

Ellsworth Convertible Growth and Income Fund, Inc.

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Third Quarter Update - June 30, 2005 (unaudited)

Financial Highlights

Market price 06/30/05	\$7.74
Net asset value (NAV) 06/30/05	\$8.79
Market discount to NAV	(11.95)%
12-Month income distribution	\$0.295
Yield on market price	3.81%
Ratio of expenses to avg. net assets	1.17%*
Ratio of net income to avg. net assets	3.41%*
Portfolio turnover	59.28%
Shares outstanding	12,362,269

* Annualized

Largest Investment Holdings as of 06/30/05

by underlying common stock	% of Net Assets
Chesapeake Energy Corp.	3.5
Nuveen Investments, Inc.	2.4
The Walt Disney Company	2.4
Weatherford International Ltd.	2.4
The St. Paul Travelers Companies, Inc.	2.1
International Rectifier Corp.	2.0
Lear Corp.	1.9
MetLife, Inc.	1.9
Oil States International, Inc.	1.9
Schering-Plough Corp.	1.9

Major Industry Exposure as of 06/30/05

	% of Net Assets
Energy	15.1
Pharmaceuticals	12.3
Financial and Insurance	11.9
Technology	9.3
Banking/Savings and Loan	8.1
Health Care	6.6
Telecommunications	6.2
Retail	3.8
Chemicals	3.5
Entertainment	3.2

Performance through 06/30/05 with dividends reinvested

	Calendar		Cumulative	
	YTD	1 Year	5 Years	10 Years
Ellsworth market price (a,b)	(2.43)%	4.51%	21.03%	160.46%
Ellsworth net asset value (b,c,d)	(1.51)	2.55	2.60	128.27
Closed-end conv. fund avg. (d)	(1.08)	6.61	12.82	110.70
S&P 500 (a)	(0.81)	6.32	(11.32)	157.83
Russell 2000 (a)	(1.21)	9.55	32.48	158.93
Lehman Aggregate Bond Total Return Index (d)	2.51	6.80	42.92	93.53

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 rights offering.

(c) Net asset value dilution resulting from the Fund's 2003 rights offering was 2.21%.

(d) From Lipper, Inc. Closed-End Fund Performance Analysis, June 30, 2005.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
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
Jun. 05	8.80	8.35	8.79	7.74	7.25	7.74

Total Fund Investments as of 06/30/05

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 51,745	47.6
Convertible Preferred Stocks	25,380	23.3
Mandatory Convertible Securities	19,337	17.8
Common Stock	4,740	4.4
Short-Term Securities	11,407	10.5
Other Assets	(3,915)	(3.6)
Net Assets	<u>\$108,694</u>	<u>100.0%</u>

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	Total
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
5/13/05	5/27/05	0.070	—	0.070
		<u>\$0.295</u>		<u>\$0.295</u>

The portfolio holdings and industry exposure are as of June 30, 2005 and subject to change without notice. Detailed portfolio information is available on our website (www.ellsworthfund.com). 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, 2005

The U.S. convertible securities market has had a difficult year, but has shown improvement since May. According to Citigroup, convertible security returns were negative through June and only in July did they finally make positive territory for the year. Year-to-date and twelve-month cumulative total returns through July 31, 2005 show convertibles lagging the S&P 500 and the Russell 2000 for those periods.

The explanation for this performance by convertible securities appears to be related to the low levels of interest rates in 2002 and the subsequent raising of short-term rates by the Federal Reserve Bank. Convertibles are hybrid instruments; that is to say they have a structure that is part fixed income (bond) and part equity (stock). When short-term interest rates are low, the fixed income portion of a convertible security becomes more valuable and consequently will make up more of the total value of that security. The relative value of the equity component (and hence the equity sensitivity, or delta) of these securities would be lower. The delta of the U.S. convertible market fell by over half from February, 2000 to September, 2002 as measured by Citigroup. This lack of delta made it difficult for convertibles to keep up with upward moves in the stock market at the same time that short-term interest rates are rising.

Since September, 2002, delta has moved up off of its lows, bringing the balance of the equity/fixed income components in convertibles closer to historical norms. As the economy seems to be hitting its stride with unemployment at historically low levels and corporate profits growing, this improvement in convertible pricing gives us greater confidence that the potential total return of convertible securities has improved, making the asset class more attractive.

The Fund's exposure to the energy industry has continued to contribute to overall performance as oil prices have continued to climb. Consumer goods have also helped. Telecommunications, and to a lesser degree, banking sector exposure has hindered the performance of the Fund.

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 equities in bear markets and lag them in bull markets. For the ten-year period ended June 30, 2005, Ellsworth's NAV has outperformed the average of the closed-end convertible fund category tracked by Lipper, Inc. and published in the *Lipper Closed-End Performance Analysis*. However, for the quarter, one year and five years ended June 30, 2005, the Fund underperformed the average of the eleven funds in its category. Of these eleven funds, only five, 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.

