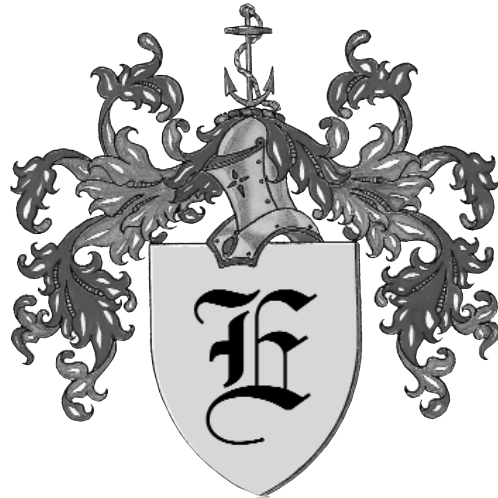


# ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND



2005 Annual Report  
September 30, 2005

## 2005 Annual Report September 30, 2005

*Ellsworth Convertible Growth and Income Fund, Inc. operates as a closed-end, diversified management investment company and invests primarily in convertible securities, with the objectives of providing income and the potential for capital appreciation -- which objectives the Fund considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.*

### Highlights

#### Performance through September 30, 2005 with dividends reinvested

	Calendar		Cumulative	
	YTD	1 Year	5 Years	10 Years
Ellsworth market price (a) . . . . .	(0.28)%	2.45%	14.00%	155.38%
Ellsworth net asset value (b) . . . . .	4.89	10.31	8.73	128.59
Closed-end convertible fund average (b) . . . . .	3.93	11.20	16.47	108.20
S&P 500 Index (a) . . . . .	2.77	12.25	(7.22)	147.47
Russell 2000 Index (a) . . . . .	3.44	18.08	37.15	146.91
Lehman Aggregate Bond Total Return Index (b)	1.82	2.80	37.80	88.52

*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, 2005.

#### Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices (AMEX, symbol ECF)		
	High	Low	Close	High	Low	Close
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
Sep. 05	9.29	8.82	9.29	7.90	7.57	7.84

#### Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	* Corporate Deduction
10/28/04	11/24/04	\$0.085	—	13%
2/11/05	2/25/05	0.070	—	22
5/13/05	5/27/05	0.070	—	22
8/16/05	8/30/05	0.070	—	22
		<u>\$0.295</u>		

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

# To Our Shareholders

November 4, 2005

As we approach the end of this most eventful year we find our investment strategy to be heavily influenced by the question “Is inflation back?” The Consumer Price Index (CPI) that had been running at a year over year rate of under 2% in 2003 is now over 4.5% (3Q 2005). Any significant inflation can be a very disruptive phenomenon.

In the 1970’s inflation became embedded in our economy. This came about due to stimulative fiscal policy (government spending), loose monetary policy, imposition of substantial regulation and tax policy that included penalties on savings and investment, and higher tax brackets for those who were simply keeping up with price increases (bracket creep). There were also several supply shocks in energy and mining. In that environment investing in manufacturing did not work while investing in hard assets such as metals and oil did.

Our current economy shows some similarities to that of the 1970’s: fiscal policy has been stimulative, monetary policy was also stimulative for several years, supply shocks created by national disasters have occurred, a form of bracket creep has returned through a device known as the alternative minimum tax (which includes no adjustment for inflation) and Federal regulations have expanded.

There are also differences: technology has increased productivity, Federal tax rates of 50% to 70% in the 1970’s are now 15% to 35% on savings and investment, and globalization has expanded competition which limits price increases by companies.

It is our opinion that a limited form of inflation is returning, which should benefit the owners of hard assets. However, the lower tax rates, productivity gains, tighter monetary policy and the effects of globalization should keep it from becoming embedded.

Of the Fund’s major industry exposure, energy continued to contribute positively to performance in its fourth quarter, while exposure to the telecommunications industry has hindered performance. The rise in energy prices has been a direct cause of the strong performance by energy stocks, but has also reduced expectations for growth in other sectors of the economy.

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. For the quarter, nine-month and ten-year periods ended September 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 one year and five years ended September 30, 2005, the Fund underperformed the average of the eleven funds in its category. Of these eleven funds, only four, including the Fund, remain unleveraged convertible funds and only five, including the Fund, have more than 65% of their assets in convertible securities. We believe these factors contributed to the difference in performance between Ellsworth and many of the other funds in the group.

Independent director William A. Benton is retiring from service at the end of his term in 2006. He was one of Ellsworth’s directors in our founding year of 1986. His contributions to the Fund have been many. He will be missed.

*continued on the following page*

## To Our Shareholders (continued)

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

At its October 17, 2005 meeting, the Board of Directors declared a dividend of 9.75 cents (\$0.0975) per share. The dividend consists of undistributed net investment income and will be payable on November 23, 2005 to shareholders of record on October 27, 2005.

