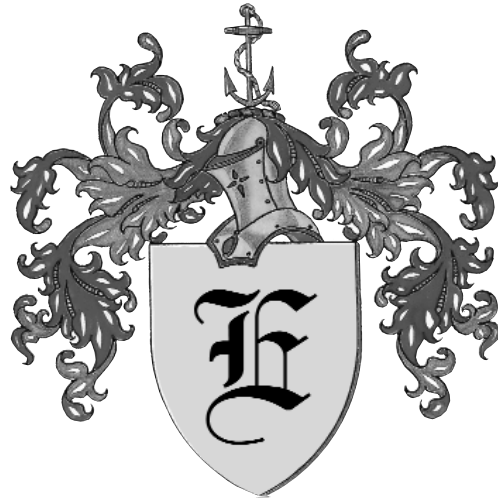


ELLSWORTH FUND LTD.



2007 Annual Report
September 30, 2007

*2007 Annual Report
September 30, 2007*

Ellsworth Fund Ltd. 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, 2007 *with dividends reinvested*

	Calendar	Annualized		10 Year	
	YTD	1 Year	5 Years	10 Years	Volatility (c)
Ellsworth market price	10.75%	19.61%	8.67%	7.97%	8.80%
Ellsworth net asset value	9.80	14.38	10.08	6.26	10.67
Merrill Lynch All Convertibles Index (a)	8.04	13.45	13.29	7.35	16.85
S&P 500 Index (a)	9.13	16.44	15.45	6.57	17.74
Lehman Aggregate Bond Total Return Index (b)	3.85	5.14	4.14	5.97	4.07

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

(b) From Lipper, Inc. *Closed-End Fund Performance Analysis*, dated September 30, 2007.

(c) 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.

Ellsworth's performance in the table above has not been adjusted for the fiscal 2004 rights offering; net asset value dilution was 2.21%. 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. 06	\$ 9.72	\$9.29	\$ 9.60	\$8.46	\$8.06	\$8.45
Mar. 07	9.89	9.53	9.73	8.68	8.39	8.58
Jun. 07	10.28	9.73	10.24	9.18	8.56	9.14
Sept.07	10.46	9.62	10.27	9.45	8.04	9.09

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	Total	* Corporate Deduction
10/27/06	11/22/06	\$0.130	\$0.265	\$0.395	24%
2/13/07	2/27/07	0.080	—	0.080	9
5/16/07	5/30/07	0.080	—	0.080	9
8/16/07	8/30/07	0.100	—	0.100	9
		<u>\$0.390</u>	<u>\$0.265</u>	<u>\$0.655</u>	

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

To Our Shareholders

November 14, 2007

As the financial markets continue to see the fallout from the dramatic rise in home mortgage defaults, we think several useful observations can be made. First, there is plenty of blame to go around; from those who insisted on making mortgages available to all, the banks who found creative ways to accommodate them, the investment banking firms who bought them and packaged them, and finally to the ratings agencies who apparently misjudged the default risk of these packages. Second, many homeowners have come to view the equity in their homes as if it were a deposit of money available for spending. As financing options are reduced, homeowners have less ability to use this equity (assuming it is still there) for consumption. Such contractions sometimes cause recessions but can also reduce inflationary pressures. Third, once the effects of mortgage defaults work their way through the system, there will be opportunities and bargains available just as there were after the savings and loan crisis nearly two decades ago. Unfortunately, it may take months or even years for us to get to that point.

The convertible securities market continues to grow and provide opportunities for investment. The Citigroup Convertible Index grew to \$336.8 billion from under \$300 billion on December 31, 2006. While some hedge fund models suggest that the convertible market is fairly valued when compared to the stock market, we still see an asset class that provides us with investments that we believe will help us meet our investment objectives.

Fiscal year performance of the Fund was enhanced by its exposure to the metals and mining, telecommunications and chemicals industries. Among the better performing issues in the portfolio were Equinix, Inc. (telecommunications), LSB Industries, Inc. (multi-industry) and Celanese Corp. (chemicals). Performance was held back by exposure to the financial services, retail and pharmaceutical industries.

For the calendar year-to-date, one- and ten-year periods ended September 30, 2007, Ellsworth's market return outperformed the Merrill Lynch All Convertibles Index (the "Index") while underperforming for the five-year period. The Fund's net asset value (NAV) outperformed over the calendar year-to-date, one- and ten-year periods, and was in-line for the five-year period (this is the case when you adjust for the fiscal 2004 rights offering and the fact that the Index does not include expenses). For that ten-year period, the Fund's NAV and market volatility, as measured by standard deviation, were lower than that of the Index. Many market professionals consider the volatility of past returns to be a useful approximation of the past levels of risk. A higher volatility level equates to a higher measure of risk. This measure of historic results may not reflect future performance but we believe that it is informative. The Fund has sought to provide total returns to shareholders that compare favorably to the equity markets with less volatility. We think the Fund has achieved that.

On September 30, 2007 board member Duncan O. McKee retired. Mr. McKee has been with the Fund from its formation in 1986. He had been one of the top investment company lawyers for many decades and his contributions to the Fund are too many to recount here. We will miss his presence.

