

ELLSWORTH FUND LTD  
Form N-CSRS  
May 28, 2010  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04656

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ELLSWORTH FUND LTD.

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(Exact name of registrant as specified in charter)

65 Madison Avenue, Morristown, New Jersey 07960-7308

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(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:

Steven B. King, Esq.

Ballard Spahr LLP

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1735 Market Street, 51st Floor

Philadelphia, PA 19103-7599

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

Date of fiscal year end: September 30, 2010

Date of reporting period: March 31, 2010

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ITEM 1. REPORTS TO STOCKHOLDERS.

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**ELLSWORTH FUND LTD.**

**2010 Semi-Annual Report  
March 31, 2010**

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2010 Semi-Annual Report  
March 31, 2010

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 March 31, 2010 with dividends reinvested

|   | Calendar |        | Annualized |          | 10 Year<br>Volatility<br>* |
|---|----------|--------|------------|----------|----------------------------|
|   | YTD      | 1 Year | 5 Years    | 10 Years |                            |
| Ellsworth market price                                  | 5.36%    | 51.38% | 5.06%      | 4.78%    | 21.39%                     |
| Ellsworth net asset value                               | 4.13     | 46.20  | 4.07       | 1.97     | 20.42                      |
| Bank of America Merrill Lynch All<br>Convertibles Index | 5.64     | 53.24  | 4.82       | 2.02     | 23.82                      |
| S&P 500 Index   | 5.39     | 49.72  | 1.92       | (0.65)   | 26.92                      |
| Barclays Aggregate Bond Total Return<br>Index           | 1.78     | 7.69   | 5.44       | 6.29     | 3.75                       |

Bank of America Merrill Lynch All Convertibles Index and S&P 500 Index performance in the table above are from Bloomberg L.P. pricing service. Barclays Aggregate Bond Total Return Index is from Barclays Capital.

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.

\* 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.

### Quarterly History of NAV and Market Price

| Qtr. Ended | Net Asset Values |        |        | Market Prices (NYSE Amex: symbol ECF) |        |        |
|------------|------------------|--------|--------|---------------------------------------|--------|--------|
|            | High             | Low    | Close  | High                                  | Low    | Close  |
| 6/30/09    | \$6.51           | \$5.63 | \$6.39 | \$5.75                                | \$4.70 | \$5.49 |
| 9/30/09    | 7.18             | 6.27   | 7.15   | 6.21                                  | 5.35   | 6.16   |
| 12/31/09   | 7.56             | 7.02   | 7.54   | 6.57                                  | 5.93   | 6.56   |
| 3/31/10    | 7.82             | 7.24   | 7.77   | 6.89                                  | 6.22   | 6.84   |

### Dividend Distributions (12 Months)

| Record Date | Payment Date | Income | Capital Gains | Total |
|-------------|--------------|--------|---------------|-------|
|-------------|--------------|--------|---------------|-------|

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|          |          |          |          |
|----------|----------|----------|----------|
| 5/14/09  |          |          | \$0.     |
|          | 5/28/09  | \$0.0750 | 0750     |
| 8/13/09  | 8/27/09  | 0.0650   | 0.0650   |
| 10/22/09 | 11/25/09 | 0.0985   | 0.0985   |
| 2/11/10  | 2/25/10  | 0.0675   | 0.0675   |
|          |          | \$0.3060 | \$0.3060 |

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**To Our Shareholders**

May 12, 2010

Ellsworth Fund Ltd. invests primarily in convertible securities, an asset class that has been able to provide total returns that are competitive with changes in equity indices over a full market cycle while providing higher cash income and lower volatility. We strongly believe that convertible securities are a very appropriate alternative to equity investing when investors need both cash flow and a growth component in their portfolio. As the capital markets rebuilt themselves from the lows of the winter of 2009, convertible securities performed well and, although their apparent gross undervaluation of a year ago has now been accounted for, we believe they are still priced attractively relative to the equity market.

Since the market decline in 2008, the issuance of new convertible securities has not been as substantial as we expected. Although 2009 saw a reasonable number of new issues (over 100), the aggregate dollar amount of these offerings was the lowest in over a decade. This year has seen issuance running at a higher rate through the first four months of the year (twenty-nine issues, with a collective \$9.7 billion in market value), but at a much lower rate than in the second half of 2009. We expect issuance to rise as the year progresses, but it is currently running at a disappointing rate. Despite this disappointment, the overall convertible market capitalization has continued to expand from its lows in 2008. We believe the issuance of new convertible securities is an essential part of the economic recovery process and we find it surprising that many potential issuers have deferred coming to market for now.