The 2006 annual meeting of shareholders will be held at our offices in Morristown, New Jersey on January 13, 2006. Time and location will be included in the proxy statement, scheduled to be mailed to shareholders on November 28, 2005. 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, 2005

### ADDITIONS

Best Buy Co., Inc.  
Celanese Corp.  
Cephalon, Inc.  
EchoStar Communications Corp.  
FTI Consulting, Inc.  
Genworth Financial, Inc.  
*(exchangeable from Citigroup Funding, Inc.)*  
LSI Logic Corp.  
Manor Care, Inc.  
MetLife, Inc.  
Nuveen Investments, Inc.  
*(exchangeable from Merrill Lynch & Co., Inc. and Morgan Stanley, Inc.)*  
Oil States International, Inc.  
U.S. Bancorp

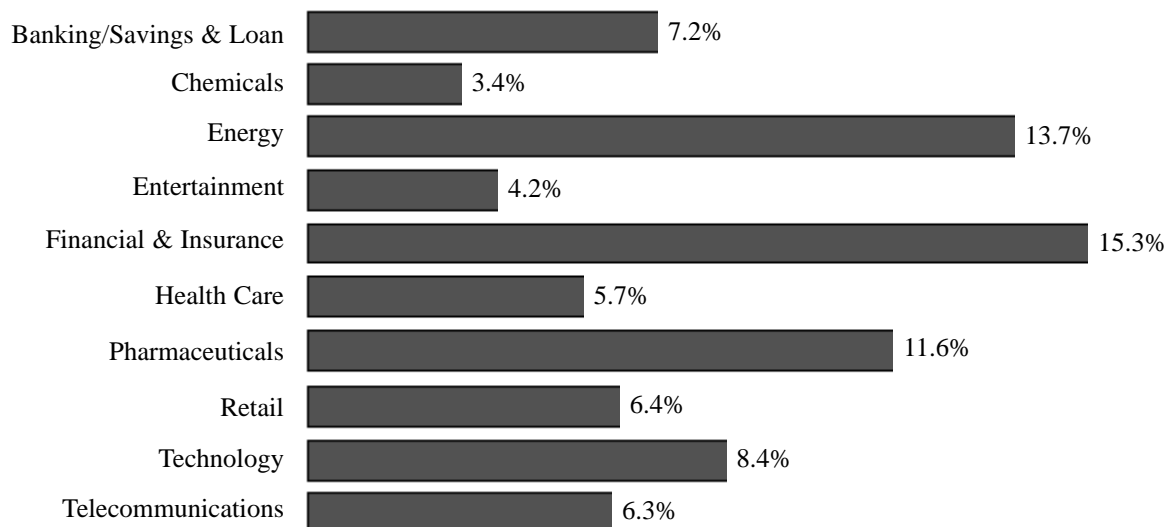
### REDUCTIONS

Agilent Technologies, Inc.  
The Chubb Corp.  
Devon Energy Corp.  
Global Marine Corp.  
Impax Laboratories, Inc.  
IKON Office Solutions, Inc.  
*(exchangeable from IOS Capital, LLC)*  
Ivax Corp.  
Leucadia National Corp.  
Ocwen Financial Corp.  
Omnicare, Inc.  
Pegasus Solutions, Inc.  
Valero Energy Corp.  
Weatherford International, Ltd.

## Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
Chesapeake Energy Corp. . . . . <i>Produces oil and natural gas. The company's operations are focused on developmental drilling and producing property acquisitions in onshore natural gas producing areas of the United States and Canada.</i>	\$ 4,640,875	4.0 %
The Walt Disney Company . . . . . <i>An entertainment company which conducts operations in media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.</i>	3,301,090	2.9
Nuveen Investments, Inc. . . . . <i>The company's principal activities are asset management and related research, and the development, marketing and distribution of investment products and services. Nuveen provides its services through financial advisors who serve the affluent and high net worth market segments. (exch. from Merrill Lynch &amp; Co., Inc. and Morgan Stanley, Inc.)</i>	2,717,295	2.4
The St. Paul Travelers Companies, Inc. . . . . <i>Provides a broad range of insurance products and services for the commercial and consumer markets.</i>	2,406,000	2.1
Genworth Financial, Inc. . . . . <i>Provides life insurance products, long-term care insurance and mortgage guarantee insurance coverage on residential mortgage loans. (exch. from Citigroup Funding, Inc.)</i>	2,360,475	2.1
The Williams Companies, Inc. . . . . <i>The company explores, produces, gathers, processes and transports natural gas. Williams also manages a wholesale power business.</i>	2,340,000	2.0
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>	2,332,600	2.0
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>	2,309,160	2.0
MetLife, Inc. . . . . <i>Provides insurance and financial services to a range of individual and institutional customers.</i>	2,263,200	2.0
Freeport McMoRan Copper and Gold, Inc. . . . . <i>Is involved in mineral exploration and development, mining, and milling of copper, gold and silver. The company is also involved in smelting and refining copper concentrates.</i>	2,218,420	1.9
Total . . . . .	<u>\$26,889,115</u>	<u>23.4 %</u>