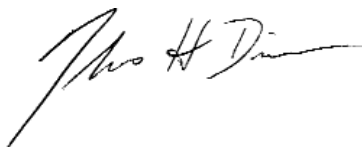
Effective October 1, 2007, board member Robert J. McMullan resigned as trustee due to personal and professional time commitments. The Board thanks Mr. McMullan for his contributions to the Fund and wishes him success in his other business endeavors.

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To Our Shareholders (continued)

At its October 15, 2007 meeting, the Board of Trustees declared a distribution of \$0.887 per share. The distribution consists of \$0.06 undistributed net investment income, and net realized gains on investments of \$0.827. The distribution is payable on November 21, 2007 to shareholders of record on October 25, 2007. This is the largest single distribution by the Fund since fiscal year 2000; further, this year's total annual distribution is also the largest since 2000.

The 2008 annual meeting of shareholders will be held on January 11, 2008. Time and location will be included in the proxy statement, scheduled to be mailed to shareholders on November 26, 2007. 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, 2007

ADDITIONS

Amerivon Holdings LLC

Chattem, Inc.

Companhia Vale do Rio Doce ADS
(exchangeable from Vale Capital Ltd.)

ConocoPhillips
(exchangeable from Merrill Lynch & Co., Inc.)

ExpressJet Holdings, Inc.

Gannett Co., Inc.

Nabors Industries, Inc.
(exchangeable from NATIXIS Financial Products Inc.)

St. Jude Medical, Inc.
(exchangeable from NATIXIS Financial Products Inc.)

Sepracor Inc.
(exchangeable from NATIXIS Financial Products Inc.)

Tesoro Corp.
(exchangeable from Merrill Lynch & Co., Inc.)

REDUCTIONS

Amgen, Inc.

CMS Energy Corp.

Celanese Corp.

FTI Consulting, Inc.

Johnson & Johnson

Manor Care, Inc.

MedImmune, Inc.

Nuveen Investments, Inc.
(exchangeable from Morgan Stanley, Inc.)

NVIDIA Corp.
(exchangeable from IXIS Financial Products Inc.)

Reinsurance Group of America, Inc.