The overall make-up of Ellsworth's portfolio is balanced. At March 31, 2010 the Fund had a weighted average current yield of 3.84%, a median premium to conversion value of 26.6%, an average premium to conversion value of 49.2%, an average delta of 0.64 (a measure of equity sensitivity), and an average rating of BB. This compares to the Bank America Merrill Lynch All Convertibles Index (BAML Index) which has an average current yield of 3.58%, a 60.9% average premium to conversion value, a 0.58 average delta, and an average rating of BB. Ellsworth's portfolio has a higher yield, a lower premium, higher equity sensitivity, and a similar rating to the BAML Index. Although past performance is no guarantee of future returns, we believe the Fund's portfolio is well positioned to provide an attractive mix of returns from yield and capital gains.

Performance for the Fund's second quarter was enhanced by its exposure to travel and leisure, as well as to the banking and chemicals industries. Performance was held back, however, by its exposure to aerospace and defense, as well as to the utilities industry. As indicated in the performance chart on the opposite page of this Semi-Annual Report, the Fund's market return outperformed the BAML Index over the five- and ten-year periods ended March 31, 2010, was in line with the BAML Index for the three-month period, but underperformed for twelve months. Return on the Fund's net asset value (NAV) outperformed the BAML Index for ten years, performed in line for five years (when adjusted for expenses and the fiscal 2004 rights offering), but underperformed for the three-month and one-year periods, also ended March 31, 2010. For the ten-year performance, the volatility of the Fund's NAV and market return, as measured by standard deviation, were lower than that of the BAML Index. The Fund has sought to provide total returns to shareholders that compare favorably to those provided by the equity markets, but with less volatility.

Posted on the Fund's website is a recently updated white paper on convertible securities written by Dinsmore Capital Management Co., which we believe you will find informative and educational.

*continued on the following page*

**To Our Shareholders** *(continued)*

The results of the 2010 annual meeting of shareholders are shown in the Miscellaneous Notes section of this report. We thank you for your support. At its April meeting, the Board of Trustees of the Fund declared a dividend of \$0.0675 per share. The dividend consists of undistributed net investment income and will be payable on May 27, 2010 to shareholders of record on May 13, 2010.

Thomas H. Dinsmore  
Chairman of the Board

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### Largest Investment Holdings by underlying common stock

|  | Value<br>(Note 1)    | % Total<br>Net Assets |
|--|----------------------|-----------------------|
| <p><b>Equinix, Inc.</b></p> <p>Equinix provides core Internet exchange services to networks, Internet infrastructure companies, enterprises and content providers.</p>   | \$ 2,669,475         | 2.6%                  |
| <p><b>Blackboard Inc.</b></p> <p>Blackboard is a provider of enterprise software applications and related services to the education industry. The company serves colleges, universities, schools and other education providers, textbook publishers, student-focused merchants, corporate, and government clients.</p>   | 2,537,500            | 2.4                   |
| <p><b>EMC Corp.</b></p> <p>EMC and its subsidiaries develop, deliver and support the information technology (IT) industry's range of information infrastructure technologies and solutions.</p>  | 2,384,500            | 2.3                   |
| <p><b>Vale S.A.</b></p> <p>Vale 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.</p>   | 2,337,740            | 2.3                   |
| <p><b>Nuance Communications, Inc.</b></p> <p>Nuance is a provider of speech, imaging and keypad solutions for businesses, organizations and consumers worldwide. The company's solutions are used for tasks and services, such as requesting information from a phone-based, self-service solution, dictating medical records, searching the mobile Web by voice, entering a destination into a navigation system, or working with portable document format (PDF) documents.</p> | 2,172,500            | 2.1                   |
| <p><b>Euronet Worldwide, Inc.</b></p> <p>Euronet is an electronic payments provider. The company offers automated teller machine (ATM), point-of-sale (POS) and card outsourcing services, integrated electronic financial transaction (EFT) software, network gateways, and electronic distribution of top-up services for prepaid mobile airtime and other prepaid products.</p>   | 2,126,250            | 2.0                   |
| <p><b>The Walt Disney Company</b></p> <p>Disney, an entertainment company, has operations that include media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.</p>  | 2,094,600            | 2.0                   |
| <p><b>Intel Corp.</b></p> <p>Intel is a semiconductor chip maker. The company is engaged in developing advanced integrated digital technology products, primarily integrated circuits, for industries such as computing and communications.</p>  | 2,081,250            | 2.0                   |
| <p><b>Whiting Petroleum Corp.</b></p> <p>Whiting is an independent oil and gas company. The company is engaged in acquisition, development, exploitation, production and exploration activities primarily in the Permian Basin, Rocky Mountains, Mid-Continent, Gulf Coast and Michigan regions of the United States.</p>  | 1,979,200            | 1.9                   |
| <b>Total</b>   | <b>\$ 20,383,015</b> | <b>19.6%</b>          |

