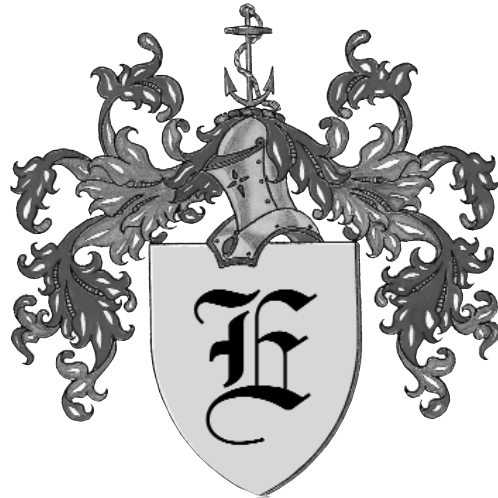


ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND



2004 Annual Report
September 30, 2004

2004 Annual Report September 30, 2004

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 September 30, 2004 *with dividends reinvested*

	Calendar			
	YTD	1 Year	5 Years	10 Years
Ellsworth market price (a)	2.12%	2.83%	39.53%	196.10%
Ellsworth net asset value (b)	0.13	5.23	20.11	147.45
Closed-end convertible fund average (b)	2.60	10.97	23.19	116.48
S&P 500 (a)	1.51	13.87	(6.38)	185.95
Russell 2000 (b)	3.71	18.77	42.96	156.33
Lehman Aggregate Bond Total Return Index (b)	3.35	3.68	43.43	109.18

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

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

(b) From Lipper, Inc. Closed-End Fund Performance Analysis, dated September 30, 2004.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices (AMEX, symbol ECF)		
	High	Low	Close	High	Low	Close
Dec. 03	\$8.92	\$8.58	\$8.91	\$8.22	\$7.80	\$8.00
Mar. 04	9.25	8.91	9.12	8.50	8.01	8.20
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

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	* Corporate Deduction
10/30/03	11/26/03	\$0.105	—	6%
2/12/04	2/26/04	0.070	—	13
5/13/04	5/27/04	0.070	—	13
8/16/04	8/30/04	0.070	—	13
		<u>\$0.315</u>		

* Percentage of each ordinary income distribution qualifying for the corporate dividend received tax deduction.

To Our Shareholders

November 9, 2004

With the election over, the stock market's attention can now turn to the economy and the war on terror. The economy continues to grow at a pace above the average 3% growth rate of the last fifteen years, but below many economists' expectations. It is clear to us that energy prices are having a greater impact than some had predicted; we believe growth may be reduced by as much as a full point. This directly affects new job creation and personal income.

At its slower rate of growth, the economy is giving off mixed signals. Auto sales have been flat, but at a level where auto companies can make money. Housing starts are 30% higher in 2004 than they were in 2000 and 2001. This indicates that there should be a solid increase in the sales of consumer durables such as refrigerators, washers and dryers. It also indicates that insurance companies and mortgage companies should see improvements in their demand.

Energy prices spiked above \$50 per barrel of oil before breaking down into the upper \$40's. We listed the causes of this rise in our last report, and now must add another: the weakness of the dollar against most other major currencies such as the euro and the yen. Ultimately these currency fluctuations will help our own industries as they make our exports cheaper and imports more expensive. Oil has played an important role in this process as oil imports have doubled to over 10 million barrels per day and domestic oil production has fallen by a third to around 5 million barrels per day since 1991. If oil prices remain at levels above \$40, we expect that the economy will be more efficient in its use of energy. We also expect the oil industry to expand exploration to bring out oil from fields that were uneconomical (or politically controversial) at lower prices. Further, there should be greater research, development and use of alternative energy sources such as hybrid technologies, solar, hydrogen fuel cells and possibly nuclear power.

Performance of the Fund was affected by its industry exposure. Energy companies provided the best performance for the Fund, as energy prices rose most of the year. Entertainment and technology are industries that underperformed as the economy has not grown as quickly as we anticipated.

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 underperformed the average of its peer-group for the quarter ended September 30, 2004. Our peers consist of the thirteen closed-end convertible funds in the *Lipper Closed-End Performance Analysis* survey. Of these thirteen funds, only four, including the Fund, remain unleveraged convertible funds. In addition, we believe that many of our competitors have greater exposure to non-convertible, low-rated, high yield debt than we do. 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 & Poor's should contact us.

continued on the following page

To Our Shareholders (continued)

At its October 18, 2004 meeting, the Board of Directors declared a dividend of 8.5 cents (\$0.085) per share. The dividend consists of undistributed net investment income and will be payable on November 24, 2004 to shareholders of record on October 28, 2004.

The 2005 annual meeting of shareholders will be held at our offices in Morristown, New Jersey on January 14, 2005. Time and location will be included in the Proxy Statement, scheduled to be mailed to shareholders on November 24, 2004. All shareholders are welcome to attend, we hope to see you there.



Thomas H. Dinsmore
Chairman of the Board

Major Portfolio Changes by underlying common stock Six months ended September 30, 2004

ADDITIONS

Albertson's, Inc.
The Walt Disney Company
Four Seasons Hotels, Inc.
GrafTech International Ltd.
Kulicke & Soffa Industries, Inc.
Leucadia National Corp.
Novell, Inc.
Ocwen Financial Corp.
Reebok International Ltd.
Saks, Inc.
Schering-Plough Corp.
Titan International, Inc.