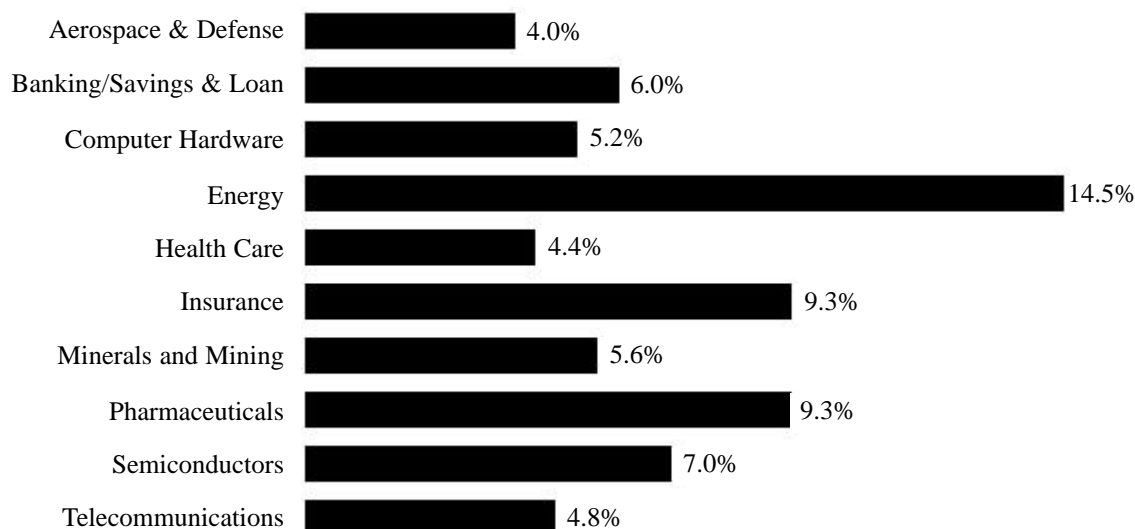
U.S. Bancorp

Vornado Realty Trust

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
Freeport-McMoRan Copper and Gold, Inc. Freeport-McMoRan 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.	\$ 3,489,750	2.7 %
LSB Industries, Inc. LSB manufactures and sells chemical products for the mining, agricultural and industrial markets. The company also manufactures and sells commercial and residential climate control products.	3,195,000	2.5
Prudential Financial, Inc. Prudential provides financial services worldwide. The company offers a variety of products and services including life insurance, mutual funds, annuities, asset management and real estate brokerage.	3,086,490	2.4
The Walt Disney Company Disney, an entertainment company, has operations that include media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.	3,059,375	2.3
Bristol-Myers Squibb Co. Bristol-Myers is a diversified worldwide health and personal care company that manufactures medicines and other products. The company's products include therapies for various diseases and disorders, consumer medicines, infant formulas, and nutritional supplements.	3,026,400	2.3
LSI Corp. LSI designs, develops, manufactures and markets integrated circuits and storage systems. The company offers products and services for a variety of electronic systems applications that are marketed to original equipment manufacturers in the telecommunications, computers and storage industries. (exchangeable from Agere Systems Inc. and LSI Corp.)	3,023,750	2.3
Nabors Industries, Inc. Nabors is a land drilling contractor, and also performs well-servicing and workovers. The company conducts oil, gas and geothermal land drilling operations. (exchangeable from Nabors Industries Ltd. and NATIXIS Financial Products Inc.)	2,886,916	2.2
MetLife, Inc. MetLife provides insurance and financial services to a range of individual and institutional customers.	2,746,400	2.1
New York Community Bancorp, Inc. New York Community Bancorp is a multi-bank holding company that offers a full range of traditional and non-traditional products and services.	2,695,356	2.1
Companhia Vale do Rio Doce Companhia Vale do Rio Doce produces and sells iron ore, pellets, manganese, alloys, gold, bauxite and alumina. The company is based in Brazil, where it owns and operates railroads and maritime terminals. (exchangeable from Vale Capital Ltd.)	<u>2,671,200</u>	<u>2.1</u>
Total	<u>\$29,880,637</u>	<u>23.0%</u>

Major Industry Exposure



Diversification of Assets

	Cost	Value (Note 1)	% Total Net Assets September 30,	
			2007	2006
Aerospace and Defense	\$ 5,167,199	\$ 5,162,500	4.0%	5.4%
Agriculture	2,041,683	1,907,000	1.5	—
Banking/Savings and Loan	8,464,316	7,767,006	6.0	5.6
Chemicals	2,106,391	3,498,800	2.7	3.2
Computer Hardware	6,069,627	6,810,600	5.2	3.6
Computer Software	3,595,596	3,790,500	2.9	3.2
Consumer Goods	4,320,896	5,042,750	3.9	1.5
Energy	18,081,101	18,925,185	14.5	9.3
Finance	892,500	1,335,945	1.0	3.7
Financial Services	4,303,394	3,323,200	2.6	2.8
Foods	1,058,000	1,062,000	0.8	1.8
Health Care	5,919,214	5,767,547	4.4	3.9
Insurance	10,499,064	12,129,890	9.3	10.0
Media and Entertainment	4,610,339	5,056,975	3.9	5.2
Minerals and Mining	5,478,580	7,300,950	5.6	—
Multi-Industry	3,787,073	3,876,562	3.0	6.1
Pharmaceuticals	12,703,901	12,056,382	9.3	10.5
Real Estate	982,239	1,023,750	0.8	0.6
Retail	2,991,615	2,698,125	2.1	1.1
Semiconductors	8,537,645	9,056,250	7.0	8.8
Telecommunications	5,654,805	6,240,406	4.8	4.7
Transportation	1,928,160	1,947,500	1.5	—
Other	—	—	—	6.9
Short-Term Securities	3,298,295	3,298,295	2.5	—
Total Investments	<u>\$122,491,633</u>	<u>129,078,118</u>	<u>99.3</u>	<u>97.9</u>
Other Assets, Net of Liabilities		873,999	0.7	2.1
Total Net Assets		<u>\$129,952,117</u>	<u>100.0%</u>	<u>100.0%</u>