**Major Industry Exposure**

|                          | % Total<br>Net Assets |
|--------------------------|-----------------------|
| Telecommunications       | 16.3%                 |
| Energy                   | 15.2                  |
| Computer Software        | 9.8                   |
| Pharmaceuticals          | 8.4                   |
| Healthcare               | 7.6                   |
| Financial Services       | 5.8                   |
| Minerals and Mining      | 5.4                   |
| Banking/Savings and Loan | 4.5                   |
| Foods                    | 3.7                   |
| Computer Hardware        | 2.9                   |
| <b>Total</b>             | <b>79.6%</b>          |

**Major Portfolio Changes** by underlying common stock  
Six months ended March 31, 2010

**ADDITIONS**

Annaly Capital Management, Inc.  
Citigroup, Inc.  
Dole Food Company, Inc.  
DryShips Inc.  
EMC Corp.  
Finisar Corp.  
JAKKS Pacific, Inc.  
Knight Capital Group, Inc.  
Lexington Realty Trust  
Mylan, Inc.  
Nuance Communications, Inc.  
Salesforce.com, Inc.  
SBA Communications Corp.  
SunPower Corp.  
Titan International, Inc.  
Verizon Communications, Inc.

**REDUCTIONS**

Biomed Realty Trust  
Chattem, Inc.  
General Cable Corp.  
Goldcorp Inc.  
JetBlue Airways Corp.  
Johnson & Johnson  
Kinetic Concepts, Inc.  
KKR Financial Holdings LLC  
LSB Industries, Inc.  
McMoRan Exploration Co.  
Millipore Corp.  
NETAPP, Inc.  
NII Holdings, Inc.  
Oil States International, Inc.  
Richardson Electronics, Ltd.  
The Great Atlantic & Pacific Tea Company



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Portfolio of Investments March 31, 2010 (unaudited)

|  | Principal<br>Amount | Value<br>(Note 1) |
|--|---------------------|-------------------|
| <b>CONVERTIBLE BONDS AND NOTES - 71.3%</b>   |                     |                   |
| <b>Aerospace and Defense - 1.0%</b>  |                     |                   |
| Alliant Techsystems, Inc. 2.75%, due 2011 cv. sr. sub. notes (B1)                                    | \$ 1,000,000        | \$ 1,025,000      |
| <b>Automotive - 1.1%</b>   |                     |                   |
| Titan International, Inc. 5.625%, due 2017 cv. sr. sub. notes (NR) (1)                               | 1,000,000           | 1,100,000         |
| <b>Computer Hardware - 2.9%</b>  |                     |                   |
| EMC Corp. 1.75%, due 2013 cv. sr. notes (A-)   | 1,900,000           | 2,384,500         |
| NETAPP, Inc. 1.75%, due 2013 cv. sr. notes (NR)  | 500,000             | 588,125           |
|  |                     | 2,972,625         |
| <b>Computer Software - 9.8%</b>  |                     |                   |
| Blackboard Inc. 3.25%, due 2027 cv. sr. notes (BB-)  | 2,500,000           | 2,537,500         |
| GSI Commerce, Inc. 2.5%, due 2027 cv. sr. notes (NR)   | 1,500,000           | 1,672,500         |
| Nuance Communications Inc. 2.75%, due 2027 cv. sr. deb. (B-)   | 2,000,000           | 2,172,500         |
| Rovi Corp. 2.625%, due 2040 cv. sr. notes (NR) (1)   | 1,000,000           | 1,003,750         |
| Salesforce.com, Inc. 0.75%, due 2015 cv. sr. notes (NR) (1)  | 1,000,000           | 1,047,500         |
| Sybase, Inc. 3.5%, due 2029 cv. sr. notes (NR)   | 1,500,000           | 1,794,375         |
|  |                     | 10,228,125        |
| <b>Construction Material - 0.5%</b>  |                     |                   |
| CEMEX, S.A.B. de C.V. 4.875%, due 2015 cv. sub. notes (NR) (1)                                       | 500,000             | 515,200           |
| <b>Consumer Goods - 1.0%</b>   |                     |                   |
| Regis Corp. 5%, due 2014 cv. sr. notes (NR)  | 750,000             | 1,029,375         |
| <b>Data Processing - 0.6%</b>  |                     |                   |
| CSG Systems International, Inc. 3%, due 2017 cv. sr. sub. notes (NR) (1)                             | 550,000             | 580,250           |
| <b>Energy - 8.4%</b>   |                     |                   |
| Covanta Holding Corp. 1%, due 2027 cv. sr. deb. (Ba3) (2)  | 2,000,000           | 1,887,500         |
| Goodrich Petroleum Corp. 5%, due 2029 cv. sr. notes (NR)   | 1,000,000           | 872,500           |
| McMoRan Exploration Co. 5.25%, due 2011 cv. sr. notes (NR)   | 1,090,000           | 1,170,388         |
| Oil States International, Inc. 2.375%, due 2025 contingent cv. sr. notes (NR)                        | 1,075,000           | 1,628,625         |
| SunPower Corp. 1.25%, due 2027 cv. sr. deb. (NR)   | 1,500,000           | 1,357,500         |
| SunPower Corp. 4.5%, due 2015 sr. cash cv. deb. (NR) (1)   | 750,000             | 768,750           |
| Trina Solar Ltd. 4%, due 2013 cv. sr. notes (NR)<br>(exchangeable for ADS representing common stock) | 500,000             | 800,000           |
| Verenium Corp. 9%, due 2027 cv. sr. secured notes (NR)   | 337,000             | 244,662           |
|  |                     | 8,729,925         |

