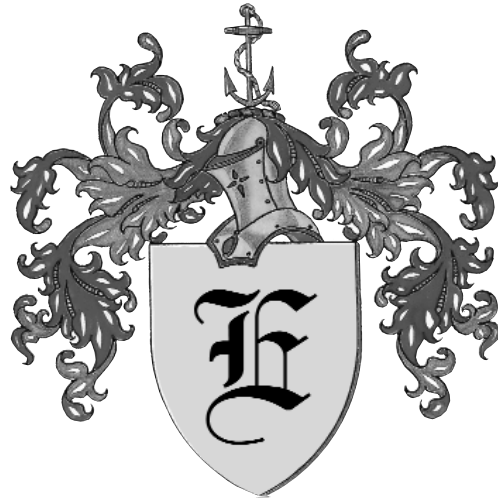


ELLSWORTH FUND LTD.



2006 Annual Report
September 30, 2006

2006 Annual Report September 30, 2006

Ellsworth Fund Ltd. (successor to 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, 2006 with dividends reinvested

	Calendar	Annualized		10 Year	
	YTD	1 Year	5 Years	10 Years	Volatility
Ellsworth market price	7.92%	8.76%	3.91%	9.00%	11.16%
Ellsworth net asset value	7.89	6.84	6.01	7.46	12.43
Closed-end convertible fund average	8.26	7.80	7.30	7.10	9.30
S&P 500 Index	8.53	10.79	6.96	8.58	20.42
Merrill Lynch All Convertibles Index	7.45	7.94	8.15	8.42	17.64
Lehman Aggregate Bond Total Return Index ..	3.06	3.67	4.81	6.42	4.21

The above data is from Bloomberg L.P. pricing service, with the exception of the Lehman Aggregate Bond Total Return Index which is from Lipper, Inc. *Closed-End Fund Performance Analysis*, dated September 30, 2006.

Ellsworth's performance in the table above has not been adjusted for the fiscal 2004 rights offering; net asset value dilution was 2.21%. Volatility is a measure of risk based on the standard deviation of the return. The greater the volatility, the greater the chance of a profit or risk of a loss. Performance data represent past results and do not reflect future performance.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices (AMEX, symbol ECF)		
	High	Low	Close	High	Low	Close
Dec. 05	\$9.29	\$8.82	\$9.10	\$7.89	\$7.42	\$7.80
Mar. 06	9.52	9.19	9.51	8.19	7.72	8.14
Jun. 06	9.64	9.06	9.29	8.17	7.76	7.95
Sept.06	9.63	9.13	9.60	8.21	7.62	8.20

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	* Corporate Deduction
10/27/05	11/23/05	\$0.0975	—	22%
2/13/06	2/27/06	0.0700	—	24
5/16/06	5/30/06	0.0700	—	24
8/16/06	8/30/06	0.0700	—	24
		<u>\$0.3075</u>		

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

To Our Shareholders

November 10, 2006

For the fiscal year ended 2006 Ellsworth has declared a distribution of 39.5 cents per share, 26.5 cents of which is derived from realized long-term capital gains. Our largest realized gains came from our energy industry investments in Valero Energy, The Williams Companies and Maverick Tube. While we did take some losses (banking and pharmaceuticals had the largest realized losses), the gains we made in the energy sector were bigger.

While the convertible securities market as a whole continues to provide attractive investment opportunities, it appears to be at a modest premium to certain measures of theoretical value. Citigroup has measured the average current yield of their convertible index at 3.2%, down from 3.7% a year ago, while the average premium has dropped to 27.6%, down from 33.5% a year ago; these imply a more equity sensitive convertible market. This leads us to the conclusion that convertibles as a group appear to be fairly valued, and opportunities are more likely to be found in individual convertible issues with compelling underlying common stocks.

As cited above, the Fund made profits from its energy holdings. These holdings have been less profitable since early summer but we still believe that energy is attractive due to our expectation of global economic growth. The Fund's exposure to banking, entertainment and retail has been helpful of late. On the other hand, performance has been hurt by our exposure to aerospace and defense.

As seen in the Highlights section of this report, we have added a new column which reflects the ten year volatility (as measured by the standard deviation) of the various performance figures. We have also added the Merrill Lynch All Convertibles Index, a market-weighted index consisting of every domestic security in the convertibles universe rated B- or higher, and with a market value of more than \$50 million at the time of inclusion. We believe this index provides a useful comparison to the Fund's performance because over the past five years while the Fund has remained predominately invested in convertibles, many of our peers have migrated away from such a predominance to a mixture of convertibles and non-convertibles.

On December 31, 2006 boardmember Donald M. Halsted, Jr. will retire. He is one of the Fund's original independent trustees. Mr. Halsted has been indispensable and his contributions to the Fund's governance are too many to recount here. He served on the Audit and Governance Committees and was the prime mover of the Board's retirement policy. We will miss his presence.