Portfolio of Investments September 30, 2007

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — 59.1%			
Aerospace and Defense — 3.6%			
\$1,500,000	AAR Corp. 1.75%, due 2026 cv. sr. notes (BB)	\$1,535,953	\$1,800,000
1,000,000	Alliant Techsystems Inc. 2.75%, due 2011 cv. sr. sub. notes (B1)	1,007,502	1,262,500
1,500,000	DRS Technologies, Inc. 2%, due 2026 cv. sr. notes (B1) (Acquired 01/30/06 - 05/16/07; Cost \$1,623,744) ^(1,2)	<u>1,623,744</u>	<u>1,620,000</u>
		<u>4,167,199</u>	<u>4,682,500</u>
Agriculture — 1.5%			
2,000,000	Merrill Lynch & Co., Inc. 1.5%, due 2012 cv. securities (Aa3) (exchangeable into Archer-Daniels-Midland Co. common stock) (Acquired 02/23/07; Cost \$2,041,683) ^(1,2)	<u>2,041,683</u>	<u>1,907,000</u>
Banking/Savings and Loan — 2.3%			
1,000,000	PrivateBancorp, Inc. 3.625%, due 2027 cv. sr. notes (NR)	1,000,000	981,250
2,000,000	U.S. Bancorp floating rate, due 2037 cv. sr. deb. (Aa2)	<u>1,980,772</u>	<u>1,993,400</u>
		<u>2,980,772</u>	<u>2,974,650</u>
Computer Hardware — 5.2%			
1,000,000	C&D Technologies, Inc. 5.25%, due 2025 cv. sr. notes (NR)	1,000,000	958,750
2,000,000	Credit Suisse, New York Branch 14%, due 2008 equity-linked notes (Aa1) (exchangeable for Corning Inc. common stock)	<u>2,000,000</u>	<u>2,040,600</u>
1,000,000	EMC Corp. 1.75%, due 2011 cv. sr. notes (BBB+)	1,040,114	1,422,500
1,000,000	EMC Corp. 1.75%, due 2013 cv. sr. notes (BBB+)	1,029,513	1,433,750
1,000,000	Richardson Electronics, Ltd. 8%, due 2011 cv. sr. sub. notes (NR)	<u>1,000,000</u>	<u>955,000</u>
		<u>6,069,627</u>	<u>6,810,600</u>
Computer Software — 2.9%			
1,000,000	Blackboard Inc. 3.25%, due 2027 cv. sr. notes (B-)	1,000,000	1,110,000
1,000,000	GSI Commerce, Inc. 2.5%, due 2027 cv. sr. notes (NR) (Acquired 06/27/07; Cost \$1,001,857) ⁽²⁾	1,001,857	1,110,000
1,500,000	Lehman Brothers Holdings Inc. 1%, due 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) ⁽¹⁾	<u>1,593,739</u>	<u>1,570,500</u>
		<u>3,595,596</u>	<u>3,790,500</u>
Consumer Goods — 2.5%			
1,500,000	Chattem, Inc. 1.625%, due 2014 cv. sr. notes (NR)	1,527,123	1,691,250
1,000,000	Church & Dwight Co., Inc. 5.25%, due 2033 cv. sr. deb. (Ba1)	<u>1,000,000</u>	<u>1,552,500</u>
		<u>2,527,123</u>	<u>3,243,750</u>
Energy — 6.2%			
1,000,000	Cameron International Corp. 2.50%, due 2026 cv. sr. notes (Baa1)	991,709	1,483,750
1,500,000	Covanta Holding Corp. 1%, due 2027 sr. cv. deb. (B1) ⁽¹⁾	1,610,828	1,533,750
1,500,000	Nabors Industries, Inc. 0.94%, due 2011 sr. exchangeable notes (A-) (exchangeable for Nabors Industries Ltd. common stock)	1,493,126	1,445,625
1,225,000	Oil States International, Inc. 2.375%, due 2025 contingent cv. sr. notes (NR)	1,454,215	2,027,375
1,250,000	Rentech, Inc. 4%, due 2013 cv. sr. notes (NR)	1,250,000	1,052,344
500,000	USEC Inc. 3%, due 2014 cv. sr. notes (CCC)	<u>500,000</u>	<u>543,750</u>
		<u>7,299,878</u>	<u>8,086,594</u>
Financial Services — 1.6%			
2,000,000	Euronet Worldwide, Inc. 3.50%, due 2025 cv. deb. (B+) ⁽¹⁾	<u>2,383,235</u>	<u>2,027,500</u>

Portfolio of Investments September 30, 2007 (continued)

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued			
Health Care — 3.2%			
\$ 375,000	China Medical Technologies, Inc. 3.5%, due 2011 cv. sr. sub. notes (NR)	\$ 386,670	\$ 541,406
500,000	LifePoint Hospitals, Inc. 3.25%, due 2025 cv. sr. sub. deb. (B2)	477,529	431,875
450,000	LifePoint Hospitals, Inc. 3.50%, due 2014 cv. sub. notes (B)	452,450	402,750
1,000,000	Omnicare, Inc. 3.25%, due 2035 cv. sr. deb. (B2) ⁽¹⁾	1,082,200	813,750
1,000,000	SonoSite Inc. 3.75%, due 2014 cv. sr. notes (NR)	1,015,967	1,011,250
1,000,000	St. Jude Medical, Inc. 1.22%, due 2008 cv. sr. deb. (BBB+)	1,004,369	1,021,250
		<u>4,419,185</u>	<u>4,222,281</u>
Insurance — 2.4%			
3,000,000	Prudential Financial, Inc. floating rate, due 2036 cv. sr. notes (A3)	2,993,341	3,086,490
Media and Entertainment — 3.9%			
2,000,000	Gannett Co., Inc. floating rate, due 2037 cv. sr. notes (A3)	1,993,026	1,997,600
2,500,000	The Walt Disney Company 2.125%, due 2023 cv. sr. notes (A2)	2,617,313	3,059,375
		<u>4,610,339</u>	<u>5,056,975</u>
Minerals and Mining — 0.9%			
1,000,000	Newmont Mining Corp. 1.25%, due 2014 cv. sr. notes (BBB+)		
	(Acquired 07/12/07; Cost \$1,018,205) ⁽²⁾	1,018,205	1,140,000
Multi-Industry — 3.0%			
750,000	Diversa Corp. 5.5%, due 2027 cv. sr. notes (NR)		
	(exchangeable for Verenum Corp. common stock)	750,000	681,562
3,000,000	LSB Industries, Inc. 5.5%, due 2012 cv. sr. sub. deb. (NR)		
	(Acquired 06/28/07 - 09/13/07; Cost \$3,037,073) ⁽²⁾	3,037,073	3,195,000
		<u>3,787,073</u>	<u>3,876,562</u>
Pharmaceuticals — 6.3%			
3,000,000	Bristol-Myers Squibb Co. floating rate, due 2023 cv. sr. deb. (A2)	3,005,969	3,026,400
1,625,000	Mylan Inc. 1.25%, due 2012 sr. cv. notes (BB+)	1,665,984	1,507,188
1,500,000	Teva Pharmaceutical Finance Co. B.V. 1.75%, due 2026		
	cv. sr. deb. (Baa2)		
	(exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,487,869	1,588,125
2,000,000	Wyeth floating rate, due 2024 cv. sr. deb. (A3)	2,169,078	2,117,540
		<u>8,328,900</u>	<u>8,239,253</u>
Real Estate — 0.8%			
1,000,000	ProLogis 2.25%, due 2037 cv. sr. notes (BBB+)		
	(Acquired 03/20/07 - 04/16/07; Cost \$982,239) ⁽²⁾	982,239	1,023,750
Retail — 0.9%			
1,500,000	Charming Shoppes, Inc. 1.125%, due 2014 sr. cv. notes (BB-)	1,491,615	1,198,125
Semiconductors — 7.0%			
2,000,000	Agere Systems Inc. 6.5%, due 2009 cv. sub. notes (B+)		
	(exchangeable for LSI Corp.)	2,025,897	2,030,000
1,500,000	Cypress Semiconductor Corp. 1%, due 2009 cv. sr. notes (NR)	1,521,397	1,972,500
2,000,000	Fairchild Semiconductor Corp. 5%, due 2008 cv. sr. sub. notes (B)		
	(exchangeable into Fairchild Semiconductor International, Inc.		
	common stock)	1,992,203	1,980,000
2,000,000	Intel Corp. 2.95%, due 2035 jr. sub. cv. deb. (A-) ⁽¹⁾	1,998,597	2,080,000
1,000,000	LSI Corp. 4%, due 2010 cv. sub. notes (B+)	999,551	993,750
		<u>8,537,645</u>	<u>9,056,250</u>