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**Financial Services - 5.8%**

|  |           |           |
|--|-----------|-----------|
| Coinstar, Inc. 4%, due 2014 cv. sr. notes (BB)                       | 1,000,000 | 1,077,500 |
| Old Republic International Corp. 8%, due 2012 cv. sr. notes (Baa1)   | 1,500,000 | 1,886,250 |
| Euronet Worldwide, Inc. 3.5%, due 2025 cv. deb. (B+) (2)             | 2,250,000 | 2,126,250 |
| Knight Capital Group, Inc. due 2015 cash cv. sr. sub. notes (NR) (1) | 1,000,000 | 980,000   |
|  |           | 6,070,000 |

**Foods - 1.1%**

|   |           |           |
|---|-----------|-----------|
| Central European Distribution Corp. 3%, due 2013 cv. sr. notes (B-) | 1,300,000 | 1,168,375 |
|---|-----------|-----------|

**Healthcare - 7.6%**

|   |           |           |
|---|-----------|-----------|
| China Medical Technologies, Inc. 4%, due 2013 cv. sr. sub. notes (NR)<br>(exchangeable for ADS representing common stock) | 1,750,000 | 1,093,750 |
| Greatbatch, Inc. 2.25%, due 2013 cv. sub. deb. (NR) (2)   | 1,500,000 | 1,359,375 |
| Kinetic Concepts, Inc. 3.25%, due 2015 cv. sr. notes (B+)   | 1,500,000 | 1,695,000 |
| LifePoint Hospitals Inc. 3.5%, due 2014 cv. sub. notes (B)  | 500,000   | 501,250   |
| Millipore Corp. 3.75%, due 2026 cv. sr. notes (BB-) (2)   | 1,000,000 | 1,256,250 |
| Omnicare, Inc. 3.25%, due 2035 cv. sr. deb. (B3) (2)  | 850,000   | 723,563   |
| SonoSite Inc. 3.75%, due 2014 cv. sr. notes (NR)  | 1,250,000 | 1,326,563 |
|   |           | 7,955,751 |