Visit our website, www.ellsworthfund.com, for additional information such as a monthly portfolio summary which lists the Fund's largest holdings. Quarterly updates may be found in the Financial Reports section, and other financial data is often included in press releases.

continued on the following page

To Our Shareholders (continued)

At its October 16, 2006 meeting, the Board of Trustees declared a distribution of \$0.395 per share. The distribution consists of \$0.13 undistributed net investment income and \$0.265 long-term capital gains, payable on November 22, 2006 to shareholders of record on October 27, 2006.

The 2007 annual meeting of shareholders will be held on January 12, 2007. Time and location will be included in the proxy statement, scheduled to be mailed to shareholders on November 28, 2006. 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, 2006

ADDITIONS

Advanced Micro Devices, Inc.
(exchangeable from The Goldman Sachs Group, Inc.)

Alleghany Corp.

Alliant Techsystems Inc.

American Medical Systems Holdings, Inc.

Bristow Group Inc.

Corning Inc.
*(exchangeable from Credit Suisse
First Boston (USA), Inc.)*

MedImmune, Inc.

Nabors Industries, Inc.

Rentech Inc.

SanDisk Corp.

Symantec Corp.

Trinity Industries, Inc.

REDUCTIONS

Broadwing Corp.

Casual Male Retail Group, Inc.

Coherent, Inc.

Converse Technology, Inc.

Constellation Brands, Inc.

Freeport-McMoRan Copper and Gold, Inc.

Hess Corp.

Lucent Technologies, Inc.

Maverick Tube Corp.

St. Jude Medical, Inc.

Teva Pharmaceutical Industries Ltd.
*(convertible from Teva Pharmaceutical
Finance Co., LLC)*

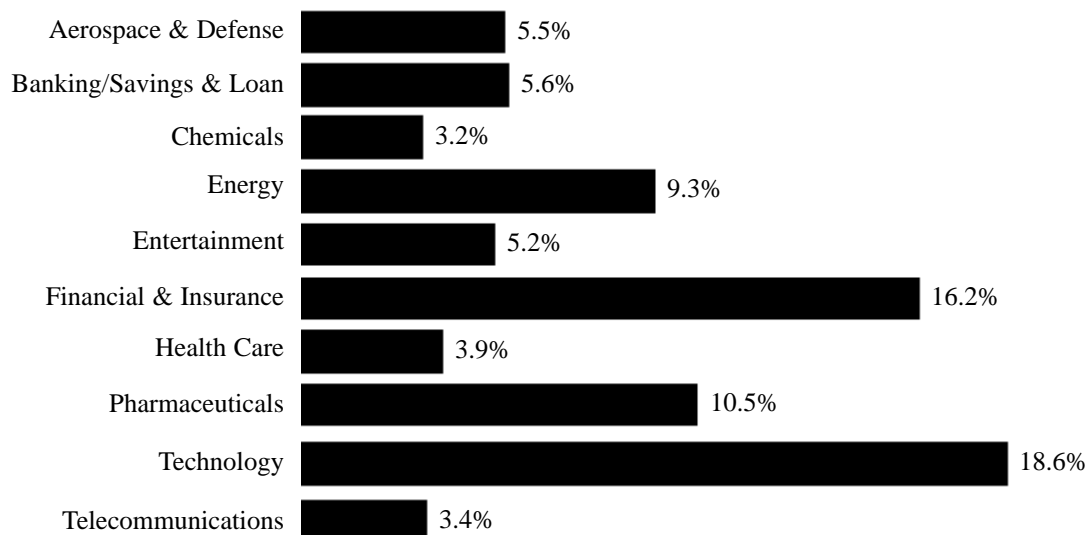
The TJX Companies, Inc.

Washington Mutual Inc.

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
The Walt Disney Company <i>An entertainment company whose operations include media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.</i>	\$ 4,237,500	3.5 %
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. (exchangeable from Merrill Lynch & Co., Inc. and Morgan Stanley, Inc.)</i>	3,411,365	2.9
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>	2,602,290	2.2
Advanced Micro Devices, Inc. <i>Supplies integrated circuits for the personal and networked computer and communications markets. The company produces microprocessors, flash memory devices and circuitry for communications and networking applications.(exchangeable from The Goldman Sachs Group, Inc.)</i>	2,489,636	2.1
Genworth Financial, Inc. <i>Provides life insurance products, long-term care insurance and mortgage guarantee insurance coverage on residential mortgage loans. (exchangeable from Citigroup Funding Inc.)</i>	2,486,250	2.1
The St. Paul Travelers Companies, Inc. <i>Provides a broad range of insurance products and services for the commercial and consumer markets.</i>	2,462,000	2.1
MetLife, Inc.. <i>Provides insurance and financial services to a range of individual and institutional customers.</i>	2,376,800	2.0
Schering-Plough Corp. <i>Is a worldwide pharmaceutical company that discovers and markets new therapies and treatment programs. The company's core product groups include allergy/respiratory, anti-infective/anticancer, dermatologics, and cardiovasculars, as well as an animal health business.</i>	2,223,600	1.9
Celanese Corp. <i>Is a global industrial chemicals company that processes raw materials and natural products into chemicals and chemical-based products.</i>	2,214,400	1.8
Intel Corp. <i>Designs, manufactures, and sells computer components and related products. The company's major products include microprocessors and chipsets. (convertible from Intel Corp. and exchangeable from Citigroup Funding Inc.)</i>	<u>2,178,620</u>	<u>1.8</u>
Total	<u>\$26,682,461</u>	<u>22.4 %</u>