Portfolio of Investments September 30, 2007 (continued)

Principal Amount		Identified Cost	Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued			
Telecommunications — 3.4%			
\$1,000,000	Anixter International Inc. 1%, due 2013 sr. cv. notes (BB-)	\$ 1,120,975	\$ 1,397,500
1,000,000	Equinix, Inc. 2.5%, due 2012 cv. sub. notes (CCC+)	1,008,493	1,022,500
1,000,000	General Cable Corp. 1%, due 2012 sr. cv. notes (B1)	1,019,000	1,048,750
1,000,000	SAVVIS, Inc. 3%, due 2012 cv. sr. notes (NR)	1,007,377	933,750
		<u>4,155,845</u>	<u>4,402,500</u>
Transportation — 1.5%			
2,000,000	ExpressJet Holdings, Inc. 4.25%, due 2023 cv. notes (NR)	1,928,160	1,947,500
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$73,317,660</u>	<u>\$76,772,780</u>
CORPORATE BONDS AND NOTES — 1.1%			
Retail — 1.1%			
1,500,000	Amerivon Holdings LLC 4%, due 2010 units (NR) (Acquired 06/01/07; Cost \$1,500,000) ^(2,3)	1,500,000	1,500,000
CONVERTIBLE PREFERRED STOCKS — 8.9%			
Aerospace and Defense — 0.4%			
40,000	Ionatron, Inc. 6.5% series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$1,000,000) ⁽²⁾	1,000,000	480,000
Banking/Savings and Loan — 3.7%			
54,178	New York Community Bancorp, Inc. 6% BONUSSES units (Baa1) ...	2,946,933	2,695,356
20,000	Sovereign Capital Trust IV 4.375% PIERS (Baa1) (exchangeable for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	1,200,086	850,000
25,000	Washington Mutual Capital Trust 5.375% PIERS units (A3) (exchangeable for Washington Mutual, Inc. common stock)	1,336,525	1,247,000
		<u>5,483,544</u>	<u>4,792,356</u>
Chemicals — 1.9%			
50,000	Celanese Corp. 4.25% cv. perpetual pfd. (NR)	1,205,391	2,507,000
Energy — 2.3%			
20,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+)	2,003,471	2,015,000
20,000	PetroQuest Energy, Inc. 6.875% cum. cv. perpetual pfd. (NR)	1,000,000	998,750
		<u>3,003,471</u>	<u>3,013,750</u>
Telecommunications — 0.6%			
100	Medis Technologies Ltd. 7.25% series A cum. cv. perpetual pfd. (NR)	1,000,000	718,886
	TOTAL CONVERTIBLE PREFERRED STOCKS	<u>\$11,692,406</u>	<u>\$11,511,992</u>
MANDATORY CONVERTIBLE SECURITIES — 27.7% ⁽⁴⁾			
Chemicals — 0.8%			
20,000	Huntsman Corp. 5%, due 02/16/08 mandatory cv. pfd. (NR)	901,000	991,800
Consumer Goods — 1.4%			
1,750	The Stanley Works floating rate equity units, due 05/17/12 (A2) ...	1,793,773	1,799,000

Portfolio of Investments September 30, 2007 (continued)