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Portfolio of Investments March 31, 2010 (continued)

|  | Principal<br>Amount | Value<br>(Note 1) |
|--|---------------------|-------------------|
| <b>CONVERTIBLE BONDS AND NOTES - continued</b>   |                     |                   |
| <b>Leisure Products - 0.5%</b>   |                     |                   |
| JAKKS Pacific, Inc. 4.5%, due 2014 cv. sr. notes (NR) (1)  | \$ 460,000          | \$ 496,800        |
| <b>Metals and Mining - 1.5%</b>  |                     |                   |
| Jaguar Mining, Inc. 4.5%, due 2014 cv. sr. notes (NR) (1)  | 1,000,000           | 996,250           |
| Kaiser Aluminum Corp. 4.5%, due 2015 cash cv. sr. notes (NR) (1)   | 500,000             | 517,500           |
|  |                     | 1,513,750         |
| <b>Multi-Industry - 1.4%</b>   |                     |                   |
| LSB Industries, Inc. 5.5%, due 2012 cv. sr. sub. deb. (NR)   | 1,500,000           | 1,477,500         |
| <b>Pharmaceuticals - 6.9%</b>  |                     |                   |
| Amylin Pharmaceutical, Inc. 3%, due 2014 cv. sr. notes (NR)  | 700,000             | 627,375           |
| Cephalon, Inc. 2.5%, due 2014 cv. sr. sub. notes (NR)  | 1,000,000           | 1,160,000         |
| Endo Pharmaceuticals Holdings, Inc. 1.75%, due 2015 cv. sr. sub. notes (NR)  | 1,000,000           | 1,002,500         |
| Mylan Laboratories, Inc. 1.25%, due 2012 cv. sr. notes (BB-)<br>(convertible into Mylan, Inc. common stock)                          | 1,500,000           | 1,672,500         |
| Onyx Pharmaceuticals, Inc. 4%, due 2016 cv. sr. notes (NR)   | 750,000             | 816,563           |
| Teva Pharmaceutical Finance Co. B.V. 1.75%, due 2026 cv. sr. deb. (A3)<br>(exchangeable for Teva Pharmaceutical Industries Ltd. ADR) | 1,500,000           | 1,942,500         |
|  |                     | 7,221,438         |
| <b>Real Estate - 2.2%</b>  |                     |                   |
| Annaly Capital Management, Inc. 4%, due 2015 cv. sr. notes (NR)  | 1,250,000           | 1,273,438         |
| Lexington Realty Trust 6%, due 2030 cv. guaranteed notes (NR) (1)  | 1,000,000           | 1,055,625         |
|  |                     | 2,329,063         |
| <b>Semiconductors - 2.0%</b>   |                     |                   |
| Intel Corp. 2.95%, due 2035 jr. sub. cv. deb. (A-) (2)   | 1,500,000           | 1,479,375         |
| Intel Corp. 3.25%, due 2039 jr. sub. cv. deb. (A-)   | 500,000             | 601,875           |
|  |                     | 2,081,250         |
| <b>Telecommunications - 14.4%</b>  |                     |                   |
| ADC Telecommunications Inc. 3.5%, due 2015 cv. sub. deb. (NR)  | 1,575,000           | 1,293,469         |
| Anixter International Inc. 1%, due 2013 cv. sr. notes (BB-)  | 1,500,000           | 1,449,375         |
| CommScope, Inc. 3.25%, due 2015 cv. sr. sub. notes (B)   | 1,000,000           | 1,216,250         |
| Comtech Telecommunications Corp. 3% due 2029 cv. sr. notes (NR)  | 1,000,000           | 1,088,750         |
| Equinix, Inc. 2.5%, due 2012 cv. sub. notes (B-)   | 1,200,000           | 1,284,000         |
| Equinix, Inc. 4.75%, due 2016 cv. sub. notes (B-)  | 1,015,000           | 1,385,475         |
| Finisar Corp. 5% due 2029 cv. sr. notes (NR)   | 1,000,000           | 1,650,000         |
| NII Holdings, Inc. 2.75%, due 2025 cv. notes (B-)  | 1,000,000           | 1,020,000         |
| SAVVIS, Inc. 3%, due 2012 cv. sr. notes (NR)   | 2,000,000           | 1,865,000         |

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|  |           |            |
|--|-----------|------------|
| SBA Communications Corp. 4%, due 2014 cv. sr. notes (NR)               | 1,000,000 | 1,362,500  |
| SBA Communications Corp. 1.875%, due 2013 cv. sr. notes (NR)           | 500,000   | 531,250    |
| Telecommunications Systems, Inc. 4.5%, due 2014 cv. sr. notes (NR) (1) | 750,000   | 776,250    |
|  |           | 14,922,319 |