## Major Industry Exposure



## Diversification of Assets

	Cost	Value (Note 1)	% Total Net Assets September 30,	
			2005	2004
Automotive	\$ 2,845,190	\$ 2,644,188	2.3%	4.7%
Banking/Savings and Loan	8,646,599	8,279,613	7.2	11.0
Chemicals	3,943,044	3,890,520	3.4	—
Consumer Goods	2,463,795	3,207,263	2.8	3.6
Energy	10,369,642	15,757,845	13.7	10.4
Entertainment	4,902,842	4,791,715	4.2	4.2
Financial and Insurance	17,165,326	17,577,120	15.3	11.1
Foods	2,071,514	2,060,800	1.8	1.0
Health Care	6,885,292	6,548,522	5.7	4.7
Mining	1,961,987	2,218,420	1.9	1.4
Multi-Industry	1,593,172	1,438,500	1.3	—
Pharmaceuticals	12,562,777	13,286,207	11.6	11.1
Retail	7,742,664	7,303,858	6.4	7.9
Technology	9,642,922	9,695,225	8.4	7.3
Telecommunications	6,497,489	7,196,055	6.3	6.7
Utilities	1,500,000	1,927,500	1.7	1.1
Other	2,022,193	2,041,250	1.6	8.7
Short-Term Securities	4,308,677	4,308,683	3.8	3.8
<b>Total Investments</b>	<b>107,125,125</b>	<b>114,173,284</b>	<b>99.4</b>	<b>98.7</b>
Other Assets, Net of Liabilities	—	650,585	0.6	1.3
<b>Total Net Assets</b>	<b>\$107,125,125</b>	<b>\$114,823,869</b>	<b>100.0%</b>	<b>100.0%</b>

# Statement of Assets and Liabilities

September 30, 2005

**Assets:**

Investments at value (cost \$107,125,125) (Note 1) .....	\$114,173,284
Cash .....	156,561
Receivable for securities sold .....	2,090,725
Dividends and interest receivable .....	494,204
Other assets .....	32,676
Total assets .....	<u>116,947,450</u>

**Liabilities:**

Payable for securities purchased .....	1,996,882
Accrued management fee (Note 2) .....	68,330
Accrued expenses .....	19,935
Other liabilities .....	38,434
Total liabilities .....	<u>2,123,581</u>

**Net Assets** ..... \$114,823,869

**Net assets consist of:**

Undistributed net investment income .....	\$ 747,780
Accumulated net realized loss from investment transactions .....	(2,705,037)
Unrealized appreciation on investments .....	7,048,159
Capital shares (Note 3) .....	123,623
Additional paid-in capital .....	<u>109,609,344</u>

**Net Assets** ..... \$114,823,869

Net asset value per share (\$114,823,869 ÷ 12,362,269 outstanding shares) ..... \$ 9.29

# Statement of Operations

For the Year Ended September 30, 2005

**Investment Income (Note 1):**

Interest .....	\$ 2,709,465
Dividends .....	<u>2,287,195</u>
Total Income .....	<u>4,996,660</u>

**Expenses (Note 2):**

Management fee .....	785,902
Custodian .....	23,300
Transfer agent .....	22,563
Professional fees .....	154,442
Directors' fees .....	127,175
Reports to shareholders .....	51,762
Treasurer's office .....	25,000
Other .....	96,782
Total Expenses .....	<u>1,286,926</u>

**Net Investment Income** ..... 3,709,734

**Realized and Unrealized Gain on Investments:**

Net realized gain from investment transactions .....	1,922,040
Net unrealized appreciation of investments .....	<u>5,219,341</u>
Net gain on investments .....	<u>7,141,381</u>

**Net Increase in Net Assets Resulting from Operations** ..... \$ 10,851,115

See accompanying notes to financial statements

# Statement of Changes in Net Assets

For the Years Ended September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>Change in net assets from operations:</b>		
Net investment income .....	\$ 3,709,734	\$ 3,647,400 (a)
Adjustment for change in amortization policy .....	—	<u>(248,111)</u>
Net investment income, as adjusted .....		<u>3,399,289</u>
Net realized gain from investment transactions .....	1,922,040	3,243,708 (a)
Adjustment for change in amortization policy .....	—	<u>66,057</u>
Net realized gain from investment transactions, as adjusted ...		<u>3,309,765</u>
Net unrealized appreciation of investments .....	5,219,341	411,096 (a)
Adjustment for change in amortization policy .....	—	<u>182,054</u>
Net unrealized appreciation of investments, as adjusted		<u>593,150</u>
Net increase in net assets resulting from operations .....	10,851,115	7,302,204 (a)
Adjustment for change in amortization policy .....	—	<u>—</u>
Net increase in net assets resulting from operations, as adjusted	<u>10,851,115</u>	<u>7,302,204</u>
<b>Dividends to shareholders from:</b>		
Net investment income .....	<u>(3,641,418)</u>	<u>(3,681,116)</u>
<b>Capital share transactions (Note 3)</b>		
Value of shares issued on reinvestment of distributions .....	506,725	648,017
Net proceeds from rights offering .....	—	<u>13,037,152</u>
Total capital share transactions .....	<u>506,725</u>	<u>13,685,169</u>
<b>Change in net assets</b> .....	7,716,422	17,306,257
Net assets at beginning of year .....	<u>107,107,447</u>	<u>89,801,190</u>
<b>Net assets at end of year</b> .....	<u>\$114,823,869</u>	<u>\$107,107,447</u>
Undistributed net investment income at end of year .....	<u>\$ 747,780</u>	\$ 967,661(a)
Adjustment for change in amortization policy .....		<u>(288,197)</u>
Undistributed net investment income at end of year, as adjusted .....		<u>\$ 679,464</u>

(a) As previously reported.