Shares		Identified Cost	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued			
Energy — 6.0%			
40,000	Bristow Group Inc. 5.5%, due 09/15/09 mandatory cv. pfd. (B)	\$2,027,500	\$2,246,800
1,000	Chesapeake Energy Corp. 6.25%, due 06/15/09 mandatory cv. pfd. (B+) .	250,000	284,630
2,000	Merrill Lynch & Co., Inc. 5.4%, due 09/27/10 PRIDES (NR) (linked to the performance of ConocoPhillips common stock)	2,000,000	1,959,910
41,135	Merrill Lynch & Co., Inc. 12%, due 06/27/08 capped appreciation notes (NR) (linked to the performance of Tesoro Corp. common stock)	1,999,984	1,892,210
45,950	NATIXIS Financial Products Inc. 9.55%, due 01/26/08 mandatory trigger exchangeable notes (NR) (exchangeable for Nabors Industries, Inc. common stock) (Acquired 07/23/07; Cost \$1,500,268) ⁽²⁾	1,500,268	1,441,291
		<u>7,777,752</u>	<u>7,824,841</u>
Finance — 1.0%			
25,500	Morgan Stanley, Inc. 5.875%, due 10/15/08 mandatorily exchangeable securities (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	892,500	1,335,945
Financial Services — 1.0%			
70,000	E*TRADE Financial Corp. 6.125%, due 11/18/08 equity units (Ba3)	1,920,159	1,295,700
Foods — 0.8%			
40,000	Lehman Brothers Holdings Inc. 6.25%, due 10/15/07 PIES (A1) (exchangeable for General Mills, Inc. common stock)	1,058,000	1,062,000
Health Care — 1.2%			
35,732	NATIXIS Financial Products Inc. 9.1%, due 01/07/08 mandatory trigger exchangeable notes (NR) (exchangeable for St. Jude Medical, Inc. common stock) (Acquired 07/02/07; Cost \$1,500,029) ⁽²⁾	1,500,029	1,545,266
Insurance — 7.0%			
7,000	Alleghany Corp. 5.75%, due 06/15/09 mandatory cv. pfd. (BBB-)	1,852,200	2,635,500
75,000	Citigroup Funding Inc. variable rate exch. notes, due 10/27/08 (Aa1) (exchangeable for Genworth Financial, Inc. common stock)	2,212,500	2,202,000
80,000	MetLife, Inc. 6.375%, due 08/15/08 common equity units (BBB+)	2,084,000	2,746,400
52,500	XL Capital Ltd. 7%, due 02/15/09 equity security units (A3)	1,357,023	1,459,500
		<u>7,505,723</u>	<u>9,043,400</u>
Minerals and Mining — 4.7%			
22,500	Freeport-McMoRan Copper & Gold Inc. 6.75%, due 05/01/10 mandatory cv. pfd. (B+)	2,422,775	3,489,750
30,000	Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (NR) (exchangeable for Companhia Vale do Rio Doce ADS)	1,534,600	2,005,500
10,000	Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (NR) (exchangeable for Companhia Vale do Rio Doce Preference A Shares ADS)	503,000	665,700
		<u>4,460,375</u>	<u>6,160,950</u>

Portfolio of Investments September 30, 2007 (continued)

Shares		Identified Cost	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — continued			
Pharmaceuticals — 2.9%			
42,008	NATIXIS Financial Products Inc. 8.1%, due 12/05/07 mandatory trigger exchangeable notes (NR) (exchangeable for Sepracor Inc. common stock) (Acquired 05/23/07; Cost \$2,000,001) ⁽²⁾	\$ 2,000,001	\$ 1,188,574
9,500	Schering-Plough Corp. 6%, due 08/13/10 mandatory cv. pfd. (Baa3)	2,375,000	2,628,555
		<u>4,375,001</u>	<u>3,817,129</u>
Telecommunications — 0.9%			
14,000	Credit Suisse Securities (USA), Inc. 5.5%, due 11/15/08 SAILS (Aa1) (exchangeable for Equinix, Inc. common stock)	498,960	1,119,020
	TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽⁴⁾	\$ 32,683,272	\$ 35,995,051
Principal Amount	SHORT-TERM SECURITIES — 2.5%		
	Commercial Paper — 2.5%		
\$3,300,000	American Express Credit Corp. 4.65%, due 10/01/07 (P1)	3,298,295	3,298,295
	Total Convertible Bonds and Notes — 59.1%	\$ 73,317,660	\$ 76,772,780
	Total Corporate Bonds and Notes — 1.1%	1,500,000	1,500,000
	Total Convertible Preferred Stocks — 8.9%	11,692,406	11,511,992
	Total Mandatory Convertible Securities — 27.7%	32,683,272	35,995,051
	Total Short-Term Securities — 2.5%	3,298,295	3,298,295
	Total Investments — 99.3%	<u>\$122,491,633</u>	129,078,118
	Other assets and liabilities, net — 0.7%		<u>873,999</u>
	Total Net Assets — 100.0%		<u>\$129,952,117</u>

- (1) Contingent payment debt instrument which accrues contingent interest. See Note 1(f).
- (2) 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, 2007 was \$16,150,881 which represented 12.4% of the Fund's net assets.
- (3) Investment is a restricted security, valued at fair value as determined in good faith in accordance with procedures adopted by the Board of Trustees. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material. The market value of this security amounts to \$1,500,000 which represented 1.15% of the Fund's net assets.
- (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.

ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BONUSES	Bifurcated Option Note Unit Securities.
PIES	Premium Income Exchangeable Securities.
PRIDES	Preferred Redeemable Income Dividend Equity Securities.
PIERS	Preferred Income Equity Redeemable Securities.
SAILS	Shared Appreciation Income Linked Securities.
Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's.	
NR is used whenever a rating is unavailable.	

Summary of Portfolio Ratings	
	% of
	<u>Portfolio</u>
Aa	8
A	19
Baa	16
Ba	7
B	19
Caa	1
NR	30

Statement of Assets and Liabilities

September 30, 2007

Assets:

Investments at value (cost \$122,491,633) (Note 1)	\$129,078,118
Cash	1,365,904
Receivable for securities sold	528,709
Dividends and interest receivable	615,315
Other assets	29,070
Total assets	<u>131,617,116</u>

Liabilities:

Payable for securities purchased	1,519,000
Accrued management fee (Note 2)	81,698
Accrued expenses	26,365
Other liabilities	37,936
Total liabilities	<u>1,664,999</u>

Net Assets \$129,952,117

Net assets consist of:

Capital shares (Note 3)	\$ 126,591
Additional paid-in capital	112,000,501
Undistributed net investment income	358,935
Accumulated net realized gain from investment transactions	10,879,605
Unrealized appreciation on investments	<u>6,586,485</u>

Net Assets \$129,952,117

Net asset value per share (\$129,952,117 ÷ 12,659,098 outstanding shares) \$ 10.27

Statement of Operations

For the Year Ended September 30, 2007

Investment Income (Note 1):

Interest	\$ 3,377,879
Dividends	<u>2,187,412</u>
Total Income	<u>5,565,291</u>

Expenses (Note 2):

Management fee	875,997
Custodian	20,579
Transfer agent	23,270
Audit fees	34,700
Legal fees	101,683
Trustees' fees	110,625
Reports to shareholders	52,981
Administrative services fees	53,976
Other	86,422
Total Expenses	<u>1,360,233</u>

Net Investment Income 4,205,058

Realized and Unrealized Gain on Investments:

Net realized gain from investment transactions	10,457,847
Net change in unrealized appreciation of investments	<u>2,333,162</u>
Net gain on investments	<u>12,791,009</u>

Net Increase in Net Assets Resulting from Operations \$ 16,996,067

Statements of Changes in Net Assets

For the Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Change in net assets from operations:		
Net investment income	\$ 4,205,058	\$ 4,128,672
Net realized gain from investment transactions	10,457,847	6,420,502
Net change in unrealized appreciation of investments	<u>2,333,162</u>	<u>(2,794,837)</u>
Net increase in net assets resulting from operations	<u>16,996,067</u>	<u>7,754,337</u>
Distributions to shareholders from:		
Net investment income	(4,907,146)	(3,815,429)
Net realized gain on investments	<u>(3,293,707)</u>	<u>—</u>
Total distributions	<u>(8,200,853)</u>	<u>(3,815,429)</u>
Capital share transactions (Note 3)	<u>1,893,024</u>	<u>501,102</u>
Change in net assets	10,688,238	4,440,010
Net assets at beginning of period	<u>119,263,879</u>	<u>114,823,869</u>
Net assets at end of period	<u>\$129,952,117</u>	<u>\$119,263,879</u>
Undistributed net investment income at end of period	<u>\$ 358,935</u>	<u>\$ 1,061,023</u>

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) **Organization** — Ellsworth Fund Ltd. (the “Fund”), is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company.

(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.

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. The interpretation will become effective for tax years beginning after December 15, 2006. Management believes the adoption of FIN 48 will have no 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, or, if an evaluated quote is unavailable, such securities are valued using prices received from dealers, provided that if the dealer supplies both bid and asked prices, the price to be used is the mean of the bid and asked prices. 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, 2007. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At September 30, 2007 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, 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, 2007 and 2006 were as follows:

	2007	2006
Ordinary Income	\$ 4,907,146	\$ 3,815,429
Net Realized Gain on Investments	3,293,707	—
	<u>8,200,853</u>	<u>3,815,429</u>

Notes to Financial Statements (continued)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

At September 30, 2007 the components of distributable net assets and federal tax cost were as follows:

Unrealized appreciation	\$ 11,628,554
Unrealized depreciation	<u>(5,129,914)</u>
Net unrealized appreciation	6,498,640
Undistributed ordinary income	3,760,446
Undistributed capital gains	<u>7,565,939</u>
Total distributable net assets	<u>11,326,385</u>
Cost for federal income tax purposes	\$122,579,479

(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 \$35,995,051 at September 30, 2007, representing 27.7% of net assets.

(j) 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, 2007, the Fund does 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 on the last day of each month a fee for such month computed at an annual rate of 0.05% of the Fund's net asset value in such month.