**Transportation - 1.9%**

|  |           |           |
|--|-----------|-----------|
| DryShips Inc. 5%, due 2014 cv. sr. notes (NR)            | 1,000,000 | 1,040,000 |
| ExpressJet Holdings, Inc. 4.25%, due 2023 cv. notes (NR) | 900,000   | 895,500   |
|  |           | 1,935,500 |

**Travel and Leisure - 0.7%**

|  |           |         |
|--|-----------|---------|
| Morgans Hotel Group 2.375%, due 2014 cv. sr. sub. notes (NR) | 1,000,000 | 752,500 |
|--|-----------|---------|

|  |  |            |
|--|--|------------|
| <b>TOTAL CONVERTIBLE BONDS AND NOTES</b> |  | 74,104,746 |
|--|--|------------|

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Portfolio of Investments March 31, 2010 (continued)

|  | Principal<br>Amount | Value<br>(Note 1) |
|--|---------------------|-------------------|
| <b>CORPORATE BONDS AND NOTES - 1.2%</b>  |                     |                   |
| <b>Finance - 0.5%</b>  |                     |                   |
| Lehman Brothers Holdings Inc. 6%, due 2010 medium-term notes (NR) (3)  | \$ 50,000           | \$ 218,500        |
| Lehman Brothers Holdings Inc. 1%, due 2009 medium-term notes (NR) (3)  | 1,500,000           | 262,500           |
|  |                     | 481,000           |
| <b>Retail - 0.7%</b>   |                     |                   |
| Amerivon Holdings LLC 4% units containing cv. promissory note due 2010 and warrants expiring 2012 (NR) (Acquired 06/01/07; Cost \$1,500,000) (1,4,5) | 1,500,000           | 750,000           |
| <b>TOTAL CORPORATE BONDS AND NOTES</b>   |                     | 1,231,000         |

**CONVERTIBLE PREFERRED STOCKS - 10.0%**

Shares

**Banking/Savings and Loan - 4.5%**

|  |        |           |
|--|--------|-----------|
| Bank of America Corp. 7.25% non-cum. perpetual cv. pfd., series L (Ba3)                                    | 1,000  | 975,000   |
| New York Community Bancorp, Inc. 6% BONUSSES units (Baa2)  | 24,000 | 1,254,000 |
| Sovereign Capital Trust IV 4.375% PIERS (Baa3) (exchangeable for Sovereign Bancorp, Inc. common stock) (2) | 14,000 | 448,000   |
| Wells Fargo Corp. 7.5% perpetual cv. pfd., series L (Ba1)  | 2,000  | 1,954,000 |
|  |        | 4,631,000 |

**Energy - 4.4%**

|  |        |           |
|--|--------|-----------|
| ATP Oil & Gas Corp. 8% perpetual cv. pfd. (NR) (1)   | 7,500  | 824,063   |
| Chesapeake Energy Corp. 5% cum. cv. pfd. (B+)        | 5,000  | 421,000   |
| Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+)      | 16,360 | 1,368,023 |
| Whiting Petroleum Corp. 6.25% perpetual cv. pfd. (B) | 10,000 | 1,979,200 |
|  |        | 4,592,286 |

**Foods - 1.1%**

|  |        |           |
|--|--------|-----------|
| Bunge Limited 4.875% cum. perpetual cv. pfd. (Ba1) | 12,500 | 1,118,750 |
|--|--------|-----------|

**TOTAL CONVERTIBLE PREFERRED STOCKS**

10,342,036

**MANDATORY CONVERTIBLE SECURITIES - 8.8% (6)**

**Energy - 2.3%**

|  |        |           |
|--|--------|-----------|
| Great Plains Energy, Inc. 12%, due 06/15/12 equity units (NR) (2)  | 20,000 | 1,270,200 |
| Merrill Lynch & Co., Inc. 5.40%, due 09/27/10 PRIDES (A+) (linked to the performance of ConocoPhillips common stock) | 2,000  | 1,156,400 |
|  |        | 2,426,600 |

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**Finance - 1.0%**

|   |       |           |
|---|-------|-----------|
| Citigroup, Inc. T-DECS 7.5%, due 12/15/12 (NR)  | 7,500 | 914,100   |
| The Hartford Financial Services Group, Inc. depositary shares representing 7.25%, due 4/1/13 mandatory cv. pfd., series F (Ba2) | 5,000 | 131,750   |
|   |       | 1,045,850 |

**Foods - 1.5%**

|   |         |           |
|---|---------|-----------|
| 2009 Dole Food ACES Trust 7%, due 11/1/2012 (NR)<br>(exchangeable for Dole Food Company, Inc. common stock) (1) | 130,000 | 1,600,625 |
|---|---------|-----------|

