

ELLSWORTH CONVERTIBLE GROWTH & INCOME FUND INC

Form N-Q

February 28, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-04656  
-----

Ellsworth Fund Ltd.  
(successor to Ellsworth Convertible Growth and Income Fund, Inc.)  
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(Exact name of registrant as specified in charter)

65 Madison Avenue, Morristown, New Jersey 07960-7308  
-----

(Address of principal executive offices) (Zip code)

Thomas H. Dinsmore  
Ellsworth Fund Ltd.  
65 Madison Avenue  
Morristown, New Jersey 07960-7308  
(Name and address of agent for service)

Copy to:  
Martha J. Hays, Esq.  
Ballard Spahr Andrews & Ingersoll, LLP  
1735 Market Street  
Philadelphia, PA 19103-7599

Registrant's telephone number, including area code: 973-631-1177

Date of fiscal year end: September 30

Date of reporting period: December 31, 2005

ITEM 1. SCHEDULE OF INVESTMENTS.

Ellsworth Fund Ltd.  
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PORTFOLIO OF INVESTMENTS DECEMBER 31, 2005 (UNAUDITED) -----

Principal Amount -----		Value (Note 1) -----
	CONVERTIBLE BONDS AND NOTES -- 50.5%	
	AEROSPACE AND DEFENSE -- 1.1%	
\$ 250,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) (1).....	\$ 256,5

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1,000,000	L-3 Communications Holdings, Inc. 3% 2035 CODES (Ba3) (1).....	993,7
		-----
		1,250,3
		-----
	AUTOMOTIVE -- 1.5%	
4,000,000	Lear Corp. 0% 2022 cv. sr. notes (Ba2).....	1,735,0
		-----
	BANKING/SAVINGS AND LOAN -- 2.1%	
1,000,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium-term notes (A1) (exch. for Fifth Third Bancorp common stock) (1).....	840,6
1,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2).....	1,490,6
		-----
		2,331,2
		-----
	CONSUMER GOODS -- 1.5%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2).....	1,662,0
		-----
	ENERGY -- 2.2%	
1,125,000	Maverick Tube Corp. 1.875% 2025 cv. sr. sub. notes (NR) (Acquired 11/09/05 - 11/11/05; Cost \$1,128,750) (2).....	1,282,5
1,000,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR).....	1,190,0
		-----
		2,472,5
		-----
	ENTERTAINMENT -- 4.2%	
1,500,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2).....	1,470,0
3,250,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1).....	3,266,2
		-----
		4,736,2
		-----
	FINANCIAL AND INSURANCE -- 2.4%	
500,000	E*TRADE Financial Corp. 6% 2007 cv. sub. notes (B-).....	507,5
1,125,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3) (Acquired 07/29/05 - 10/10/05; Cost \$1,158,750) (2).....	1,252,9
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (A1) (conv. into Swiss Reinsurance Company common stock) (Acquired 11/15/01 - 12/05/01; Cost \$1,007,875) (2).....	939,7
		-----
		2,700,2
		-----
	FINANCIAL SERVICES -- 0.9%	
1,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) (Acquired 09/28/05 - 09/29/05; Cost \$1,024,635) (1,2).....	970,0
		-----
	FOODS -- 0.9%	
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to General Mills, Inc. common stock) (1).....	998,4
		-----
	HEALTH CARE -- 4.0%	
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3).....	2,070,0
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) (1).....	997,5
1,500,000	St. Jude Medical, Inc. 2.8% 2035 cv. sr. deb. (BBB+) (1).....	1,501,8
		-----
		4,569,3

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	MULTI-INDUSTRY -- 0.8%	
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) (1).....	877,5

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PORTFOLIO OF INVESTMENTS DECEMBER 31, 2005 (CONTINUED) -----

Principal Amount -----		Value (Note 1) -----
	CONVERTIBLE BONDS AND NOTES -- CONTINUED	
	PHARMACEUTICALS -- 7.3%	
\$2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) (1).....	\$ 1,570,0
1,500,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-).....	2,223,7
1,250,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR).....	990,6
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR).....	1,012,5
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.5% 2024 cv. sr. deb. (Baa3) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock).....	1,192,5
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (Baa3) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock).....	1,250,0
		-----
		8,239,3
		-----
	RETAIL -- 4.9%	
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2).....	966,2
1,000,000	Best Buy Co., Inc. 2.25% 2022 cv. sub. deb. (Ba1) (1).....	1,067,5
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR).....	1,064,0
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1).....	2,411,2
		-----
		5,509,0
		-----
	TECHNOLOGY -- 11.2%	
1,250,000	Advanced Micro Devices, Inc. 4.75% 2022 cv. sr. deb. (B3) (1).....	1,651,5
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05; Cost \$1,000,000) (2).....	1,098,7
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. for the cash equivalent of a basket of technology stocks) (1).....	1,853,0
1,000,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (NR) (Acquired 12/14/05; Cost \$1,001,542) (1,2).....	981,2
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2).....	2,160,0
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B).....	1,445,6
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05; Cost \$1,000,000) (2).....	1,010,0
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR).....	1,545,0