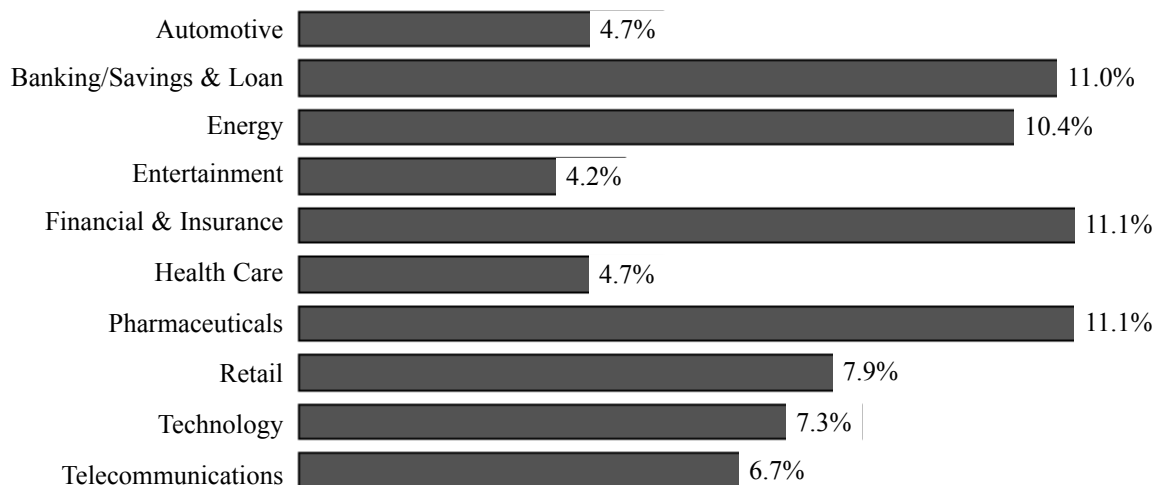
REDUCTIONS

Amerada Hess Corp.
Devon Energy Corp.
(exchangeable from Kerr-McGee Corp.)
Felcor Lodging Trust, Inc.
Kulicke & Soffa Industries, Inc.
Novell, Inc.
School Specialty, Inc.
State Street Corp.
STMicroelectronics, N.V.
Teva Pharmaceuticals Industries Ltd.
(exchangeable from Teva Pharm. Finance B.V.)
Toys "R" Us, Inc.
Verizon Communications, Inc.
(exchangeable from The Goldman Sachs Group, Inc.)

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
Sovereign Bancorp, Inc. <i>A holding company for Sovereign Bank. The bank's primary business consists of attracting deposits from its network of banking offices, and originating commercial, consumer and residential mortgage loans, as well as automobile loans.</i>	\$ 2,443,750	2.3 %
Amerada Hess Corp. <i>Together with its subsidiaries explores for, produces, purchases, transports and sells crude oil and natural gas. The company also manufactures, purchases, transports and markets refined petroleum products.</i>	2,391,750	2.2
Church & Dwight Co., Inc. <i>Produces sodium bicarbonate and sodium bicarbonate-based products. The company sells its products primarily under the Arm & Hammer trademark, to consumers and to industrial customers and distributors.</i>	2,209,519	2.1
Leucadia National Corp. <i>A diversified holding company that provides banking and lending services, manufacturing, real estate activities, winery operations, development of a copper mine and property and casualty reinsurance.</i>	2,187,500	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>	2,037,600	1.9
The TJX Companies, Inc. <i>Retails off-price apparel and home fashions. The company currently operates T.J. Maxx, Marshalls, HomeGoods, A.J. Wright, Winners and T.K. Maxx stores.</i>	1,986,000	1.9
Fifth Third Bancorp <i>A diversified financial services company. Principal businesses include retail banking, commercial banking, investment advisory and data processing. (exch. from The Bear Stearns Co., Inc.)</i>	1,971,534	1.8
Washington Mutual, Inc. <i>A financial services company that provides a diversified line of products and services to consumers and small- to mid-sized businesses.</i>	1,920,625	1.8
Teva Pharmaceutical Industries Ltd. <i>Develops, manufactures and markets generic and branded human pharmaceuticals and active pharmaceutical ingredients.</i>	1,916,250	1.8
Lucent Technologies, Inc. <i>Designs, builds and delivers a wide range of public and private networks, communications systems and software, business telephone systems and data networking systems.</i>	<u>1,891,140</u>	<u>1.8</u>
Total	<u>\$20,955,668</u>	<u>19.6 %</u>

Major Industry Exposure



Diversification of Assets

	Cost	Value (Note 1)	% Total Net Assets September 30,	
			2004	2003
Advertising	\$ 980,625	\$ 1,088,125	1.0%	3.8%
Aerospace & Defense	2,811,795	2,514,085	2.4	5.3
Automotive	5,010,579	5,078,125	4.7	2.5
Banking/Savings & Loan	11,632,279	11,741,460	11.0	9.7
Consumer Goods	3,266,410	3,847,019	3.6	3.0
Data-Processing Services	1,979,062	1,941,250	1.8	2.3
Electrical Supplies	999,375	1,087,500	1.0	—
Energy	9,007,263	11,071,850	10.4	6.9
Entertainment	4,756,041	4,534,981	4.2	4.6
Financial & Insurance	11,710,685	11,916,332	11.1	10.9
Foods	1,004,604	1,020,000	1.0	—
Health Care	5,138,482	5,061,725	4.7	7.1
Hotel Services	1,045,000	1,104,375	1.0	—
Mining	1,481,987	1,528,500	1.4	—
Office Equipment	1,498,125	1,545,000	1.5	1.6
Paper and Paper Products	—	—	—	1.4
Pharmaceuticals	11,768,224	11,946,497	11.1	9.8
Retail	8,585,281	8,461,263	7.9	9.4
Technology	8,982,722	7,830,824	7.3	6.8
Telecommunications	6,989,334	7,132,928	6.7	7.7
Transportation	—	—	—	2.1
Utilities	1,138,364	1,163,250	1.1	2.5
Short-Term Securities	4,110,446	4,110,412	3.8	0.0
Total Investments	103,896,683	105,725,501	98.7	97.4
Other Assets, Net of Liabilities	—	1,381,946	1.3	2.6
Total Net Assets	\$103,896,683	\$107,107,447	100.0%	100.0%