Visit our website, www.ellsworthfund.com, for additional information on the Fund. 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 July meeting, the Board of Directors declared a dividend of 7 cents per share payable August 30, 2005 to shareholders of record August 16, 2005.



Thomas H. Dinsmore
Chairman of the Board

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Stock Exchange Listing

AMEX - Symbol: ECF



Portfolio of Investments June 30, 2005 (unaudited)

<u>Principal Amount</u>		<u>Value (Note 1)</u>
	CONVERTIBLE BONDS AND NOTES — 47.6%	
	Automotive — 1.9%	
\$4,500,000	Lear Corp. 0% 2022 cv. sr. notes (Ba2)	\$ 2,033,438
	Banking/Savings and Loan — 1.7%	
2,077,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium-term notes (A1) (exch. for Fifth Third Bancorp common stock) ⁽¹⁾	1,804,705
	Consumer Goods — 1.7%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2)	1,831,363
	Energy — 4.9%	
750,000	OMI Corp. 2.875% 2024 cv. sr. notes (B+)	699,375
2,000,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR) (Acquired 06/16/05; Cost \$1,980,000) ⁽²⁾	2,085,000
4,000,000	Weatherford International Ltd. 0% 2020 cv. sr. deb. (Baa1)	2,567,960
	<u>5,352,335</u>	
	Entertainment — 2.4%	
2,500,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1)	2,574,775
	Financial and Insurance — 0.9%	
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) ⁽²⁾	934,650
	Health Care — 4.1%	
1,500,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,733,400
1,750,000	Isolagen, Inc. 3.5% 2024 cv. sub. notes (NR) (Acquired 10/29/04 - 02/17/05; Cost \$1,771,250) ⁽²⁾	1,251,250
1,000,000	Mentor Corp. 2.75% 2024 cv. sub. notes (NR)	1,470,625
	<u>4,455,275</u>	
	Multi-Industry — 0.9%	
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) ⁽¹⁾	985,000
	Office Equipment — 1.3%	
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) ⁽²⁾	1,470,000
	Pharmaceuticals — 7.9%	
2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) ⁽¹⁾	1,459,990
550,000	CV Therapeutics, Inc. 3.25% 2013 sr. sub. cv. notes (NR)	587,125
1,500,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-)	1,501,406
1,250,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR)	1,233,500
500,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR)	496,250
1,250,000	Ivax Corp. 1.5% 2024 cv. sr. notes (NR) ⁽¹⁾	1,284,188
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) .	983,750
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) .	997,500
	<u>8,543,709</u>	

Portfolio of Investments June 30, 2005 (continued)

Principal Amount		Value (Note 1)
	CONVERTIBLE BONDS AND NOTES — (continued)	
	Retail — 3.8%	
\$1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)	\$ 1,175,000
1,250,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (B)	965,000
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	<u>1,979,424</u>
		<u>4,119,424</u>
	Technology — 9.2%	
1,000,000	Advanced Micro Devices, Inc. 4.75% 2022 cv. sr. deb. (B3) ⁽¹⁾	996,250
1,250,000	Agilent Technologies, Inc. 3% 2021 sr. cv. deb. (Ba2) ⁽¹⁾	1,235,938
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. into cash equivalent of a basket of technology stocks)	1,980,000
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	2,213,438
1,250,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B)	1,237,500
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) (Acquired 2/15/05 - 04/20/05; Cost \$1,491,557) ⁽²⁾	1,429,185
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3)	957,500
		<u>10,049,811</u>
	Telecommunications — 5.3%	
1,000,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) ⁽³⁾	1,379,250
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1)	1,078,160
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B1)	562,050
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,173,500
1,500,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR)	<u>1,576,875</u>
		<u>5,769,835</u>
	Utilities — 1.6%	
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1)	<u>1,820,700</u>
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$51,745,020</u>
Shares	CONVERTIBLE PREFERRED STOCKS — 23.3%	
	Banking/Savings and Loan — 6.5%	
17,500	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	1,037,068
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,560,000
20,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2)	994,700
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	1,568,000
35,000	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	<u>1,863,750</u>
		<u>7,023,518</u>
	Chemicals — 1.8%	
80,000	Celanese Corp. 4.25% cv. perp. pfd. (NR)	<u>1,954,400</u>
	Energy — 6.1%	
33,000	Chesapeake Energy Corp. 5% cum. cv. pfd. (B-) (Acquired 04/13/05 - 06/30/05; Cost \$3,482,500) ⁽²⁾	3,828,000
5,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-) (Acquired 03/09/05 - 03/10/05; Cost \$1,003,750) ⁽²⁾	975,000
20,000	The Williams Companies, Inc. 5.5% 2033 jr. sub. cv. deb. (B-)	<u>1,827,500</u>
		<u>6,630,500</u>
	Entertainment — 0.8%	
22,500	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	<u>929,531</u>

Portfolio of Investments June 30, 2005 (continued)