Major Industry Exposure



Diversification of Assets

	Cost	Value (Note 1)	% Total Net Assets September 30,	
			2006	2005
Aerospace and Defense	\$ 7,060,667	\$ 6,503,463	5.4%	0.8%
Automotive	—	—	—	2.3
Banking/Savings and Loan	6,617,651	6,689,400	5.6	7.2
Building Products	1,938,970	1,883,000	1.6	—
Chemicals	3,943,044	3,825,600	3.2	3.4
Consumer Goods	1,375,000	1,854,531	1.5	2.8
Energy	11,072,018	11,071,976	9.3	13.7
Entertainment	5,848,349	6,252,500	5.2	4.2
Financial and Insurance	17,332,507	19,356,173	16.2	15.3
Financial Services	2,271,873	1,932,500	1.6	0.8
Foods	2,076,713	2,142,800	1.8	1.8
Health Care	4,744,320	4,660,157	3.9	5.7
Mining	—	—	—	1.9
Multi-Industry	3,584,529	3,703,750	3.1	1.3
Pharmaceuticals	11,549,232	12,492,073	10.5	11.6
Real Estate	732,630	663,063	0.6	—
Retail	1,233,045	1,306,875	1.1	6.4
Technology	21,380,251	22,161,211	18.6	8.4
Telecommunications	3,596,972	4,009,275	3.4	6.3
Travel and Leisure	322,863	185,575	0.2	—
Utilities	1,500,000	1,740,000	1.5	1.7
Short-Term Securities	4,308,453	4,308,487	3.6	3.8
Total Investments	<u>\$112,489,087</u>	<u>116,742,409</u>	<u>97.9</u>	<u>99.4</u>
Other Assets, Net of Liabilities		2,521,470	2.1	0.6
Total Net Assets		<u>\$119,263,879</u>	<u>100.0%</u>	<u>100.0%</u>

Portfolio of Investments September 30, 2006

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — 55.1%			
Aerospace and Defense — 4.7%			
\$1,500,000	AAR Corp. 1.75% 2026 cv. sr. notes (BB-)	\$1,535,848	\$1,554,375
1,000,000	Alliant Techsystems Inc. 2.75% 2011 cv. sr. sub. notes (B2) (Acquired 09/07/06) ⁽¹⁾	1,009,283	1,038,750
1,000,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) ⁽²⁾	1,137,110	1,018,750
2,000,000	DRS Technologies, Inc. 2% 2026 cv. sr. notes (B2) (Acquired 01/30/06) ^(1,2)	<u>2,072,328</u>	<u>1,957,500</u>
		<u>5,754,569</u>	<u>5,569,375</u>
Banking/Savings and Loan — 1.3%			
1,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2)	<u>1,498,728</u>	<u>1,513,125</u>
Consumer Goods — 1.6%			
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2)	<u>1,375,000</u>	<u>1,854,531</u>
Energy — 4.5%			
1,000,000	Cameron International Corp. 2.50% 2026 cv. sr. notes (Baa1)	991,819	1,042,500
1,500,000	Nabors Industries, Inc. 0.94% 2011 sr. exchangeable notes (A-) (exchangeable for Nabors Industries Ltd. common stock)	1,491,278	1,436,250
1,000,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR)	1,192,005	1,156,250
1,250,000	Rentech, Inc. 4% 2013 cv. sr. notes (NR)	<u>1,250,000</u>	<u>1,673,436</u>
		<u>4,925,102</u>	<u>5,308,436</u>
Entertainment — 5.2%			
2,000,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B1)	1,995,708	2,015,000
3,750,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (A3)	<u>3,852,641</u>	<u>4,237,500</u>
		<u>5,848,349</u>	<u>6,252,500</u>
Financial and Insurance — 1.4%			
1,590,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (B1)	<u>1,621,319</u>	<u>1,719,188</u>
Financial Services — 1.6%			
2,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) ⁽²⁾	<u>2,271,873</u>	<u>1,932,500</u>
Foods — 0.9%			
1,000,000	Lehman Brothers Holdings Inc. 3% 2012 medium-term notes (A1) (performance linked to General Mills, Inc. common stock) ⁽²⁾	<u>1,018,713</u>	<u>1,052,000</u>
Health Care — 3.3%			
1,000,000	American Medical Systems Holdings, Inc. 3.25% 2036 cv. sr. sub. notes (B3) ⁽²⁾	1,014,625	1,172,500
1,500,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3)	1,700,697	1,846,875
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) ⁽²⁾	<u>1,035,248</u>	895,000
		<u>3,750,570</u>	<u>3,914,375</u>
Multi-Industry — 3.1%			
1,500,000	LSB Industries, Inc. 7% 2011 cv. sr. sub. deb. (NR)	1,500,000	1,916,250
1,000,000	Lehman Brothers Holdings Inc. 1% 2011 medium-term notes (A1) (performance linked to a basket of common stocks) ⁽²⁾	1,068,812	822,500
1,000,000	Trinity Industries, Inc. 3.875% 2036 cv. sub. notes (Ba3) ⁽²⁾	<u>1,015,717</u>	<u>965,000</u>
		<u>3,584,529</u>	<u>3,703,750</u>