Portfolio of Investments September 30, 2004

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — 53.5%			
Advertising — 1.0%			
\$1,000,000	Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2)	\$ 980,625	\$1,088,125
Aerospace and Defense — 1.4%			
1,500,000	The Goldman Sachs Group, Inc. 1% 2009 exh. equity-linked notes (Aa3) (exch. for General Dynamics Corp. common stock) ⁽¹⁾	1,713,885	1,479,585
Automotive — 3.4%			
1,000,000	American Axle & Manufacturing Holdings, Inc. 2% 2024 cv. sr. notes (Baa3) ⁽¹⁾	1,055,835	895,000
3,500,000	Lear Corp. 0% 2022 cv. sr. notes (Baa3)	1,642,806	1,758,750
1,000,000	Titan International, Inc. 5.25% 2009 sr. cv. notes 144A (NR) (acquired 07/20/04) ⁽²⁾	1,000,938	1,016,875
		<u>3,699,579</u>	<u>3,670,625</u>
Banking/Savings & Loan — 3.1%			
2,077,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium term notes (A1) (exch. for Fifth Third Bancorp common stock) ⁽¹⁾	2,294,118	1,971,534
1,250,000	Ocwen Financial Corp. 3.25% 2024 contingent cv. sr. unsecured notes (B-) (acquired 07/22/04 - 09/27/04) ⁽²⁾	1,263,750	1,298,438
		<u>3,557,868</u>	<u>3,269,972</u>
Consumer Goods — 2.1%			
1,875,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba3)	1,875,000	2,209,519
Data-Processing Services — 1.8%			
1,500,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes (NR)	1,470,937	1,402,500
500,000	Per-Se Technologies, Inc. 3.25% 2024 cv. sub. deb. (B-) (acquired 06/24/04 - 06/25/04) ⁽²⁾	508,125	538,750
		<u>1,979,062</u>	<u>1,941,250</u>
Electrical Supplies — 1.0%			
1,000,000	GrafTech International Ltd. 1.625% 2024 cv. sr. deb. (B2)	999,375	1,087,500
Energy — 3.1%			
1,000,000	Devon Energy Corp. 0% 2020 cv. sr. deb. (BBB)	560,618	559,375
1,500,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Ba1)	1,573,438	1,605,720
500,000	McMoRan Exploration Co. 5.25% 2011 cv. sr. notes (acquired 09/30/04) ⁽²⁾	500,000	500,000
1,000,000	Weatherford International Ltd. 0% 2020 cv. sr. deb. (Baa1)	637,786	644,050
		<u>3,271,842</u>	<u>3,309,145</u>
Entertainment — 1.9%			
1,250,000	Citadel Broadcasting Corp. 1.875% 2011 cv. sub. notes (NR)	1,246,250	1,049,625
1,000,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1)	1,053,800	1,030,700
		<u>2,300,050</u>	<u>2,080,325</u>
Financial and Insurance — 2.9%			
2,000,000	Leucadia National Corp. 3.75% 2014 cv. sr. sub. notes (Ba3)	2,038,123	2,187,500
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (Aa1) (conv. into Swiss Reinsurance Company common stock) (acquired 11/15/01 - 12/05/01) ⁽²⁾	1,007,875	954,100
		<u>3,045,998</u>	<u>3,141,600</u>

Portfolio of Investments September 30, 2004 (continued)