See accompanying notes to financial statements

# Financial Highlights

*Selected data for a share of common stock outstanding:*

	Year Ended September 30,				
	2005	2004	2003	2002	2001
<b>Operating Performance:</b>					
Net asset value, beginning of year . . . . .	\$8.71	\$8.58	\$7.81	\$8.67	\$11.82
Net investment income . . . . .	0.29	0.30(a)	0.32 (a)	0.34 (a)	0.47
Adjustment for change in amortization policy . . . . .	—	(0.02)	(0.01)	—	—
Net investment income, as adjusted . . .	0.29	0.28	0.31	0.34	0.47
Net realized and unrealized gain (loss) . . . .	0.59	0.35(a)	0.75 (a)	(0.76)(a)	(1.88)
Adjustment for change in amortization policy . . . . .	—	0.02	0.01	—	—
Net realized and unrealized gain (loss), as adjusted . . . . .	0.59	0.37	0.76	(0.76)	(1.88)
Total from investment operations . . . . .	0.88	0.65	1.07	(0.42)	(1.41)
<b>Less Distributions:</b>					
Dividends from net investment income . . . .	(0.30)	(0.32)	(0.30)	(0.44)	(0.42)
Distributions from realized gains . . . . .	—	—	—	—	(1.32)
Total distributions . . . . .	(0.30)	(0.32)	(0.30)	(0.44)	(1.74)
<b>Capital Share Transactions:</b>					
Effect of rights offering . . . . .	—	(0.20)	—	—	—
Capital share repurchases . . . . .	—	—	—	—	—
Total capital share transactions . . . . .	—	(0.20)	—	—	—
Net asset value, end of year . . . . .	\$9.29	\$8.71	\$8.58	\$7.81	\$8.67
Market value, end of year . . . . .	\$7.84	\$7.95	\$8.05	\$7.55	\$8.35
Total Net Asset Value Return %(b) . . . . .	10.3	5.2	14.0	(5.2)	(13.3)
Total Investment Return %(c) . . . . .	2.5	2.8	10.8	(4.5)	2.2
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in thousands) . . . . .	\$114,824	\$107,107	\$89,801	\$81,125	\$88,901
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	3.2(d)	3.8(d)	4.0 (d)	5.0
Portfolio turnover rate (%) . . . . .	82	70	86	89	82

(a) As previously reported.

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

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

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

*See accompanying notes to financial statements*

# Portfolio of Investments September 30, 2005

Principal Amount		Identified Cost	Value (Note 1)
<b>CONVERTIBLE BONDS AND NOTES — 50.8%</b>			
<b>Aerospace and Defense — 0.9%</b>			
\$1,000,000	L-3 Communications Holdings, Inc. 3% 2035 CODES (Ba3) (Acquired 07/27/05 - 07/28/05) <sup>(1,2)</sup> . . . . .	\$1,011,255	\$1,026,250
<b>Automotive — 2.3%</b>			
625,000	CSK Auto Inc. 3.375% 2025 sr. exch. notes (NR) (conv. into CSK Auto Corp. common stock) (Acquired 07/26/05) <sup>(2)</sup> . . . . .	637,095	593,875
4,500,000	Lear Corp. 0% 2022 cv. sr. notes (Ba2) . . . . .	2,208,095	2,050,313
		<u>2,845,190</u>	<u>2,644,188</u>
<b>Banking/Savings and Loan — 2.0%</b>			
1,000,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium-term notes (A1) (exch. for Fifth Third Bancorp common stock) <sup>(1)</sup> . . . . .	1,152,524	836,800
1,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2) (Acquired 08/10/05) <sup>(2)</sup> . . . . .	1,483,503	1,479,000
		<u>2,636,027</u>	<u>2,315,800</u>
<b>Consumer Goods — 1.6%</b>			
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2) . . . . .	1,375,000	1,840,163
<b>Energy — 2.4%</b>			
750,000	OMI Corp. 2.875% 2024 cv. sr. notes (B+) . . . . .	750,000	691,875
1,500,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (B+) (Acquired 06/16/05) <sup>(2)</sup> . . . . .	1,485,546	2,011,875
		<u>2,235,546</u>	<u>2,703,750</u>
<b>Entertainment — 4.2%</b>			
1,500,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2) . . . . .	1,496,303	1,490,625
3,250,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1) . . . . .	3,406,539	3,301,090
		<u>4,902,842</u>	<u>4,791,715</u>
<b>Financial and Insurance — 1.7%</b>			
1,000,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3) (Acquired 07/29/05) <sup>(2)</sup> . . . . .	1,027,541	1,066,200
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) <sup>(2)</sup> . . . . .	1,006,361	925,950
		<u>2,033,902</u>	<u>1,992,150</u>
<b>Financial Services — 0.9%</b>			
1,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) (Acquired 09/28/05 - 09/29/05) <sup>(1,2)</sup> . . . . .	1,010,938	1,015,000
<b>Health Care — 4.9%</b>			
1,500,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3) . . . . .	1,505,570	1,747,350
1,750,000	Isolagen, Inc. 3.5% 2024 cv. sub. notes (NR) . . . . .	1,768,669	875,000
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3) (Acquired 07/27/05 - 09/20/05) <sup>(2)</sup> . . . . .	2,044,185	2,050,000
500,000	Mentor Corp. 2.75% 2024 cv. sub. notes (NR) . . . . .	573,118	952,813
		<u>5,891,542</u>	<u>5,625,163</u>
<b>Multi-Industry — 0.8%</b>			
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) <sup>(1)</sup> . . . . .	1,031,672	922,500