Shares		Value (Note 1)
CONVERTIBLE PREFERRED STOCKS — continued		
Financial and Insurance — 4.9%		
20	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05; Cost \$2,078,125) ⁽²⁾	\$ 1,943,750
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,182,188
100,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1)	2,238,500
		<u>5,364,438</u>
Health Care — 1.5%		
28,000	Omnicare Capital Trust II 4% PIERS (Ba3) (exch. for Omnicare, Inc. common stock) ⁽¹⁾	1,631,000
Mining — 1.7%		
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-)	1,846,356
	TOTAL CONVERTIBLE PREFERRED STOCKS	<u>\$25,379,743</u>
MANDATORY CONVERTIBLE SECURITIES — 17.8% ⁽⁴⁾		
Chemicals — 1.7%		
40,000	Huntsman Corp. 5% mand. cv. pfd. (NR)	1,821,880
Consumer Goods — 1.2%		
30,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. (B)	1,334,100
Energy — 3.1%		
20,000	Amerada Hess Corp. 7% mand. cv. pfd. ACES (Ba3)	1,831,400
20,000	Valero Energy Corp. 2% mand. cv. pfd. (BB)	1,566,720
		<u>3,398,120</u>
Financial and Insurance — 6.1%		
25,000	The Chubb Corp. 7% equity units (A2) ⁽¹⁾	794,000
30,000	Merrill Lynch & Co., Inc. 6.75% mand. exch. sec. (Aa3) (exch. for Nuveen Investments, Inc. common stock)	1,094,760
80,000	MetLife, Inc. 6.375% common equity units (BBB+)	2,112,800
42,500	Morgan Stanley, Inc. 5.875% mand. exch. sec. (Aa3) (exch. for Nuveen Investments, Inc. common stock)	1,548,700
45,000	XL Capital, Ltd. 6.5% equity security units (A2)	1,076,850
		<u>6,627,110</u>
Foods — 1.7%		
40,000	Albertson's, Inc. 7.25% HITS units (Baa2) ⁽¹⁾	893,600
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES (A1) (exch. for General Mills, Inc. common stock)	983,600
		<u>1,877,200</u>
Pharmaceuticals — 2.9%		
20,000	Baxter International, Inc. 7% equity units (Baa1) ⁽¹⁾	1,105,200
40,000	Schering-Plough Corp. 6% mand. cv. pfd. (Baa3)	2,039,200
		<u>3,144,400</u>
Utilities — 1.1%		
45,000	DTE Energy Co. 8.75% equity security units (BBB-) ⁽¹⁾	1,134,450
	TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽⁴⁾	<u>\$19,337,260</u>

Portfolio of Investments June 30, 2005 (continued)

Principal Amount or Shares		Value (Note 1)
	COMMON STOCKS — 4.4%	
	Energy — 0.9%	
20,000 shs	Devon Energy Corp.	\$ 1,013,600
	Health Care — 1.0%	
21,115 shs	LifePoint Hospitals, Inc. ⁽³⁾	1,067,363
	Pharmaceuticals — 1.6%	
26,300 shs	Johnson & Johnson	1,709,500
	Telecommunications — 0.9%	
40,000 shs	SBC Communications, Inc.	950,000
	TOTAL COMMON STOCKS	4,740,463
	SHORT-TERM SECURITIES — 10.5%	
	Commercial Paper — 10.5%	
\$11,400,000	American Express Credit Corp. (P1) (3.08% & 3.20% maturing 07/01/05 & 07/05/05)	11,396,360
	U.S. Government Obligations — 0.0%	
11,000	U.S. Treasury notes 2.25% 04/30/06 (Aaa) ⁽⁵⁾	10,890
	TOTAL SHORT-TERM SECURITIES	\$ 11,407,250
	Total Convertible Bonds and Notes — 47.6%	51,745,020
	Total Convertible Preferred Stocks — 23.3%	25,379,743
	Total Mandatory Convertible Securities — 17.8%	19,337,260
	Total Common Stocks — 4.4%	4,740,463
	Total Short-Term Securities — 10.5%	11,407,250
	Total Investments — 103.6%	112,609,736
	Other assets and liabilities, net — (3.6%)	(3,915,909)
	Total Net Assets — 100.0%	\$108,693,827

- (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 June 30, 2005 was \$13,916,835 which represented 12.8% 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.	LYONS	Liquid Yield Option Notes.
ADR	American Depositary Receipts.	PIES	Premium Income Exchangeable Securities.
BONUSES	Bifurcated Option Note Unit Securities.	PIERS	Preferred Income Equity Redeemable Securities.
HITS	Hybrid Income Term Security.	ZYPS	Zero Yield Puttable Securities.

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

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 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 4 cents per share for the nine months ended June 30, 2005. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At June 30, 2005 there were unrealized gains of approximately 1 cent per share on contingent payment debt instruments.

(c) 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.

(d) 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.

Notes to Financial Statements (continued)

(e) 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 \$19,337,260 at June 30, 2005, representing 17.8% of net assets.

For the complete Notes to Financial Statements see the Semi-Annual Report to Shareholders, dated March 31, 2005.