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued			
Health Care — 3.5%			
\$1,000,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes (B1)	\$ 1,104,923	\$ 1,069,450
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	988,600	1,037,900
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	490,000	491,250
875,000	Mentor Corp. 2.75% 2024 cv. deb. (NR)	941,250	1,133,125
		<u>3,524,773</u>	<u>3,731,725</u>
Hotel Services — 1.0%			
1,000,000	Four Seasons Hotels, Inc. 1.875% 2024 cv. sr. notes (Baa3)	1,045,000	1,104,375
Office Equipment — 1.5%			
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) ⁽²⁾	1,498,125	1,545,000
Pharmaceuticals — 7.6%			
2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) ⁽¹⁾	1,611,294	1,477,440
1,000,000	Gilead Sciences, Inc. 2% 2007 cv. sr. notes (NR)	1,291,725	1,620,000
1,500,000	Impax Laboratories, Inc. 1.25% 2024 cv. sr. sub. deb. (NR) (acquired 03/31/04 - 07/21/04) ⁽²⁾	1,543,813	1,340,625
500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR)	495,000	493,750
1,250,000	Ivax Corp. 1.50% 2024 cv. sr. notes (NR) ⁽¹⁾	1,291,282	1,313,263
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.50% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,000,000	957,500
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,000,000	958,750
		<u>8,233,114</u>	<u>8,161,328</u>
Retail — 7.9%			
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)	1,295,633	1,093,750
1,250,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2)	1,285,428	1,327,341
750,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	618,093	710,265
1,250,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (NR)	859,233	992,969
1,000,000	Reebok International Ltd. 2% 2024 cv. deb. (BBB) (acquired 04/27/04) ⁽¹⁾⁽²⁾	1,015,653	1,015,000
1,500,000	Saks, Inc. 2% 2024 cv. sr. notes (Ba3) (acquired 03/17/04 - 07/16/04) ⁽²⁾	1,483,785	1,335,938
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	2,027,456	1,986,000
		<u>8,585,281</u>	<u>8,461,263</u>
Technology — 4.9%			
1,500,000	Axcelis Technologies, Inc. 4.25% 2007 cv. sub. notes (NR)	1,437,188	1,477,500
1,000,000	Conexant Systems, Inc. 5.25% 2006 cv. sub. notes (NR)	1,016,250	970,000
2,379,000	Hewlett-Packard Co., Inc. 0% 2017 LYONs (Baa1)	1,357,301	1,338,188
1,500,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	1,486,875	1,473,750
		<u>5,297,614</u>	<u>5,259,438</u>
Telecommunications — 5.4%			
1,500,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) ⁽³⁾	1,649,375	1,825,650
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B2)	1,000,000	1,242,550
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B2)	500,000	648,590
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,287,500	1,200,000
750,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes (NR)	756,719	855,938
		<u>5,193,594</u>	<u>5,772,728</u>
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$56,800,785</u>	<u>\$57,313,503</u>

Portfolio of Investments September 30, 2004 (continued)

Shares		Identified Cost	Value (Note 1)
CONVERTIBLE PREFERRED STOCKS — 19.9%			
Automotive — 1.3%			
50,000	General Motors Corp. 6.25% series C cv. sr. deb. (Baa1)	\$ 1,311,000	\$ 1,407,500
Banking/Savings and Loan — 7.9%			
17,500	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	884,220	1,047,813
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,038,700	1,356,800
30,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2)	1,807,306	1,702,500
50,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	2,571,060	2,443,750
35,000	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	1,773,125	1,920,625
		<u>8,074,411</u>	<u>8,471,488</u>
Energy — 3.0%			
7,500	Chesapeake Energy Corp. 6% cum. cv. pfd. (B3)	468,521	617,025
1,000	Chesapeake Energy Corp. 4.125% cum. cv. pfd. (B3)	1,000,000	1,128,750
20,000	The Williams Companies, Inc. 5.50% 2033 jr. sub. cv. deb. (B-)	1,015,000	1,432,500
		<u>2,483,521</u>	<u>3,178,275</u>
Entertainment — 2.3%			
22,500	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	919,590	939,375
1,500	Radio One, Inc. 6.50% HIGH TIDES (B3)	1,536,401	1,515,281
		<u>2,455,991</u>	<u>2,454,656</u>
Financial and Insurance — 2.8%			
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,000,000	1,167,500
80,000	The St. Paul Travelers Companies, Inc. 4.50% 2032 cv. jr. sub. notes (Baa1)	1,965,055	1,815,200
		<u>2,965,055</u>	<u>2,982,700</u>
Health Care — 1.2%			
28,000	Omnicare Capital Trust I 4% PIERS (Ba3) (exch. for Omnicare, Inc. common stock) ⁽¹⁾	1,613,709	1,330,000
Mining — 1.4%			
1,500	Freeport-McMoRan Copper and Gold, Inc. 5.50% cv. perpetual pfd. (CCC+)	1,481,987	1,528,500
	TOTAL CONVERTIBLE PREFERRED STOCKS	<u>\$20,385,674</u>	<u>\$21,353,119</u>
MANDATORY CONVERTIBLE SECURITIES — 19.2% ⁽⁴⁾			
Aerospace and Defense — 1.0%			
10,000	Northrop Grumman Corp. 7.25% equity units (NR) ⁽¹⁾	1,097,910	1,034,500
Consumer Goods — 1.5%			
50,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. (B)	1,391,410	1,637,500

