corp. 0.625% 2005 exch. certificates 144A (Aaa)(exch. for American Express Company common stock)	1,395,000
40,000 shs	Provident Financial Group, Inc. 9% PRIDES ** (Baa1)	1,130,000
17,500 shs	Prudential Financial Capital Trust I 6.25% equity security units *,** (A3) (exch. for Prudential Financial, Inc. common stock)	1,002,969
40,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa1)	1,838,750
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds 144A (Aa1) (conv. into Swiss Reinsurance Company common stock)	969,375
40,000	Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. nts. (A2)	946,000
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1)	935,625
500,000	XL Capital, Ltd. 0% 2021 cv. deb. * (A1)	311,875
		10,470,394
	HEALTH CARE — 8.0%	
1,000,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (Ba3)	1,605,200
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,059,900
1,000,000	Invitrogen, Inc. 5.50% 2007 cv. sub. notes (NR)	882,500
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes 144A (B3)	519,375
1,000,000	Medtronic, Inc. 1.25% 2021 cv. deb. * (A1)	1,017,050
1,000,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	1,050,000
600,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes 144A (B-)	580,125
400,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes (B-)	386,750
		7,100,900
	HOME BUILDING — 1.2%	
2,500,000	Masco Corp. 0% 2031 cv. sr. notes * (Baa1)	1,076,563
	MULTI-INDUSTRY — 2.0%	
2,000,000	Lehman Brothers Holdings, Inc. 0.25% 2006 BASES notes * (A3) (based on the value of the performance of the 10 Uncommon Values Index †)	1,780,000
	OFFICE EQUIPMENT — 1.3%	
1,250,000	IOS Capital, LLC 5% 2007 cv. sub. nts. 144A (Baa3) (exch. for IKON Office Solutions, Inc. common stock)	1,160,938
	PAPER & PAPER PRODUCTS — 1.2%	
20,000 shs	Temple-Inland Inc. 7.50% Upper DECS *,** (Baa3)	1,098,000
	PHARMACEUTICALS — 7.6%	
1,300,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	963,625
1,000,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (NR)	834,375
1,000,000	Elan Finance Corporation Ltd. 0% 2018 LYONs 144A (Ba3) (exch. for ADRs representing Elan Corporation, plc common stock)	469,340
700,000	Elan Finance Corporation Ltd. 0% 2018 LYONs (Ba3) (exch. for ADRs representing Elan Corporation, plc common stock)	328,538

Portfolio of Investments June 30, 2002 (continued)

Principal Amount or Shares		Value
	PHARMACEUTICALS - continued	
$1,500,000	ICN Pharmaceuticals, Inc. 6.50% 2008 cv. sub. notes 144A (B+)	$ 1,470,000
1,250,000	Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR)	1,018,750
1,315,000	Roche Holdings, Inc. 0% 2015 LYONs 144A (NR) (exch. for Genentech, Inc. common stock)	920,500
1,000,000	Sepracor, Inc. 7% 2005 cv. sub. deb. 144A (CCC+)	682,500
		6,687,628
	REAL ESTATE — 1.1%	
1,000,000	Federal Realty Investment Trust 5.25% 2003 cv. sub. deb. (Baa3)	985,000
	RETAIL — 8.2%	
500,000	Brinker International, Inc. 0% 2021 cv. sr. deb. 144A (Baa2)	333,355
750,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. nts. 144A (B2)	860,205
500,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	444,465
1,250,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,111,163
1,725,000	Duane Reade Inc. 2.148% 2022 cv. sr. nts. 144A (Ba3)	1,081,359
500,000	The Gap, Inc. 5.75% 2009 cv. bonds 144A (Ba3)	574,120
1,500,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	1,628,265
250,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	271,378
500,000	Skechers U.S.A., , Inc. 4.50% 2007 cv. bonds 144A (NR)	527,500
7,500 shs	Toys "R" Us, Inc. 6.25% equity securities units *,** (Baa3)	384,750
		7,216,560
	TECHNOLOGY — 8.1%	
750,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa2)	962,025
1,000,000	Anadigics, Inc. 5% 2006 cv. sr. notes 144A (B)	763,281
1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (Baa1)	1,200,500
1,000,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	811,875
250,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes (NR)	202,969
1,000,000	Computer Associates Int'l, Inc. % 2007 cv. sr. notes 144A (Baa2)	997,500
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes * (Aa3) (exch. for Microsoft Corp. common stock)	1,367,813
500,000	Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (B3)	425,625
500,000	Rational Software Corp. 5.00% 2007 cv. sub. notes (NR)	410,313
		7,141,901
	TELECOMMUNICATIONS — 3.5%	
4,000,000	Anixter International, Inc. 0% 2020 LYONs 144A (Ba3)	1,122,500
1,700,000	Anixter International, Inc. 0% 2020 LYONs (Ba3)	477,063
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,520,100
		3,119,663
	TRANSPORTATION — 3.6%	
1,000,000	Continental Airlines, Inc. 4.50% 2007 cv. notes (B2)	744,550
750,000	GATX Corp. 7.50% 2007 cv. sr. notes 144A (Baa3)	868,500
1,500,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	1,548,750
		3,161,800
	UTILITIES — 2.4%	
25,000 shs	American Electric Power Co., Inc. 9.25% Equity Units *,** (Baa1)	1,230,750
35,000 shs	DTE Energy Co. 8.75% Equity Security Units *,** (Baa2)	918,750
		2,149,500

Portfolio of Investments June 30, 2002 (continued)

Principal Amount or Shares		Value
	U.S. TREASURY NOTES — 0.0%	
$ 11,000	4.00% 4/30/03 #	$ 11,196
	CORPORATE SHORT-TERM NOTES — 3.4%	
3,000,000	American Express Credit Corp. (P1) (1.65% maturing 7/1/02)	2,999,313
	Total Convertible Bonds and Notes — 72.1%	63,824,546
	Total Convertible Preferred Stocks — 23.6%	20,910,257
	Total Common Stocks — 0.0%	—
	Total Corporate Short-Term Notes — 3.4%	2,999,313
	Total Investments — 99.1%	87,734,116
	Other assets and liabilities, net — 0.9%	810,714
	Total Net Assets — 100.0%	$88,544,830

* Contingent payment debt instrument.
See Note 1(b) Semi-Annual Report to Shareholders, dated March 31, 2002.

** Mandatory convertible. See Note 1(e) Semi-Annual Reports to Shareholders, dated March 31, 2002.

† Ticker symbols: AIG, APOL, BBBY, COF, HRC, KLAC, MCK, PFE, WEN & WY.

Collateral for a letter of credit.

ADBs	American Depositary Bonds.
ADRs	American Depositary Receipts.
ADSs	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
DECS	Debt Exchangeable for Common Stock.
LYONs	Liquid Yield Option Notes.
PIERS	Preferred Income Equity Redeemable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.