# Portfolio of Investments September 30, 2005 (continued)

Principal Amount		Identified Cost	Value (Note 1)
<b>CONVERTIBLE BONDS AND NOTES — (continued)</b>			
<b>Pharmaceuticals — 7.2%</b>			
\$2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) <sup>(1)</sup> . . . . .	\$ 1,699,432	\$1,599,170
550,000	CV Therapeutics, Inc. 3.25% 2013 sr. sub. cv. notes (NR) . . . . .	576,509	653,125
1,500,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-) . . . . .	1,482,624	1,692,188
1,250,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR) . . . . .	1,267,117	1,326,560
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) . . . . .	1,000,660	1,005,000
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.5% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceutical Industries Ltd. ADR) . . . . .	1,000,000	1,000,000
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceutical Industries Ltd. ADR) . . . . .	1,000,000	1,032,500
		<u>8,026,342</u>	<u>8,308,543</u>
<b>Retail — 6.4%</b>			
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B3) . . . . .	977,500	982,800
2,000,000	Best Buy Co., Inc. 2.25% 2022 cv. sub. deb. (Ba1) <sup>(1)</sup> . . . . .	2,278,507	2,195,960
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR) . . . . .	1,292,855	1,135,938
1,000,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (B) . . . . .	668,889	680,000
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1) . . . . .	2,524,913	2,309,160
		<u>7,742,664</u>	<u>7,303,858</u>
<b>Technology — 8.4%</b>			
1,250,000	Advanced Micro Devices, Inc. 4.75% 2022 cv. sr. deb. (B3) <sup>(1)</sup> . . . . .	1,447,925	1,421,875
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. into cash equivalent of a basket of technology stocks) <sup>(1)</sup> . . . . .	2,019,330	1,877,800
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2) . . . . .	2,242,713	2,216,250
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B) . . . . .	1,483,048	1,588,050
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) . . . . .	1,492,164	1,631,250
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3) . . . . .	957,742	960,000
		<u>9,642,922</u>	<u>9,695,225</u>
<b>Telecommunications — 5.4%</b>			
1,000,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) <sup>(3)</sup> . . . . .	1,149,375	1,496,750
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1) . . . . .	1,000,000	1,145,240
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B1) . . . . .	500,000	599,390
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3) . . . . .	1,274,444	1,182,750
1,500,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR) . . . . .	1,510,670	1,813,125
		<u>5,434,489</u>	<u>6,237,255</u>
<b>Utilities — 1.7%</b>			
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1) . . . . .	1,500,000	1,927,500
	<b>TOTAL CONVERTIBLE BONDS AND NOTES</b> . . . . .	<u>\$57,320,331</u>	<u>\$58,349,060</u>
<b>CONVERTIBLE PREFERRED STOCKS — 23.6%</b>			
<b>Banking/Savings and Loan — 5.2%</b>			
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR) . . . . .	1,038,700	1,640,000
20,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2) . . . . .	1,306,838	966,000
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) <sup>(1)</sup> . . . . .	1,891,909	1,544,375
35,000	Washington Mutual Capital Trust 5.375% PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock) . . . . .	1,773,125	1,813,438
		<u>6,010,572</u>	<u>5,963,813</u>
<b>Chemicals — 1.8%</b>			
80,000	Celanese Corp. 4.25% cv. perp. pfd. (NR) . . . . .	1,931,748	2,112,400