Portfolio of Investments September 30, 2006 (continued)

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued			
Pharmaceuticals — 7.2%			
\$1,250,000	Amgen Inc. 0.125% 2011 cv. sr. notes (A2) (Acquired 02/14/06 - 02/15/06) ⁽¹⁾	\$ 1,253,289	\$ 1,268,750
500,000	Amgen Inc. 0.375% 2013 cv. sr. notes (A2) (Acquired 02/14/06) ⁽¹⁾	500,000	508,125
1,000,000	Bristol-Myers Squibb Co. floating rate 2023 cv. sr. deb. (A2)	996,112	1,006,800
1,000,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-)	986,452	1,460,000
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR and cash)	1,000,394	1,008,750
750,000	MedImmune, Inc. 1.375% 2011 cv. sr. notes (BBB)	750,000	814,688
750,000	MedImmune, Inc. 1.625% 2013 cv. sr. notes (BBB)	750,000	822,188
1,750,000	Teva Pharmaceutical Finance Co. B.V. 1.75% 2026 cv. sr. deb. (Baa2) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,750,000	1,671,250
		<u>7,986,247</u>	<u>8,560,551</u>
Real Estate — 0.4%			
500,000	Archstone-Smith Operating Trust 4% 2036 exchangeable sr. notes (Baa1) (exchangeable into Archstone-Smith Trust common stock)	493,993	521,250
Retail — 1.1%			
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2)	983,803	976,250
250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)	249,242	330,625
		<u>1,233,045</u>	<u>1,306,875</u>
Technology — 15.1%			
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05) ⁽¹⁾	1,000,000	1,101,250
2,000,000	Citigroup Funding Inc. 1% 2010 medium-term notes (Aa1) (exchangeable for the cash value of a basket of technology stocks) ⁽²⁾	2,083,025	1,905,600
2,000,000	Credit Suisse First Boston (USA), Inc. 15.55% 2007 equity-linked notes (Aa3) (exchangeable for Corning Inc. common stock)	2,000,000	2,121,600
1,000,000	Conexant Systems, Inc. 4% 2026 cv. sub. notes (NR)	988,790	871,250
2,000,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (A-) ⁽²⁾	1,923,781	1,797,500
1,750,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B1)	1,748,697	1,736,875
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B)	1,486,262	1,511,250
1,500,000	Lehman Brothers Holdings Inc. 1% 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) ⁽²⁾	1,531,266	1,485,900
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05) ⁽¹⁾	1,000,000	1,076,250
1,100,000	SanDisk Corp. 1% 2013 cv. sr. notes (BB-)	1,108,406	1,053,250
1,000,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR)	993,861	1,110,000
1,000,000	Symantec Corp. 1% 2013 cv. sr. notes (NR) (Acquired 06/13/06) ⁽¹⁾	992,802	1,230,000
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3)	953,750	1,011,250
		<u>17,810,640</u>	<u>18,011,975</u>
Telecommunications — 2.3%			
1,500,000	Tekelec 2.25% 2008 sr. sub. cv. notes (NR)	1,506,701	1,464,375
1,000,000	Time Warner Telecom Inc. 2.375% 2026 cv. sr. deb. (Caa1)	1,027,271	1,242,500
		<u>2,533,972</u>	<u>2,706,875</u>
Utilities — 1.5%			
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (Ba3)	1,500,000	1,740,000
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$63,206,649</u>	<u>\$65,667,306</u>

Portfolio of Investments September 30, 2006 (continued)