Portfolio of Investments September 30, 2004 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued			
Energy — 4.3%			
30,000 shs	Amerada Hess Corp. 7% mandatory cv. pfd. ACES (Ba3)	\$ 1,526,250	\$ 2,391,750
20,000 shs	Teekay Shipping Corp. 7.25% PEPS units (BB-)	800,000	1,000,000
30,000 shs	Valero Energy Corp. 2% mandatory cv. pfd. (BB+)	925,650	1,192,680
		<u>3,251,900</u>	<u>4,584,430</u>
Financial and Insurance — 5.4%			
27,800 shs	Capital One Financial Corp. 6.25% Upper DECS (Baa3) ⁽¹⁾	1,453,127	1,471,732
72,000 shs	The Chubb Corp. 7% equity units (A2) ⁽¹⁾	1,979,793	2,037,600
40,000 shs	Platinum Underwriters Holdings, Ltd. 7% equity sec. units (NR) ⁽¹⁾	1,129,712	1,171,200
45,000 shs	XL Capital, Ltd. 6.5% equity security units (A2)	1,137,000	1,111,500
		<u>5,699,632</u>	<u>5,792,032</u>
Foods — 1.0%			
40,000 shs	Albertson's, Inc. 7.25% HITS units (Baa2) ⁽¹⁾	1,004,604	1,020,000
Pharmaceuticals — 2.5%			
31,500 shs	Baxter International, Inc. 7% equity units (Baa1) ⁽¹⁾	1,484,645	1,695,330
20,000 shs	Schering-Plough Corp. 6% mand. cv. pfd. (BBB)	1,024,750	1,059,000
		<u>2,509,395</u>	<u>2,754,330</u>
Technology — 2.4%			
105,550 shs	The Goldman Sachs Group, Inc. 7.50% mand. exch. notes (Aa3) (exch. for EMC Corp. common stock)	1,500,087	1,267,180
36,395 shs	The Goldman Sachs Group, Inc. 5.625% mand. exch. notes (Aa3) (exch. for Intel Corp. common stock)	999,771	752,831
\$1,100,000	Lehman Brothers Holdings, Inc. 6% 2005 YEELDS (A) (performance linked to LSI Logic Corp. common stock)	1,185,250	551,375
		<u>3,685,108</u>	<u>2,571,386</u>
Utilities — 1.1%			
45,000 shs	DTE Energy Co. 8.75% equity security units (BBB) ⁽¹⁾	1,138,364	1,163,250
		<u>19,778,323</u>	<u>\$20,557,428</u>
TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽⁴⁾ . . .			
COMMON STOCKS — 2.3%			
Pharmaceuticals — 1.0%			
18,300 shs	Johnson & Johnson	1,025,715	1,030,839
Telecommunications — 1.3%			
40,000 shs	SBC Communications, Inc.	1,063,000	1,038,000
20,000 shs	UTStarcom, Inc. ⁽³⁾	732,740	322,200
		<u>1,795,740</u>	<u>1,360,200</u>
		<u>\$ 2,821,455</u>	<u>\$ 2,391,039</u>
TOTAL COMMON STOCKS			

Portfolio of Investments September 30, 2004 (continued)

Principal Amount		Identified Cost	Value (Note 1)
	SHORT-TERM SECURITIES — 3.8%		
	Commercial Paper — 3.8%		
\$4,100,000	American Express Credit Corp. (P1) (1.65% maturing 10/01/04)	\$ 4,099,436	\$ 4,099,436
	U.S. Government Obligations — 0.0%		
11,000	U.S. Treasury notes 1.625% 04/30/05 (Aaa) ⁽⁵⁾	11,010	10,976
	TOTAL SHORT-TERM SECURITIES	\$ 4,110,446	\$ 4,110,412
	Total Convertible Bonds and Notes — 53.5%	56,800,785	57,313,503
	Total Convertible Preferred Stocks — 19.9%	20,385,674	21,353,119
	Total Mandatory Convertible Securities — 19.2%	19,778,323	20,557,428
	Total Common Stocks — 2.3%	2,821,455	2,391,039
	Total Short-Term Securities — 3.8%	4,110,446	4,110,412
	Total Investments — 98.7%	<u>\$103,896,683</u>	105,725,501
	Other assets and liabilities, net — 1.3%		1,381,946
	Total Net Assets — 100.0%		<u>\$107,107,447</u>

- (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 September 30, 2004 was \$9,544,726 which represented 8.9% of the Fund's net assets.
- (3) Non-income producing security.
- (4) Mandatory convertible. See Note 1(e).
- (5) Collateral for a letter of credit.

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

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies, Inc., have been obtained from sources believed reliable but have not been examined by PricewaterhouseCoopers LLP. NR is used whenever a rating is unavailable.

See accompanying notes to financial statements

Statement of Assets and Liabilities

September 30, 2004

Assets:

Investments at value (cost \$103,896,683) (Note 1)	\$105,725,501
Cash	1,485,315
Receivable for securities sold	500,000
Dividends and interest receivable	441,642
Other assets	32,769
Total assets	<u>108,185,227</u>

Liabilities:

Payable for securities purchased	1,000,000
Accrued management fee (Note 2)	11,307
Accrued expenses	23,351
Other liabilities	43,122
Total liabilities	<u>1,077,780</u>

Net Assets

\$107,107,447

Net assets consist of:

Undistributed net investment income	\$ 967,661
Accumulated net realized loss from investment transactions	(4,915,273)
Unrealized appreciation on investments	1,828,818
Capital shares (Note 3)	122,981
Additional paid-in capital	<u>109,103,260</u>

Net Assets

\$107,107,447

Net asset value per share (\$107,107,447 ÷ 12,298,127 outstanding shares)

\$ 8.71

Statement of Operations

For the Year Ended September 30, 2004

Investment Income (Note 1):

Interest	\$ 2,594,530
Dividends	<u>2,302,465</u>
Total Income	<u>4,896,995</u>

Expenses (Note 2):

Management fee	785,869
Custodian	31,127
Transfer agent	22,932
Professional fees	128,289
Directors' fees	118,100
Reports to shareholders	50,374
Treasurer's office	25,000
Other	87,904
Total Expenses	<u>1,249,595</u>

Net Investment Income

3,647,400

Realized and Unrealized Gain on Investments:

Net realized gain from investment transactions	3,243,708
Net unrealized appreciation of investments	<u>411,096</u>
Net gain on investments	<u>3,654,804</u>