# Portfolio of Investments September 30, 2005 (continued)

Shares		Identified Cost	Value (Note 1)
<b>CONVERTIBLE PREFERRED STOCKS — continued</b>			
<b>Energy — 7.9%</b>			
16,500	Chesapeake Energy Corp. 5% cum. cv. pfd. (B) . . . . .	\$ 1,832,500	\$ 2,739,000
17,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B) . . . . .	1,794,250	1,901,875
10,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-) . . . . .	2,025,096	2,061,250
20,000	The Williams Companies, Inc. 5.5% 2033 jr. sub. cv. deb. (B-) . . . . .	1,015,000	2,340,000
		<u>6,666,846</u>	<u>9,042,125</u>
<b>Financial and Insurance — 6.8%</b>			
75,000	Citigroup Funding, Inc. variable rate 2008 exch. notes (Aa1) (exch. for Genworth Financial, Inc. common stock) . . . . .	2,212,500	2,360,475
20	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05) <sup>(2)</sup> . . . . .	2,078,125	1,840,000
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2) . . . . .	1,000,000	1,170,000
100,000	The St. Paul Travelers Cos., Inc. 4.5% 2032 cv. jr. sub. notes (Baa1) . . . . .	2,414,175	2,406,000
		<u>7,704,800</u>	<u>7,776,475</u>
<b>Mining — 1.9%</b>			
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perp. pfd. (B-) . . . . .	1,961,987	2,218,420
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> . . . . .	<u>\$24,275,953</u>	<u>\$27,113,233</u>
<b>MANDATORY CONVERTIBLE SECURITIES — 17.7% <sup>(4)</sup></b>			
<b>Chemicals — 1.5%</b>			
40,000	Huntsman Corp. 5% mand. cv. pfd. 02/16/08 (NR) . . . . .	2,011,296	1,778,120
<b>Consumer Goods — 1.2%</b>			
35,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. 09/01/06 (B) . . . . .	1,088,795	1,367,100
<b>Energy — 3.5%</b>			
20,000	Amerada Hess Corp. 7% mand. cv. pfd. ACES 12/01/06 (Ba3) . . . . .	1,015,000	2,332,600
15,000	Valero Energy Corp. 2% mand. cv. pfd. 07/01/06 (BB) . . . . .	452,250	1,679,370
		<u>1,467,250</u>	<u>4,011,970</u>
<b>Financial and Insurance — 6.8%</b>			
25,000	The Chubb Corp. 7% equity units 08/16/06 (A2) <sup>(1)</sup> . . . . .	742,084	816,250
30,000	Merrill Lynch & Co., Inc. 6.75% mand. exch. sec. 10/15/07 (Aa3) (exch. for Nuveen Investments, Inc. common stock) . . . . .	1,020,000	1,124,820
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+) . . . . .	2,084,000	2,263,200
42,500	Morgan Stanley, Inc. 5.875% mand. exch. sec. 10/15/08 (Aa3) (exch. for Nuveen Investments, Inc. common stock) . . . . .	1,445,000	1,592,475
40,000	The PMI Group, Inc. 5.875% HITS units 11/15/06 (A1) <sup>(1)</sup> . . . . .	998,540	988,000
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A2) . . . . .	1,137,000	1,023,750
		<u>7,426,624</u>	<u>7,808,495</u>
<b>Foods — 1.8%</b>			
40,000	Albertson's, Inc. 7.25% HITS units 05/16/07 (Baa3) <sup>(1)</sup> . . . . .	1,013,514	1,012,800
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exch. for General Mills, Inc. common stock) . . . . .	1,058,000	1,048,000
		<u>2,071,514</u>	<u>2,060,800</u>
<b>Pharmaceuticals — 2.9%</b>			
20,000	Baxter International, Inc. 7% equity units 02/16/06 (Baa1) <sup>(1)</sup> . . . . .	973,450	1,144,200
40,000	Schering-Plough Corp. 6% mand. cv. pfd. 09/14/07 (Baa3) . . . . .	2,050,150	2,169,200
		<u>3,023,600</u>	<u>3,313,400</u>
	<b>TOTAL MANDATORY CONVERTIBLE SECURITIES <sup>(4)</sup></b> . . . . .	<u>\$17,089,079</u>	<u>\$20,339,885</u>

# Portfolio of Investments September 30, 2005 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
	<b>COMMON STOCKS — 3.5%</b>		
	<b>Health Care — 0.8%</b>		
21,115 shs	LifePoint Hospitals, Inc. <sup>(3)</sup> .....	\$ 993,750	\$ 923,359
	<b>Multi-Industry — 0.5%</b>		
25,000 shs	Cendant Corp. ....	561,500	516,000
	<b>Pharmaceuticals — 1.4%</b>		
26,300 shs	Johnson & Johnson .....	1,512,835	1,664,264
	<b>Telecommunications — 0.8%</b>		
40,000 shs	SBC Communications, Inc. ....	1,063,000	958,800
	<b>TOTAL COMMON STOCKS</b> .....	<b>\$ 4,131,085</b>	<b>\$ 4,062,423</b>
	<b>SHORT-TERM SECURITIES — 3.8%</b>		
	<b>Commercial Paper — 3.8%</b>		
\$4,300,000	American Express Credit Corp. (P1) (3.70% maturing 10/04/05) .....	4,297,790	4,297,790
	<b>U.S. Government Obligations — 0.0%</b>		
11,000	U.S. Treasury notes 2.25% 04/30/06 (Aaa) <sup>(5)</sup> .....	10,887	10,893
	<b>TOTAL SHORT-TERM SECURITIES</b> .....	<b>\$ 4,308,677</b>	<b>\$ 4,308,683</b>
	<b>Total Convertible Bonds and Notes — 50.8%</b> .....	57,320,331	58,349,060
	<b>Total Convertible Preferred Stocks — 23.6%</b> .....	24,275,953	27,113,233
	<b>Total Mandatory Convertible Securities — 17.7%</b> .....	17,089,079	20,339,885
	<b>Total Common Stocks — 3.5%</b> .....	4,131,085	4,062,423
	<b>Total Short-Term Securities — 3.8%</b> .....	4,308,677	4,308,683
	<b>Total Investments — 99.4%</b> .....	<u>\$107,125,125</u>	114,173,284
	<b>Other assets and liabilities, net — 0.6%</b> .....		650,585
	<b>Total Net Assets — 100.0%</b> .....		<u>\$114,823,869</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, 2005 was \$12,008,150 which represented 10.5% of the Fund's net assets.
- (3) Non-income producing security.
- (4) These securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.
- (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.
CODES	Convertible Contingent Debt Securities.	ZYPS	Zero Yield Puttable Securities.
HITS	Hybrid Income Term Security.		