Shares		Identified Cost	Value (Note 1)
CONVERTIBLE PREFERRED STOCKS — 17.8%			
Aerospace and Defense — 0.6%			
40,000	Ionatron, Inc. 6.5% Series A redeemable cv. pfd. (NR) (Acquired 10/27/05) ⁽¹⁾	\$ 1,000,000	\$ 700,000
Banking/Savings and Loan — 4.3%			
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,038,700	1,762,000
20,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2) ...	1,306,838	943,000
35,000	Sovereign Capital Trust IV 4.375% PIERS (Baa2) (exchangeable for Sovereign Bancorp, Inc. common stock) ⁽²⁾	2,000,260	1,631,875
15,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exchangeable for Washington Mutual, Inc. common stock)	773,125	839,400
		<u>5,118,923</u>	<u>5,176,275</u>
Building Products — 1.6%			
35,000	TXI Capital Trust I 5.5% SPuRS (B2) (exchangeable for Texas Industries, Inc. common stock)	1,938,970	1,883,000
Chemicals — 1.9%			
80,000	Celanese Corp. 4.25% cv. perpetual pfd. (NR)	1,931,748	2,214,400
Energy — 3.4%			
25,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+)	2,566,320	2,350,000
9,000	SEMCO Energy, Inc. 5% Series B cv. cum. pfd. (B-)	1,825,096	1,689,750
		<u>4,391,416</u>	<u>4,039,750</u>
Financial and Insurance — 6.1%			
75,000	Citigroup Funding Inc. variable rate exch. notes (Aa1) (exchangeable for Genworth Financial, Inc. common stock)	2,212,500	2,486,250
10	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 01/11/05) ⁽¹⁾	1,048,750	965,225
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,000,000	1,305,000
100,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1)	2,414,175	2,462,000
		<u>6,675,425</u>	<u>7,218,475</u>
	TOTAL CONVERTIBLE PREFERRED STOCKS	<u>\$21,056,482</u>	<u>\$21,231,900</u>
MANDATORY CONVERTIBLE SECURITIES — 17.8% ⁽³⁾			
Chemicals — 1.4%			
40,000	Huntsman Corp. 5% mandatory cv. pfd. 02/16/08 (NR)	2,011,296	1,611,200
Energy — 1.4%			
30,000	Bristow Group Inc. 5.5% mandatory cv. pfd. 09/15/09 (NR)	1,505,500	1,471,500
1,000	Chesapeake Energy Corp. 6.25% mandatory cv. pfd. 06/15/09 (B+) ..	250,000	252,290
		<u>1,755,500</u>	<u>1,723,790</u>

Portfolio of Investments September 30, 2006 (continued)

Shares		Identified Cost	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued ⁽³⁾			
Financial and Insurance — 8.7%			
7,000	Alleghany Corp. 5.75% mandatory cv. pfd. 06/15/09 (BBB-)	\$ 1,852,200	\$ 1,988,000
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (Ba3)	1,120,063	1,353,720
30,000	Merrill Lynch & Co., Inc. 6.75% mandatorily exchangeable securities 10/15/07 (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	1,020,000	1,344,300
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+)	2,084,000	2,376,800
45,500	Morgan Stanley, Inc. 5.875% mandatorily exchangeable securities 10/15/08 (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	1,572,500	2,067,065
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3)	1,137,000	1,031,625
10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3)	250,000	257,000
		<u>9,035,763</u>	<u>10,418,510</u>
Foods — 0.9%			
40,000	Lehman Brothers Holdings Inc. 6.25% PIES 10/15/07 (A1) (exchangeable for General Mills, Inc. common stock)	1,058,000	1,090,800
Pharmaceuticals — 1.9%			
40,000	Schering-Plough Corp. 6% mand. cv. pfd. 09/14/07 (Baa3)	2,050,150	2,223,600
Technology — 3.5%			
30,000	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exchangeable for Equinix, Inc. common stock)	1,069,200	1,659,600
98,850	The Goldman Sachs Group, Inc. 14.75% mandatory exchangeable notes 06/22/07 (NR) (exchangeable for Advanced Micro Devices, Inc. common stock) (Acquired 06/14/06) ⁽¹⁾	2,500,411	2,489,636
		<u>3,569,611</u>	<u>4,149,236</u>
	TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽³⁾	\$ 19,480,320	\$ 21,217,136
COMMON STOCKS — 3.6%			
Aerospace and Defense — 0.2%			
48,667	Ionatron, Inc. common stock with warrants attached (Acquired 04/17/05 - 08/08/06) ^(1,4)	306,098	234,088
Health Care — 0.6%			
21,115	LifePoint Hospitals, Inc. ⁽⁴⁾	993,750	745,782
Travel and Leisure — 0.2%			
2,500	Avis Budget Group, Inc.	89,840	45,725
5,000	Wyndham Worldwide Corp. ⁽⁴⁾	233,023	139,850
		<u>322,863</u>	<u>185,575</u>
Pharmaceuticals — 1.4%			
26,300	Johnson & Johnson	1,512,835	1,707,922

Portfolio of Investments September 30, 2006 (continued)

Shares		Identified Cost	Value (Note 1)
COMMON STOCKS — continued			
Real Estate — 0.1%			
6,250	Realogy Corp. ⁽⁴⁾	\$ 238,637	\$ 141,813
Telecommunications — 1.1%			
40,000	AT&T Inc.	1,063,000	1,302,400
TOTAL COMMON STOCKS		<u>4,437,183</u>	<u>4,317,580</u>
Principal Amount			
SHORT-TERM SECURITIES — 3.6%			
Commercial Paper — 3.6%			
\$4,300,000	American Express Credit Corp. 5.08% 10/02/06 (P1)	4,297,573	4,297,573
U.S. Government Obligations — 0.0%			
11,000	U.S. Treasury notes 3.625% 04/30/07 (Aaa) ⁽⁵⁾	10,880	10,914
TOTAL SHORT-TERM SECURITIES		<u>\$ 4,308,453</u>	<u>\$ 4,308,487</u>
Total Convertible Bonds and Notes — 55.1%		63,206,649	65,667,306
Total Convertible Preferred Stocks — 17.8%		21,056,482	21,231,900
Total Mandatory Convertible Securities — 17.8%		19,480,320	21,217,136
Total Common Stocks — 3.6%		4,437,183	4,317,580
Total Short-Term Securities — 3.6%		<u>4,308,453</u>	<u>4,308,487</u>
Total Investments — 97.9%		<u>\$ 112,489,087</u>	<u>116,742,409</u>
Other assets and liabilities, net — 2.1%			<u>2,521,470</u>
Total Net Assets — 100.0%			<u>\$ 119,263,879</u>

(1) Security not registered under the Securities Act of 1933, as amended (i.e., the security was purchased in a Rule 144A or a Reg D 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, 2006 was \$12,569,574 which represented 10.5% of the Fund's net assets.