Net Increase in Net Assets Resulting from Operations

\$ 7,302,204

Statement of Changes in Net Assets

For the Years Ended September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Change in net assets from operations:		
Net investment income	\$ 3,647,400	\$ 3,375,274
Net realized gain (loss) from investment transactions	3,243,708	(442,388)
Net unrealized appreciation of investments	411,096	8,367,818
Net increase in net assets resulting from operations	<u>7,302,204</u>	<u>11,300,704</u>
Dividends to shareholders from:		
Net investment income	(3,681,116)	(3,143,201)
Capital share transactions (Note 3)		
Value of shares issued on reinvestment of distributions	648,017	518,366
Net proceeds from rights offering	<u>13,037,152</u>	<u>—</u>
Total capital share transactions	<u>13,685,169</u>	<u>518,366</u>
Change in net assets	17,306,257	8,675,869
Net assets at beginning of period	<u>89,801,190</u>	<u>81,125,321</u>
Net assets at end of period (including undistributed net investment income of \$967,661 and \$1,001,377, respectively)	<u>\$107,107,447</u>	<u>\$89,801,190</u>

Financial Highlights

Selected data for a share of common stock outstanding:

Years Ended September 30,

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Operating Performance:					
Net asset value, beginning of year	\$8.58	\$7.81	\$8.67	\$11.82	\$11.23
Net investment income	0.30	0.32	0.34	0.47	0.42
Net realized and unrealized gain (loss)	0.35	0.75	(0.76)	(1.88)	1.71
Total from investment operations	0.65	1.07	(0.42)	(1.41)	2.13
Less Distributions:					
Dividends from net investment income	(0.32)	(0.30)	(0.44)	(0.42)	(0.35)
Distributions from realized gains	—	—	—	(1.32)	(1.23)
Total distributions	(0.32)	(0.30)	(0.44)	(1.74)	(1.58)
Capital share transactions:					
Effect of rights offering	(0.20)	—	—	—	—
Capital share repurchases	—	—	—	—	0.04
Total capital share transactions	(0.20)	—	—	—	0.04
Net asset value, end of year	<u>\$8.71</u>	<u>\$8.58</u>	<u>\$7.81</u>	<u>\$8.67</u>	<u>\$11.82</u>
Market value, end of year	\$7.95	\$8.05	\$7.55	\$8.35	\$9.88
Total Net Asset Value Return (%) ^(a)	5.2	14.0	(5.2)	(13.3)	21.9
Total Investment Return (%) ^(b)	2.8	10.8	(4.5)	2.2	25.7
Ratios/Supplemental Data:					
Net assets, end of year (\$000's)	\$107,107	\$89,801	\$81,125	\$88,901	\$109,180
Ratio of expenses to average net assets (%) ...	1.2	1.2	1.2	1.2	1.2
Ratio of net investment income to average net assets (%)	3.4	3.9	3.9	5.0	3.8
Portfolio turnover rate (%)	70	86	89	82	98

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

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

Notes to Financial Statements

1. Significant Accounting Policies

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 initial 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 5 cents per share for the year ended September 30, 2004. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At September 30, 2004 there were unrealized losses 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 year ended September 30, 2004.

Notes to Financial Statements (continued)

(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 years ended September 30, 2004 and 2003 were \$3,681,116 and \$3,143,201, respectively, both from ordinary income.

At September 30, 2004 the components of distributable net assets and the federal tax cost were as follows:

Unrealized appreciation	\$ 6,230,065
Unrealized depreciation	<u>(4,401,247)</u>
Net unrealized appreciation	1,828,818
Undistributed ordinary income	967,661
Tax basis capital loss carryforward	(4,915,273)
Cost for federal income tax purposes	\$103,896,683

In accordance with subchapter M of the Internal Revenue Code of 1986, as amended, for the year ended September 30, 2004, 12.8% of the dividends paid from ordinary income qualified for the dividends received deduction for corporations. Certain dividends paid by the Fund for the fiscal year ended September 30, 2004 may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund intends to designate up to a maximum amount of \$471,316 as taxed at a maximum rate of 15%.

Shareholders should not use the above information to prepare their tax returns. Since the Fund's fiscal year is not the calendar year, another notification will be sent with respect to calendar year 2004. Such notification, which will reflect the amount to be used by taxpayers on their federal income tax returns, will be made in conjunction with Form 1099 DIV and will be mailed in January 2005. Shareholders are advised to consult their own tax advisers with respect to the tax consequences of their investment in the Fund.

(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 in their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but still less than that of the underlying common stock. The market value of those securities was \$20,557,428 at September 30, 2004, representing 19.2% of net assets.

Notes to Financial Statements (continued)

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.

3. Capital Stock

At September 30, 2004 there were 12,298,127 shares of \$.01 par value common stock outstanding, (20,000,000 shares authorized). During the years ended September 30, 2004 and 2003, 81,307 shares and 68,117 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$648,017 and \$518,366 respectively.

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

4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$81,474,741 and \$71,911,217, respectively, for the year ended September 30, 2004.

Report of Independent Auditors

**To the Shareholders and Board of Directors of
Ellsworth Convertible Growth and Income Fund, Inc.**

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Ellsworth Convertible Growth and Income Fund, Inc. (the “Fund”) at September 30, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2004 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York
October 29, 2004

Miscellaneous Notes

Automatic Dividend Investment and Cash Payment Plan

The Fund has an Automatic Dividend Investment and Cash Payment Plan (the “Plan”). Any shareholder may elect to join the Plan by sending an application to American Stock Transfer & Trust Company, P.O. Box 922, Church Street Station, NY 10269-0560 (the “Plan Agent”). You may also obtain additional information about the Plan by calling the Plan Agent toll free at (800) 937-5449. If your shares are held by a broker or other nominee, you should instruct the nominee to join the Plan on your behalf. Some brokers may require that your shares be taken out of the broker’s “street name” and re-registered in your own name. Shareholders should also contact their broker to determine whether shares acquired through participation in the Plan can be transferred to another broker, and thereafter, whether the shareholder can continue to participate in the Plan.