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

Notes to Financial Statements (continued)

NOTE 3 - PORTFOLIO ACTIVITY

At September 30, 2007 there were 12,659,098 shares of beneficial interest outstanding, with a par value of \$0.01 per share. During the years ended September 30, 2007 and 2006, 230,015 shares and 66,814 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$1,893,024 and \$501,102, respectively.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$100,503,272 and \$100,835,525, respectively, for the year ended September 30, 2007.

A distribution of \$0.887 per share, derived from net investment income of \$0.06, and net realized gains on investments of \$0.827 was declared on October 15, 2007, payable November 21, 2007 to shareholders of record at the close of business October 25, 2007.

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

	Year Ended September 30,				
	2007	2006	2005	2004	2003
Operating Performance:					
Net asset value, beginning of year	\$9.60	\$9.29	\$8.71	\$8.58	\$7.81
Net investment income	0.33	0.33	0.29	0.30(a)	0.32 (a)
Adjustment for change in amortization policy	—	—	—	(0.02)	(0.01)
Net investment income, as adjusted . . .	0.33	0.33	0.29	0.28	0.31
Net realized and unrealized gain (loss)	1.00	0.29	0.59	0.35(a)	0.75 (a)
Adjustment for change in amortization policy	—	—	—	0.02	0.01
Net realized and unrealized gain (loss), as adjusted	1.00	0.29	0.59	0.37	0.76
Total from investment operations	1.33	0.62	0.88	0.65	1.07
Less Distributions:					
Dividends from net investment income	(0.39)	(0.31)	(0.30)	(0.32)	(0.30)
Distributions from realized gains	(0.27)	—	—	—	—
Total distributions	(0.66)	(0.31)	(0.30)	(0.32)	(0.30)
Capital Share Transactions:					
Effect of rights offering	—	—	—	(0.20)	—
Capital share repurchases	—	—	—	—	—
Total capital share transactions	—	—	—	(0.20)	—
Net asset value, end of year	\$10.27	\$9.60	\$9.29	\$8.71	\$8.58
Market value, end of year	\$9.09	\$8.20	\$7.84	\$7.95	\$8.05
Total Net Asset Value Return %(b)	14.4	6.8	10.3	5.2	14.0
Total Investment Return %(c)	19.6	8.8	2.5	2.8	10.8
Ratios/Supplemental Data:					
Net assets, end of year (in thousands)	\$129,952	\$119,264	\$114,824	\$107,107	\$89,801
Ratio of expenses to average net assets (%)	1.1	1.2	1.2	1.2	1.2
Ratio of net investment income to average net assets (%)	3.4	3.6	3.4	3.2 (d)	3.8 (d)
Portfolio turnover rate (%)	84	60	82	70	86

(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 and 2003 reflect ratios adjusted for change in amortization policy. Ratios previously reported for 2004 and 2003 were 3.4% 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. (the "Fund") as of September 30, 2007, 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 three 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 two 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, 2007, by correspondence with the custodian and brokers. 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, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the three 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 12, 2007

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). For the first three fiscal quarter distributions, 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. For the fourth quarter distribution when the market price is lower, the Fund will issue shares at the market price.

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 the 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)
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INDEPENDENT TRUSTEES

Gordon F. Ahalt 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2010 Trustee since 1986 Age 79	Retired. Trustee of Bancroft and Helix Energy Solutions Group Inc. (an energy services company).
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Elizabeth C. Bogan, Ph.D. 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2010 Trustee since 1986 Age 63	Senior Lecturer in Economics at Princeton University; Trustee of Bancroft.
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Daniel D. Harding 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2008 Trustee since 2007 Age 55	Since 2003, Senior Advisor with Harding Loevner Management LP (an investment advisory firm). Prior to 2003, co-founder and Chief Investment Officer at Harding Loevner Management LP; Trustee of Bancroft.
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Nicolas W. Platt 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2010 Trustee since 1997 Age 54	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.
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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 54	Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore; Trustee of Bancroft and Director of Davis-Dinsmore.
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Jane D. O'Keeffe ⁽¹⁾ 65 Madison Avenue Suite 550 Morristown, NJ 07960 Term expires 2009 Trustee since 1995 Age 52	President of the Fund, Bancroft and Davis-Dinsmore; Trustee of Bancroft and Director of Davis-Dinsmore.
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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 Trustees. Each officer holds office until the annual meeting to be held in 2008, 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 54	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 52	Trustee and President of the Fund, Bancroft and Davis-Dinsmore.
Gary I. Levine ⁽⁵⁾ Executive Vice President, Chief Financial Officer and Secretary since 1986 Age 50	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 60	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 ⁽⁵⁾ Vice President since 1996 Age 38	Vice President of the Fund, Bancroft and Davis-Dinsmore.
Mercedes A. Pierre Vice President and Chief Compliance Officer since 1998 Age 46	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 31	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.

(5) Mr. Levine’s wife is Ms. Ortiz’s first cousin.

Board of Trustees

GORDON F. AHALT
ELIZABETH C. BOGAN, Ph.D.
THOMAS H. DINSMORE, C.F.A.
DANIEL D. HARDING
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

JAMES A. DINSMORE
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

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.
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