(2) Contingent payment debt instrument which accrues contingent interest. See Note 1(f).

(3) 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.

(4) Non-income producing security.

(5) Collateral for a letter of credit.

ADR	American Depositary Receipts.	PIERS	Preferred Income Equity Redeemable Securities.
BONUSES	Bifurcated Option Note Unit Securities.	SAILS	Shared Appreciation Income Linked Securities.
PIES	Premium Income Exchangeable Securities.	SPuRS	Shared Preference Redeemable Securities.

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

Statement of Assets and Liabilities

September 30, 2006

Assets:

Investments at value (cost \$112,489,087) (Note 1)	\$116,742,409
Cash	396,037
Receivable for securities sold	1,556,655
Dividends and interest receivable	642,258
Other assets	31,977
Total assets	<u>119,369,336</u>

Liabilities:

Accrued management fee (Note 2)	74,423
Accrued expenses	21,634
Other liabilities	9,400
Total liabilities	<u>105,457</u>

Net Assets \$119,263,879

Net assets consist of:

Undistributed net investment income	\$ 1,061,023
Accumulated net realized gain from investment transactions	3,715,465
Unrealized appreciation on investments	4,253,322
Capital shares (Note 3)	124,291
Additional paid-in capital	<u>110,109,778</u>

Net Assets \$119,263,879

Net asset value per share (\$119,263,879 ÷ 12,429,083 outstanding shares) \$ 9.60

Statement of Operations

For the Year Ended September 30, 2006

Investment Income (Note 1):

Interest	\$ 3,097,287
Dividends	2,400,368
Other income	20,000
Total Income	<u>5,517,655</u>

Expenses (Note 2):

Management fee	831,367
Custodian	17,126
Transfer agent	23,537
Audit fees	44,200
Legal fees	127,417
Trustees' fees	120,875
Reports to shareholders	104,162
Administrative services fees	25,000
Other	95,299
Total Expenses	<u>1,388,983</u>

Net Investment Income 4,128,672

Realized and Unrealized Gain on Investments:

Net realized gain from investment transactions	6,420,502
Net change in unrealized appreciation of investments	<u>(2,794,837)</u>
Net gain on investments	<u>3,625,665</u>

Net Increase in Net Assets Resulting from Operations \$ 7,754,337

Statements of Changes in Net Assets

For the Years Ended September 30, 2006 and 2005

	2006	2005
Change in net assets from operations:		
Net investment income	\$ 4,128,672	\$ 3,709,734
Net realized gain from investment transactions	6,420,502	1,922,040
Net change in unrealized appreciation of investments	<u>(2,794,837)</u>	<u>5,219,341</u>
Net increase in net assets resulting from operations	<u>7,754,337</u>	<u>10,851,115</u>
Dividends to shareholders from:		
Net investment income	<u>(3,815,429)</u>	<u>(3,641,418)</u>
Capital share transactions (Note 3)	<u>501,102</u>	<u>506,725</u>
Change in net assets	<u>4,440,010</u>	<u>7,716,422</u>
Net assets at beginning of period	<u>114,823,869</u>	<u>107,107,447</u>
Net assets at end of period	<u>\$119,263,879</u>	<u>\$114,823,869</u>
Undistributed net investment income at end of period	<u>\$ 1,061,023</u>	<u>\$ 747,780</u>

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization — Ellsworth Fund Ltd. (successor to Ellsworth Convertible Growth and Income Fund, Inc. (established in 1986)) (the “Fund”), is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. On February 17, 2006, the Fund was reorganized as a Delaware statutory trust from a Maryland corporation.

(b) Use of Estimates — 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.

(c) Indemnification — Under the Fund’s organizational documents, each trustee, officer or other agent of the Fund (including the Fund’s investment adviser) is indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification is considered remote.

(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, 2006, the Fund utilized capital loss carryforward of \$3,010,788 available to the extent allowed by tax law to offset net capital gains.

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax return to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Management has not completed their analysis on whether the adoption of FIN 48 will have an impact to the financial statements.

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) **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. 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. Unlisted securities traded in the over-the-counter market are valued using an evaluated quote provided by an independent pricing service. The independent pricing service derives an evaluated quote by obtaining dealer quotes, analyzing the listed markets, reviewing trade execution data and employing sensitivity analysis. Evaluated quotes may also reflect appropriate factors such as individual characteristics of the issue, communications with broker-dealers, and other market data. 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 pursuant to procedures approved by the Board of Trustees. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

(f) **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 6 cents per share for the year ended September 30, 2006. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At September 30, 2006 there were unrealized losses of approximately 4 cents per share on contingent payment debt instruments.