Under the Plan, all dividends and distributions are automatically invested in additional Fund shares. Depending on the circumstances, shares may either be issued by the Fund or acquired through open market purchases at the current market price or net asset value, whichever is lower (but not less than 95% of market price). When the market price is lower, the Plan Agent will combine your dividends with those of other Plan participants and purchase shares in the market, thereby taking advantage of the lower commissions on larger purchases. There is no other charge for this service.

All dividends and distributions made by the Fund (including capital gain dividends and dividends designated as qualified dividend income, which are eligible for taxation at lower rates) remain taxable to Plan participants, regardless of whether such dividends and distributions are reinvested in additional shares of the Fund through open market purchases or through the issuance of new shares. Plan participants will be treated as receiving the cash used to purchase shares on the open market and, in the case of any dividend or distribution made in the form of newly issued shares, will be treated as receiving an amount equal to the fair market value of such shares as of the reinvestment date. Accordingly, a shareholder may incur a tax liability even though such shareholder has not received a cash distribution with which to pay the tax.

Plan participants may also voluntarily send cash payments of \$100 to \$10,000 per month to the Plan Agent, to be combined with other Plan monies, for purchase of additional Fund shares in the open market. You pay only a bank service charge of \$1.25 per transaction, plus your proportionate share of the brokerage commission. All shares and fractional shares purchased will be held by the Plan Agent in your dividend reinvestment account. You may deposit with the Plan Agent any Ellsworth stock certificates you hold, for a one-time fee of \$7.50.

At any time, a Plan participant may instruct the Plan Agent to liquidate all or any portion of such Plan participant’s account. To do so, a Plan participant must deliver written notice to the Plan Agent prior to the record date of any dividend or distribution requesting either liquidation or a stock certificate. The Plan Agent will combine all liquidation requests it receives from Plan participants on a particular day and will then sell shares of the Fund that are subject to liquidation requests in the open market. The amount of proceeds a Plan participant will receive shall be determined by the average sales price per share, after deducting brokerage commissions, of all shares sold by the Plan Agent for all Plan participants who have given the Plan Agent liquidation requests.

The Plan Agent or the Fund may terminate the Plan for any reason at any time by sending written notice addressed to Plan participant’s address as shown on the Plan Agent’s records. Following the date of termination, the Plan Agent shall send the Plan participant either the proceeds of liquidation, or a stock certificate or certificates for the full shares held by the Plan Agent in the Plan participant’s account. Additionally, a check will be sent for the value of any fractional interest in the Plan participant’s account based on the market price of the Fund’s Common Stock on that date.

Miscellaneous Notes (continued)

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.

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 Securities and Exchange Commission (SEC) for the Fund's first and third fiscal quarters 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. You may obtain the Form N-Q filings by accessing the SEC's website at 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. You can also request copies of this information, upon payment of a fee for duplication, at the SEC's email address (publicinfo@sec.gov) or by writing the Public Reference section of the SEC, Washington, DC 20549-0102.

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. This information is also available on the SEC's website at 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.

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

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

Directors

Each director is also a director of Bancroft Convertible Fund, Inc. (Bancroft) (a closed-end management investment company). Davis-Dinsmore Management Company (Davis-Dinsmore) is the Fund's investment adviser and is also the investment adviser to Bancroft. Because of this connection, the Fund and Bancroft make up a Fund Complex. Therefore, each director oversees two investment companies in the Fund Complex.

Personal Information	Principal Occupation(s) During Past Five Years; Other Directorship(s)
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INDEPENDENT DIRECTORS

<p>Gordon F. Ahalt 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2007 Director since 1986 Age 76</p>	<p>Retired. Prior to 2001, President of G.F.A. Inc. (petroleum industry consulting company). Director of Bancroft and CalDive International.</p>
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<p>William A. Benton 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 1986 Age 71</p>	<p>Retired. Prior to 2001, Partner of BE Partners (small options market maker). Prior to 2000, Limited Partner of Gavin, Benton & Co. (NYSE specialist); Director of Bancroft.</p>
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<p>Elizabeth C. Bogan, Ph.D. 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2007 Director since 1986 Age 60</p>	<p>Senior Lecturer in Economics at Princeton University; Director of Bancroft.</p>
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<p>Donald M. Halsted, Jr. 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2005 Director since 1986 Age 77</p>	<p>Retired Business Executive; Director of Bancroft.</p>
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<p>George R. Lieberman ⁽¹⁾ 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 1990 Age 82</p>	<p>Retired Advertising Executive; Director of Bancroft.</p>
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Directors (continued)

Personal Information	Principal Occupation(s) During Past Five Years; Other Directorship(s)
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INDEPENDENT DIRECTORS (continued)

<p>Duncan O. McKee 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2005 Director since 1996 Age 73</p>	<p>Retired Attorney; Director of Bancroft.</p>
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<p>Nicolas W. Platt 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2007 Director since 1997 Age 51</p>	<p>Since January 2003, President of CNC-US (an international consulting company). Prior to January 2003, Senior Partner of Platt & Rickenbach (public relations firm). Prior to May 2001, with WPP Group, UK and its public relations subsidiaries, Ogilvy Public Relations, Burson-Marsteller and Robinson Lehr Montgomery; Director of Bancroft.</p>
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INTERESTED DIRECTORS