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

# 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, 2005. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At September 30, 2005 there were unrealized gains of approximately 3 cents per share on contingent payment debt instruments.

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

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

The effect of this accounting change is included in the financial highlights for the years ended September 30, 2002, 2003 and 2004, and in the statement of changes in net assets for the year ended September 30, 2004. The cumulative effect of this accounting change had no impact on the total net assets of the Fund or on distributions for tax purposes, but resulted in a \$79,579 increase in the cost of securities held and a corresponding \$79,579 reduction in the net unrealized gains based on the securities held on October 1, 2001. The impact of this change during the twelve months ended September 30, 2005 was to reduce net investment income by \$100,871, increase unrealized gains by \$83,316 and increase realized gains by \$17,555. These changes had no effect on previously reported total net assets or total returns.

## Notes to Financial Statements (continued)

### (d) Federal Income Taxes

The Fund's policy is to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary.

At September 30, 2005, the Fund had a capital loss carryforward of \$3,010,788 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 \$1,904,485 during the year ended September 30, 2005.

### (e) Distributions to Shareholders

Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the years ended September 30, 2005 and 2004 were \$3,641,418 and \$3,681,116, respectively, both from ordinary income.

At September 30, 2005 the components of distributable net assets and the federal tax cost were as follows:

Unrealized appreciation	\$ 11,163,962
Unrealized depreciation	<u>(4,199,119)</u>
Net unrealized appreciation	6,964,843
Undistributed ordinary income	1,136,847
Tax basis capital loss carryforward	(3,010,788)
Cost for federal income tax purposes	\$107,208,441

## 2. Management Fee and Other Transactions with Affiliates

The management fee is paid to the investment adviser, Davis-Dinsmore Management Company (the "Adviser"). The contract provides for payment of a monthly advisory fee, computed at an annual rate of  $\frac{3}{4}$  of 1% of the first \$100,000,000 and  $\frac{1}{2}$  of 1% of the excess over \$100,000,000 of the Fund's net asset value in such month.

The Adviser furnishes investment advice, office equipment and facilities, and pays the salaries of all executive officers of the Fund. The Fund pays all expenses incurred by it and not assumed by the Adviser and in addition will pay the costs and expenses of its Treasurer's office, up to a maximum of \$25,000 per year, incurred in connection with its performance of certain services for the Fund. These services include the valuation of securities owned by the Fund, and the preparation of financial statements and schedules of the Fund's investments for inclusion in certain periodic reports to the Fund's Board of Directors and to the U.S. Securities and Exchange Commission, the maintenance of files relating to the foregoing, and rent, personnel costs and other overhead expenses allocable to the aforementioned services.

## Notes to Financial Statements (continued)

### 3. Capital Stock

At September 30, 2005 there were 12,362,269 shares of \$.01 par value common stock outstanding, (20,000,000 shares authorized). During the years ended September 30, 2005 and 2004, 64,142 shares and 81,307 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$506,725 and \$648,017, respectively.

### 4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$85,284,439 and \$85,383,232, respectively, for the year ended September 30, 2005.

## Federal Tax Information (unaudited)

In accordance with subchapter M of the Internal Revenue Code of 1986, as amended, for the year ended September 30, 2005, 22.3% 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, 2005 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 \$810,288 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 2005. 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 2006. Shareholders are advised to consult their own tax advisers with respect to the tax consequences of their investment in the Fund.

# Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments of the Ellsworth Convertible Growth and Income Fund, Inc. (the "Fund"), as of September 30, 2005, and the related statement of operations, the statement of changes in net assets, and the financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The statement of changes in net assets for the year ended September 30, 2004 and the financial highlights for each of the years ended September 30, 2004, September 30, 2003, September 30, 2002 and September 30, 2001, have been audited by other auditors, whose reports dated October 29, 2004, October 20, 2003, October 14, 2002 and October 13, 2001 express an unqualified opinion.