(g) **Change in Method of Accounting** — 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 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. 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. These changes had no effect on previously reported total net assets or total returns.

(h) **Distributions to Shareholders** — Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the fiscal years ended September 30, 2006 and 2005 were \$3,815,429 and \$3,641,418, respectively, both from ordinary income.

At September 30, 2006 the components of distributable net assets and federal tax cost were as follows:

Unrealized appreciation	\$ 8,604,708
Unrealized depreciation	(4,467,394)
Net unrealized appreciation	4,137,314
Undistributed ordinary income	1,584,336
Undistributed capital gains	3,308,160
Total distributable net assets	<u>9,029,810</u>
Cost for federal income tax purposes	\$112,605,095

Notes to Financial Statements (continued)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Market Risk — It is the Fund's policy to invest at least 65% of its assets in convertible securities. Although convertible securities do derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Fund's investments include features which render them more sensitive to price changes of their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but generally less than that of the underlying common stock. The market value of those securities was \$21,217,136 at September 30, 2006, representing 17.8% of net assets.

(j) New Accounting Pronouncements — In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of September 30, 2006, the Funds do not believe the adoption of SFAS No. 157 will impact the financial statement amounts, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period.

NOTE 2 - MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund has entered into an investment advisory agreement with Davis-Dinsmore Management Company ("Davis-Dinsmore"). Pursuant to the investment advisory agreement, Davis-Dinsmore provides the Fund with investment advice, office space and facilities. Under the terms of the investment advisory agreement, the Fund pays Davis-Dinsmore on the last day of each month an advisory fee for such month computed at an annual rate of 0.75% of the first \$100,000,000 and 0.50% of the excess over \$100,000,000 of the Fund's net asset value in such month.

The Fund, pursuant to an administrative services agreement with Davis-Dinsmore, has agreed to pay Davis-Dinsmore for certain accounting and other administrative services provided to the Fund. Under the administrative services agreement, the Fund pays Davis-Dinsmore compensation in the amount of \$25,000 per year, payable on a monthly basis.

Certain officers and trustees of the Fund are officers and directors of Davis-Dinsmore.

NOTE 3 - PORTFOLIO ACTIVITY

At September 30, 2006 there were 12,429,083 shares of beneficial interest outstanding, with a par value of \$0.01 per share. During the years ended September 30, 2006 and 2005, 66,814 shares and 64,142 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$501,102 and \$506,725, respectively.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$67,000,607 and \$69,337,731, respectively, for the year ended September 30, 2006.

A distribution of \$0.395 per share, consisting of \$0.13 from net investment income, and \$0.265 long-term capital gains was declared on October 16, 2006, payable November 22, 2006 to shareholders of record at the close of business October 27, 2006.

Financial Highlights Selected data for a share of beneficial interest outstanding:

	Year Ended September 30,				
	2006	2005	2004	2003	2002
Operating Performance:					
Net asset value, beginning of year	\$9.29	\$8.71	\$8.58	\$7.81	\$8.67
Net investment income	0.33	0.29	0.30(a)	0.32(a)	0.34 (a)
Adjustment for change in amortization policy	—	—	(0.02)	(0.01)	—
Net investment income, as adjusted . . .	0.33	0.29	0.28	0.31	0.34
Net realized and unrealized gain (loss)	0.29	0.59	0.35(a)	0.75(a)	(0.76)(a)
Adjustment for change in amortization policy	—	—	0.02	0.01	—
Net realized and unrealized gain (loss), as adjusted	0.29	0.59	0.37	0.76	(0.76)
Total from investment operations	0.62	0.88	0.65	1.07	(0.42)
Less Distributions:					
Dividends from net investment income	(0.31)	(0.30)	(0.32)	(0.30)	(0.44)
Distributions from realized gains	—	—	—	—	—
Total distributions	(0.31)	(0.30)	(0.32)	(0.30)	(0.44)
Capital Share Transactions:					
Effect of rights offering	—	—	(0.20)	—	—
Capital share repurchases	—	—	—	—	—
Total capital share transactions	—	—	(0.20)	—	—
Net asset value, end of year	\$9.60	\$9.29	\$8.71	\$8.58	\$7.81
Market value, end of year	\$8.20	\$7.84	\$7.95	\$8.05	\$7.55
Total Net Asset Value Return %(b)	6.8	10.3	5.2	14.0	(5.2)
Total Investment Return %(c)	8.8	2.5	2.8	10.8	(4.5)
Ratios/Supplemental Data:					
Net assets, end of year (in thousands)	\$119,264	\$114,824	\$107,107	\$89,801	\$81,125
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 (%)	3.6	3.4	3.2(d)	3.8(d)	4.0 (d)
Portfolio turnover rate (%)	60	82	70	86	89

(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

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of Ellsworth Fund Ltd.

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments of Ellsworth Fund Ltd. (formerly Ellsworth Convertible Growth and Income Fund, Inc.) (the "Fund") as of September 30, 2006, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period 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 audits. The financial highlights for each of the years in the three year period ended September 30, 2004 have been audited by other auditors, whose report dated October 29, 2004 expressed an unqualified opinion thereon.