<p>Thomas H. Dinsmore, C.F.A. ⁽²⁾ 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2005 Director since 1986 Age 51</p>	<p>Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore; Director of Bancroft and Davis-Dinsmore.</p>
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<p>Jane D. O’Keeffe ⁽²⁾ 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 1995 Age 49</p>	<p>President of the Fund, Bancroft and Davis-Dinsmore; Director of Bancroft and Davis-Dinsmore.</p>
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As of the date of this report, the Board of Directors did not have an audit committee financial expert serving on its audit committee as the Board was still in the process of identifying an appropriate candidate. However, the Fund’s directors subsequently elected Robert J. McMullan to the Board of Directors, effective November 15, 2004, and have appointed Mr. McMullan to serve on the Fund’s audit committee. The Board of Directors has determined that Mr. McMullan possesses the attributes required to be considered an audit committee financial expert under applicable federal securities laws. Mr. McMullan’s background and experience will be included in the Proxy Statement for the Fund’s 2005 annual meeting, at which time shareholders will vote to approve the election of Mr. McMullan as a director.

(1) Mr. Lieberman retired as Director of the Fund as of October 18, 2004.

(2) Mr. Dinsmore and Ms. O’Keeffe are considered interested persons because they are officers and directors of Davis-Dinsmore. They are brother and sister.

Principal Officers

The business address of each officer is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Officers are elected by and serve at the pleasure of the Board of Directors. Each officer holds office until the annual meeting to be held in 2005, and thereafter until his or her respective successor is duly elected and qualified.

Personal Information	Principal Occupation(s) During Past Five Years; Other Directorship(s)
Thomas H. Dinsmore, C.F.A. ^(1,2,3) Director, Chairman and Chief Executive Officer since 1986 Age 51	Director, Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore.
Jane D. O’Keeffe ^(1,2,3) Director and President Officer since 1994 Age 49	Director and President of the Fund, Bancroft and Davis-Dinsmore.
Gary I. Levine Executive Vice President, Chief Financial Officer and Secretary Officer since 1993 Age 47	Since 2004, Executive Vice President and Chief Financial Officer, and since 2003 Secretary, and prior thereto, Treasurer and Assistant Secretary of the Fund, Bancroft and Davis-Dinsmore.
H. Tucker Lake, Jr. ^(2,4) Vice President Officer since 1994 Age 57	Since 2002, Vice President, and prior thereto Vice President, Trading, of the Fund, Bancroft and Davis-Dinsmore.
Germaine M. Ortiz Vice President Officer since 1994 Age 35	Since 1999, Vice President of the Fund, Bancroft and Davis-Dinsmore.
Mercedes A. Pierre Vice President, Chief Compliance Officer and Assistant Treasurer Officer since 1998 Age 43	Vice President and Chief Compliance Officer since 2004, and Assistant Treasurer since 1998 of the Fund, Bancroft and Davis-Dinsmore. Prior thereto Assistant Treasurer of Davis-Dinsmore.
Joshua P. Lake ^(3,4) Treasurer and Assistant Secretary Officer since 2002 Age 28	Since 2004, Treasurer and Assistant Secretary. Prior to 2004, Assistant Treasurer and Assistant Secretary and prior to 2002 Research Associate of the Fund, Bancroft and Davis-Dinsmore.

(1) Mr. Dinsmore and Ms. O’Keeffe brother and sister.
 (2) Mr. H. Tucker Lake is the cousin of Mr. Dinsmore and Ms. O’Keeffe.
 (3) Mr. Joshua Lake is the cousin of Mr. Dinsmore and Ms. O’Keeffe.
 (4) Mr. Tucker Lake is the father of Mr. Joshua Lake.

Board of Directors

GORDON F. AHALT	<i>Petroleum Consultant</i>
WILLIAM A. BENTON	<i>Retired Stock Exchange Specialist</i>
ELIZABETH C. BOGAN	<i>Senior Lecturer in Economics at Princeton University</i>
THOMAS H. DINSMORE, C.F.A.	<i>Chairman of the Board of Ellsworth</i>
DONALD M. HALSTED, JR.	<i>Investor</i>
GEORGE R. LIEBERMAN ⁽¹⁾	<i>Retired Advertising Executive</i>
DUNCAN O. MCKEE	<i>Retired Attorney</i>
JANE D. O'KEEFFE	<i>President of Ellsworth</i>
NICOLAS W. PLATT	<i>Public Relations Executive</i>

Officers

THOMAS H. DINSMORE	<i>Chairman of the Board</i>
JANE D. O'KEEFFE	<i>President</i>
GARY I. LEVINE	<i>Executive Vice President, Chief Financial Officer and Secretary</i>
H. TUCKER LAKE	<i>Vice President</i>
GERMAINE M. ORTIZ	<i>Vice President</i>
MERCEDES A. PIERRE	<i>Vice President, Chief Compliance Officer and Assistant Treasurer</i>
JOSHUA P. LAKE	<i>Treasurer and Assistant Secretary</i>
JESSICA K. LAKE	<i>Assistant Vice President</i>
JOANN VENEZIA	<i>Assistant Vice President</i>

(1) Retired as Director of the Fund as of October 18, 2004.

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Common Stock Listing

American Stock Exchange Symbol: ECF

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