We conducted our audit 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 and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2005, by correspondence with the custodian and brokers. Where brokers have not replied to our confirmation requests, we have carried out other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly in all material respects, the financial position of the Ellsworth Convertible Growth and Income Fund, Inc. as of September 30, 2005, the results of its operations, the changes in its net assets, and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
November 4, 2005

## 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.

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### **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](http://www.ellsworthfund.com). You may obtain the Form N-Q filings by accessing the SEC's website at [www.sec.gov](http://www.sec.gov). You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330.

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

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

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

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

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

## 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.

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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 77</p>	<p>Retired. Prior to 2001, President of G.F.A. Inc. (a petroleum industry consulting company); Director of Bancroft and CalDive International (a diving service company).</p>
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<p>William A. Benton 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 1986 Age 72</p>	<p>Retired. Prior to 2001, Partner of BE Partners (a small options market maker); 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 61</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 2008 Director since 1986 Age 78</p>	<p>Retired Business Executive; Director of Bancroft.</p>
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<p>Duncan O. McKee 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2008 Director since 1996 Age 74</p>	<p>Retired Attorney; 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>Robert J. McMullan 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 2004 Age 51</p>	<p>Since 2005, Chief Executive Officer of Control Point Solutions, Inc. (a telecommunications service provider). Prior to 2004, Senior Vice President and Chief Financial Officer of Conexant Systems, Inc. (a semiconductor manufacturing company); Director of Bancroft and Control Point Solutions, Inc.</p>
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<p>Nicolas W. Platt 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2007 Director since 1997 Age 52</p>	<p>Since January 2003, President of CNC-US (an international consulting company). Prior to January 2003, Senior Partner of Platt &amp; Rickenbach (a 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. <sup>(1)</sup> 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2008 Director since 1986 Chairman of the Board since 1996 Age 52</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 <sup>(1)</sup> 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2006 Director since 1995 Age 50</p>	<p>President of the Fund, Bancroft and Davis-Dinsmore; Director of Bancroft and Davis-Dinsmore.</p>
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(1) 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. 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 2006, and thereafter until his or her respective successor is duly elected and qualified.

Personal Information	Principal Occupation(s) During Past Five Years
Thomas H. Dinsmore, C.F.A. <sup>(1,2,3)</sup> Director, Chairman and Chief Executive Officer since 1986 Age 52	Director, Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore.
Jane D. O'Keeffe <sup>(1,2,3)</sup> Director and President Officer since 1994 Age 50	Director and President of the Fund, Bancroft and Davis-Dinsmore.
Gary I. Levine Executive Vice President, Chief Financial Officer and Secretary Officer since 1986 Age 48	Executive Vice President and Chief Financial Officer of the Fund, Bancroft and Davis-Dinsmore since 2004. Secretary of the Fund, Bancroft and Davis-Dinsmore since 2003. Treasurer of Davis-Dinsmore since 1997. Vice President of the Fund, Bancroft and Davis-Dinsmore from 2002 until 2004. Treasurer of the Fund and Bancroft from 1993 until 2004.
H. Tucker Lake, Jr. <sup>(2,4)</sup> Vice President Officer since 1994 Age 58	Vice President of the Fund and Bancroft since 2002, and of Davis-Dinsmore since 1997. Vice President, Trading, of the Fund and Bancroft from 1994 to 2002.
Germaine M. Ortiz Vice President Officer since 1996 Age 36	Vice President of the Fund, Bancroft and Davis-Dinsmore.
Mercedes A. Pierre Vice President and Chief Compliance Officer since 1998 Age 44	Vice President and Chief Compliance Officer of the Fund, Bancroft and Davis-Dinsmore since 2004, and Assistant Treasurer from 1998 to 2004.
Joshua P. Lake, C.T.P. <sup>(3,4)</sup> Treasurer and Assistant Secretary Officer since 2002 Age 29	Treasurer of the Fund and Bancroft since 2004. Assistant Secretary of the Fund, Bancroft and Davis-Dinsmore since 2002. Assistant Treasurer of Davis-Dinsmore, also since 2002.

(1) Mr. Dinsmore and Ms. O'Keeffe are brother and sister.

(2) Mr. H. Tucker Lake, Jr. 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. H. Tucker Lake, Jr. is the father of Mr. Joshua Lake.

### ***Board of Directors***

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

### ***Officers***

THOMAS H. DINSMORE, C.F.A.  
*Chairman of the Board  
and Chief Executive Officer*

JANE D. O'KEEFFE  
*President*

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

H. TUCKER LAKE, JR.  
*Vice President*

GERMAINE M. ORTIZ  
*Vice President*

MERCEDES A. PIERRE  
*Vice President and Chief Compliance Officer*

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

JESSICA K. LAKE  
*Assistant Vice President*

JOANN VENEZIA  
*Assistant Vice President and Assistant Secretary*

### ***Internet***

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

### ***Investment Adviser***

Davis-Dinsmore Management Company  
65 Madison Avenue, Suite 550  
Morristown, NJ 07960  
(973) 631-1177

### ***Shareholder Services and Transfer Agent***

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

### ***Common Stock Listing***

American Stock Exchange Symbol: ECF

### ***Legal Counsel***

Ballard Spahr Andrews & Ingersoll LLP

### ***Independent Accountants***

Tait, Weller & Baker LLP

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

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