We conducted our audits 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. The Fund is not required to have, nor were we engaged to perform an audit of the Fund's internal control over financial reporting. Our audits 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, 2006, by correspondence with the custodian. 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 audits provide 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 Ellsworth Fund Ltd. as of September 30, 2006, the results of its operations for the year then ended, the changes in its net assets and its financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
November 3, 2006

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 as well as the Plan application 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 share 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 share 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 share 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 shares 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 Fund 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 shareholders or former shareholders 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 Fund's 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 of portfolio holdings for the first and third fiscal quarters to shareholders, however the schedule is posted to the Fund's 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.

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.

The Fund is a member of the Closed-End Fund Association, a non-profit national trade association (www.cefa.com). Thomas H. Dinsmore is on the Executive Board and is the president of the association. *The association is solely responsible for the content of its website.*

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 Davis-Dinsmore disclose Fund portfolio holdings to such broker in advance of the public disclosure of such portfolio holdings. Davis-Dinsmore may make such disclosure under the following conditions: (i) the specific purpose of the disclosure is to assist Davis-Dinsmore in identifying potential investment opportunities for the Fund; (ii) prior to the receipt of nonpublic portfolio holdings, the broker, by means of e-mail or other written communication, shall agree to keep the nonpublic 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) Davis-Dinsmore shall keep written records of its agreement with each broker to which it distributes nonpublic portfolio holdings; and (iv) Davis-Dinsmore will secure a new agreement with a broker any time the broker directs the nonpublic portfolio holdings to be sent to a new recipient.

Trustees

Each trustee is also a trustee of Bancroft Fund Ltd. (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 trustee oversees two investment companies in the Fund Complex.

Personal
Information

Principal Occupation(s) During Past Five Years; Other
Directorship(s)

INDEPENDENT TRUSTEES

Gordon F. Ahalt
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2007
Trustee since 1986
Age 78

Retired. Trustee of Bancroft and Energy Solutions Group Inc. (an energy services company).

Elizabeth C. Bogan, Ph.D.
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2007
Trustee since 1986
Age 62

Senior Lecturer in Economics at Princeton University; Trustee of Bancroft.

Donald M. Halsted, Jr.
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2008
Trustee since 1986
Age 79

Retired Business Executive; Trustee of Bancroft.

Duncan O. McKee
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2008
Trustee since 1996
Age 75

Retired Attorney; Trustee of Bancroft.

Trustees (continued)

Personal
Information

Principal Occupation(s) During Past Five Years; Other
Directorship(s)

INDEPENDENT TRUSTEES (continued)

Robert J. McMullan
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2009
Trustee since 2004
Age 52

Since 2005, Chief Executive Officer and director 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); Trustee of Bancroft.

Nicolas W. Platt
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2007
Trustee since 1997
Age 53

Since August 2006, Managing Director, Rodman & Renshaw, LLC (a full-service investment bank). Prior to August 2006, President of CNC-US (an international consulting company). Prior to January 2003, Senior Partner of Platt & 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; Trustee of Bancroft.

INTERESTED TRUSTEES

Thomas H. Dinsmore, C.F.A. ⁽¹⁾
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2008
Trustee since 1986
Chairman of the Board
since 1996
Age 53

Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore; Trustee of Bancroft and director of Davis-Dinsmore.

Jane D. O’Keeffe ⁽¹⁾
65 Madison Avenue
Suite 550
Morristown, NJ 07960
Term expires 2009
Trustee since 1995
Age 51

President of the Fund, Bancroft and Davis-Dinsmore; Trustee of Bancroft and director of Davis-Dinsmore.

(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 Trustees. Each officer holds office until the annual meeting to be held in 2007, 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. ^(1,2,3) Trustee, Chairman and Chief Executive Officer since 1986 Age 53	Trustee, Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore.
Jane D. O’Keeffe ^(1,2,3) Trustee and President since 1994 Age 51	Trustee and President of the Fund, Bancroft and Davis-Dinsmore.
Gary I. Levine Executive Vice President, Chief Financial Officer and Secretary since 1986 Age 49	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. ^(2,4) Vice President since 1994 Age 59	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 since 1996 Age 37	Vice President of the Fund, Bancroft and Davis-Dinsmore.
Mercedes A. Pierre Vice President and Chief Compliance Officer since 1998 Age 45	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. ^(3,4) Treasurer and Assistant Secretary since 2002 Age 30	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 P. Lake is the cousin of Mr. Dinsmore and Ms. O’Keeffe.

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

Board of Trustees

GORDON F. AHALT
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

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

Beneficial Share Listing

American Stock Exchange Symbol: ECF

Legal Counsel

Ballard Spahr Andrews & Ingersoll LLP

Independent Accountants

Tait, Weller & Baker LLP

Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future purchase its own shares 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 FUND LTD.
65 MADISON AVENUE, SUITE 550
MORRISTOWN, NEW JERSEY 07960
www.ellsworthfund.com