**Metals and Mining - 3.9%**

|   |        |           |
|---|--------|-----------|
| Freeport-McMoRan Copper & Gold Inc. 6.75%, due 05/01/10 mandatory cv. pfd. (BB)   | 15,000 | 1,739,550 |
| Vale Capital II 6.75%, due 06/15/12 mandatory cv. notes (BBBH) (exchangeable for ADS representing Vale S.A. common stock)       | 19,200 | 1,746,240 |
| Vale Capital II 6.75%, due 06/15/12 mandatory cv. notes (BBBH) (exchangeable for ADS representing Vale S.A. preferred A shares) | 6,500  | 591,500   |
|   |        | 4,077,290 |

**TOTAL MANDATORY CONVERTIBLE SECURITIES (6)** 9,150,365

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Portfolio of Investments March 31, 2010 (continued)

|  | Shares | Value<br>(Note 1) |
|--|--------|-------------------|
| <b>COMMON STOCKS - 6.5%</b>                          |        |                   |
| <b>Chemicals - 1.0%</b>                              |        |                   |
| Celanese Corp.                                       | 33,911 | \$ 1,080,065      |
| <b>Media and Entertainment - 2.0%</b>                |        |                   |
| The Walt Disney Company                              | 60,000 | 2,094,600         |
| <b>Pharmaceuticals - 1.5%</b>                        |        |                   |
| Johnson & Johnson                                    | 10,500 | 684,600           |
| Merck & Co.  | 23,651 | 883,365           |
|  |        | 1,567,965         |
| <b>Telecommunications - 2.0%</b>                     |        |                   |
| AT&T, Inc.   | 40,000 | 1,033,600         |
| Verizon Communications, Inc.                         | 32,000 | 992,640           |
|  |        | 2,026,240         |
| <b>TOTAL COMMON STOCKS</b>                           |        | 6,768,870         |
| <b>Total Convertible Bonds and Notes - 71.3%</b>     |        | \$ 74,104,746     |
| <b>Total Corporate Bonds and Notes - 1.2%</b>        |        | 1,231,000         |
| <b>Total Convertible Preferred Stocks - 10.0%</b>    |        | 10,342,036        |
| <b>Total Mandatory Convertible Securities - 8.8%</b> |        | 9,150,365         |
| <b>Total Common Stocks - 6.5%</b>                    |        | 6,768,870         |
| <b>Total Investments - 97.8%</b>                     |        | 101,597,017       |
| <b>Other assets and liabilities, net - 2.2%</b>      |        | 2,249,400         |
| <b>Total Net Assets - 100.0%</b>                     |        | \$ 103,846,417    |

- (1) Security not registered under the Securities Act of 1933, as amended (the Securities Act ) (e.g., the security was purchased in a Rule 144A or a Regulation D transaction). The security may be resold only pursuant to an exemption from registration under the Securities Act, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of such securities. The aggregate market value of these unregistered securities at March 31, 2010 was \$13,012,563, which represented 12.5% of the Fund's net assets.
- (2) Contingent payment debt instrument which accrues contingent interest. See Note 1(e).
- (3) Security is in default.
- (4) Investment is 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 fair value of these securities amounted to \$750,000 at March 31, 2010, which represented 0.7% of the Fund's net assets.

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- (5) Restricted securities include securities that have not been registered under the Securities Act, as amended, and securities that are subject to restrictions on resale. The Fund may invest in restricted securities that are consistent with the Fund's investment objective and investment strategies. As of March 31, 2010, the Fund was invested in the following restricted securities:

Amerivon Holdings LLC 4% units containing cv. promissory note and warrants due 2010, acquired June 1, 2007.

- (6) Mandatory Convertible 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. See Note 1(h).

**Investment Abbreviations**

**Summary of Portfolio Ratings \***

|         |   | % of<br>Portfolio |    |
|---------|---|-------------------|----|
| ACES    | Automatic Common Exchange Securities.                   |                   |    |
| ADR     | American Depositary Receipts.                           |                   |    |
| ADS     | American Depositary Shares.                             | A                 | 9  |
| BONUSES | Bifurcated Option Note Unit Securities.                 | BBB               | 16 |
| PIERS   | Preferred Income Equity Redeemable Securities.          | BB                | 20 |
| PRIDES  | Preferred Redeemable Income Dividend Equity Securities. | B                 | 23 |
| T-DECS  | Tangible Dividend Enhanced Common Stock.                | CCC               | 2  |
|         |   | Not Rated         | 32 |

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

\* Excludes equity securities and cash.