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1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3).....	980,0
		-----
		12,725,1
		-----
	TELECOMMUNICATIONS -- 4.0%	
250,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) (3).....	378,4
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1).....	1,002,5
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B1).....	514,3
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3).....	1,178,1
1,500,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR).....	1,479,3
		-----
		4,552,8
		-----
	UTILITIES -- 1.5%	
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1).....	1,753,1
		-----
	TOTAL CONVERTIBLE BONDS AND NOTES.....	\$57,082,3
		-----

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 PORTFOLIO OF INVESTMENTS DECEMBER 31, 2005 (CONTINUED) -----

Shares		Value (Note 1)
-----		-----
	CONVERTIBLE PREFERRED STOCKS -- 23.1%	
	AEROSPACE AND DEFENSE -- 1.3%	
60,000	Ionatron, Inc. 6.5% series A cv. pfd. (NR) (Acquired 10/27/05; Cost \$1,500,000) (2).....	\$ 1,522,5
		-----
	BANKING/SAVINGS AND LOAN -- 5.3%	
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR).....	1,576,0
20,000	New York Community Bancorp, Inc. 6% BONSES units (Baa2).....	934,0
35,000	Sovereign Capital Trust IV 4.375% PIERS (Bal) (exch. for Sovereign Bancorp, Inc. common stock) (1).....	1,540,0
35,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exch. for Washington Mutual, Inc. common stock).....	1,910,3
		-----
		5,960,3
		-----
	CHEMICALS -- 2.0%	
80,000	Celanese Corp. 4.25% cv. perp. pfd. (NR).....	2,260,0
		-----
	ENERGY -- 5.3%	
4,000	Chesapeake Energy Corp. 5% cum. cv. pfd. (B).....	549,5
20,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B).....	1,897,5

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10,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-).....	1,880,0
15,000	The Williams Companies, Inc. 5.5% 2033 jr. sub. cv. deb. (B-).....	1,687,5
		-----
		6,014,5
		-----
	FINANCIAL AND INSURANCE -- 7.1%	
75,000	Citigroup Funding, Inc. variable rate exh. notes (Aa1) (exch. for Genworth Financial, Inc. common stock).....	2,463,7
20	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05; Cost \$2,078,125) (2).....	1,842,8
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2).....	1,222,5
100,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1).....	2,528,0
		-----
		8,057,0
		-----
	MINING -- 2.1%	
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-)....	2,348,5
		-----
	TOTAL CONVERTIBLE PREFERRED STOCKS.....	\$26,162,9
		-----
	MANDATORY CONVERTIBLE SECURITIES -- 18.8% (4)	
	CHEMICALS -- 1.4%	
40,000	Huntsman Corp. 5% mand. cv. pfd. 02/16/08 (NR).....	1,615,0
		-----
	CONSUMER GOODS -- 1.2%	
35,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. 09/01/06 (B).....	1,366,0
		-----
	ENERGY -- 2.8%	
15,000	Amerada Hess Corp. 7% mand. cv. pfd. ACES 12/01/06 (Ba3).....	1,614,3
15,000	Valero Energy Corp. 2% mand. cv. pfd. 07/01/06 (BB).....	1,537,5
		-----
		3,151,8
		-----

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PORTFOLIO OF INVESTMENTS DECEMBER 31, 2005 (CONTINUED) -----

Shares		Value (Note 1)
-----		-----
	MANDATORY CONVERTIBLE SECURITIES -- CONTINUED (4)	
	FINANCIAL AND INSURANCE -- 8.4%	

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25,000	The Chubb Corp. 7% equity units 08/16/06 (A2) (1).....	\$ 879,5
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (B3).....	1,250,6
30,000	Merrill Lynch & Co., Inc. 6.75% mandatory exch. securities 10/15/07 (Aa3) (exch. for Nuveen Investments, Inc. common stock).....	1,183,5
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+).....	2,230,0
42,500	Morgan Stanley, Inc. 5.875% mandatory exch. securities 10/15/08 (Aa3) (exch. for Nuveen Investments, Inc. common stock).....	1,687,8
40,000	The PMI Group, Inc. 5.875% HITS units 11/15/06 (A1) (1).....	995,0
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3).....	1,024,2
10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3).....	255,5
		-----
		9,506,2
		-----
	FOODS -- 1.8%	
40,000	Albertson's, Inc. 7.25% HITS units 05/16/07 (Baa3) (1).....	910,0
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exch. for General Mills, Inc. common stock).....	1,060,0
		-----
		1,970,0
		-----
	PHARMACEUTICALS -- 1.9%	
40,000	Schering-Plough Corp. 6% mand. cv. pfd. 09/14/07 (Baa3).....	2,151,6
		-----
	TECHNOLOGY -- 1.3%	
37,500	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exch. for Equinix, Inc. common stock).....	1,507,5
		-----
	TOTAL MANDATORY CONVERTIBLE SECURITIES (4).....	\$21,268,2
		-----
	COMMON STOCKS -- 4.1%	
	HEALTH CARE -- 1.5%	
23,462	Community Health Systems, Inc. (3).....	899,5
21,115	LifePoint Hospitals, Inc. (3).....	791,8
		-----
		1,691,3
		-----
	MULTI-INDUSTRY -- 0.4%	
25,000	Cendant Corp.....	431,2
		-----
	PHARMACEUTICALS -- 1.4%	
26,300	Johnson & Johnson.....	1,580,6
		-----
	TELECOMMUNICATIONS -- 0.9%	
40,000	AT&T Inc.....	979,6
		-----
	TOTAL COMMON STOCKS.....	\$ 4,682,8
		-----

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PORTFOLIO OF INVESTMENTS DECEMBER 31, 2005 (CONTINUED)

Principal Amount -----		Value (Note 1) -----
	SHORT-TERM SECURITIES -- 2.8%	
\$3,100,000	COMMERCIAL PAPER -- 2.7%	
	American Express Credit Corp. (P1)	
	(4.28% maturing 01/03/06).....	\$ 3,098,1
11,000	U.S. GOVERNMENT OBLIGATIONS -- 0.0%	
	U.S. Treasury notes 2.25% 04/30/06 (Aaa) (5).....	10,9
	TOTAL SHORT-TERM SECURITIES.....	3,109,0
	TOTAL CONVERTIBLE BONDS AND NOTES -- 50.5%.....	57,082,3
	TOTAL CONVERTIBLE PREFERRED STOCKS -- 23.1%.....	26,162,9
	TOTAL MANDATORY CONVERTIBLE SECURITIES -- 18.8%.....	21,268,2
	TOTAL COMMON STOCKS -- 4.1%.....	4,682,8
	TOTAL SHORT-TERM SECURITIES -- 2.8%.....	3,109,0
	TOTAL INVESTMENTS -- 99.3%.....	112,305,4
	OTHER ASSETS AND LIABILITIES, NET -- 0.7%.....	807,9
	TOTAL NET ASSETS -- 100.0%.....	\$113,113,3

- (1) Contingent payment debt instrument which accrues contingent interest. See Note 1(b).
- (2) Security not registered under the Securities Act of 1933, as amended (e.g., the security was purchased in a Rule 144A 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 December 31, 2005 was \$10,900,534 which represented 9.6% of the Fund's net assets.
- (3) Non-income producing security.
- (4) These securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.
- (5) Collateral for a letter of credit.

ACES Automatic Convertible Equity Securities.  
 ADR American Depositary Receipts.  
 BONUSES Bifurcated Option Note Unit Securities.  
 CODES Convertible Contingent Debt Securities.  
 HITS Hybrid Income Term Security.  
 LYONS Liquid Yield Option Notes.

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PIES Premium Income Exchangeable Securities.  
PIERS Preferred Income Equity Redeemable Securities.  
SAILS Shared Appreciation Income Linked Securities.  
ZYPS Zero Yield Puttable Securities.

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

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Ellsworth Fund Ltd.

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NOTES TO FINANCIAL STATEMENTS (unaudited)-----

1. Significant Accounting Policies

Ellsworth Fund Ltd. (successor to Ellsworth Convertible Growth and Income Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements:

(a) Security Valuation

Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Unlisted securities traded in the over-the-counter market and listed securities for which no sales were reported, are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith by management with the approval of the Board of Directors. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

(b) Securities Transactions and Related Investment Income

Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as "contingent payment debt instruments," Federal tax regulations require the Fund to record non-cash, "contingent" interest income in addition to interest income actually received. Contingent interest income amounted to approximately 2 cents per share for the three months ended December 31, 2005. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At December 31, 2005 there were unrealized losses of approximately 2 cents per share on contingent payment debt instruments.

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ITEM 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures



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(a) The Registrant's principal executive officer and principal financial officer, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "Act"), (17 CFR 270.30a-3(c))) are effective as of February 22, 2006, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (and 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.15d-15(b))).

(b) There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

### ITEM 3. EXHIBITS.

Separate certifications of the principal executive officer and the principal financial officer of the Registrant, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are filed herewith.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellsworth Fund Ltd.

By: /s/Thomas H. Dinsmore  
Thomas H. Dinsmore  
Chairman of the Board and  
Chief Executive Officer  
(Principal Executive Officer)

Date: February 22, 2006

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/Thomas H. Dinsmore  
Thomas H. Dinsmore  
Chairman of the Board and  
Chief Executive Officer  
(Principal Executive Officer)

Date: February 22, 2006

By: /s/Gary I. Levine  
Gary I. Levine  
Chief Financial Officer  
(Principal Financial Officer)

Date: February 22, 2006