*See accompanying notes to financial statements*



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**Statement of Assets and Liabilities** *(unaudited)*

**March 31, 2010**

|   |                       |
|---|-----------------------|
| <b>Assets:</b>  |                       |
| Investments at value (cost \$99,827,696) (Note 1)                         | \$ 101,597,014        |
| Cash  | 2,709,823             |
| Receivable for securities sold  | 478,583               |
| Dividends and interest receivable   | 713,574               |
| Other assets  | 17,993                |
| <b>Total assets</b>   | <b>105,516,987</b>    |
| <b>Liabilities:</b>   |                       |
| Payable for securities purchased  | 1,655,602             |
| Accrued management fee (Note 2)   | 9,249                 |
| Other liabilities   | 5,719                 |
| <b>Total liabilities</b>  | <b>1,670,570</b>      |
| <b>Net Assets</b>   | <b>\$ 103,846,417</b> |
| <b>Net assets consist of:</b>   |                       |
| Capital shares (unlimited shares of \$0.01 par value authorized) (Note 3) | \$ 133,605            |
| Additional paid-in capital  | 117,057,502           |
| Undistributed net investment income                                       | 520,839               |
| Accumulated net realized loss from investment transactions                | (15,634,847)          |
| Unrealized appreciation on investments                                    | 1,769,318             |
| <b>Net Assets</b>   | <b>\$ 103,846,417</b> |
| Net asset value per share (\$103,846,417 ÷ 13,360,463 outstanding shares) | \$ 7.77               |

**Statement of Operations** *(unaudited)*

*For the Six Months Ended March 31, 2010*

|                                    |                  |
|------------------------------------|------------------|
| <b>Investment Income (Note 1):</b> |                  |
| Interest                           | \$ 2,189,673     |
| Dividends                          | 751,139          |
| <b>Total income</b>                | <b>2,940,812</b> |
| <b>Expenses (Note 2):</b>          |                  |
| Management fee                     | 370,084          |
| Custodian                          | 7,039            |
| Transfer agent                     | 13,592           |
| Legal fees                         | 25,881           |
| Audit fees                         | 19,050           |
| Trustees' fees                     | 48,375           |
| Reports to shareholders            | 27,852           |
| Administrative services fees       | 24,726           |
| Other                              | 31,523           |
| <b>Total expenses</b>              | <b>568,122</b>   |
| <b>Net Investment Income</b>       | <b>2,372,690</b> |

**Realized and Unrealized Gain on Investments:**

|   |                      |
|---|----------------------|
| Net realized gain from investment transactions              | 2,341,025            |
| Net unrealized appreciation of investments                  | 5,858,061            |
| <b>Net gain on investments</b>                              | <b>8,199,086</b>     |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 10,571,776</b> |

*See accompanying notes to financial statements*

Statement of Changes in Net Assets

|   | Six Months Ended<br>March 31, 2010(a) | Year Ended<br>September 30, 2009 |
|---|---------------------------------------|----------------------------------|
| <b>Change in net assets from operations:</b>                |                                       |                                  |
| Net investment income                                       | \$ 2,372,690                          | \$ 4,383,013                     |
| Net realized gain (loss) from investment transactions       | 2,341,025                             | (14,965,859)                     |
| Net unrealized appreciation of investments                  | 5,858,061                             | 14,738,073                       |
| <b>Net increase in net assets resulting from operations</b> | <b>10,571,776</b>                     | <b>4,155,227</b>                 |
| <b>Dividends to shareholders from:</b>                      |                                       |                                  |
| Net investment income                                       | (2,209,688)                           | (4,209,494)                      |
| <b>Capital share transactions (Note 3)</b>                  | <b>511,372</b>                        | <b>530,224</b>                   |
| <b>Change in net assets</b>                                 | <b>8,873,460</b>                      | <b>475,957</b>                   |
| Net assets at beginning of period                           | 94,972,957                            | 94,497,000                       |
| <b>Net assets at end of period</b>                          | <b>\$ 103,846,417</b>                 | <b>\$ 94,972,957</b>             |
| Undistributed net investment income at end of period        | \$ 520,839                            | \$ 1,103,138                     |

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

|   | Six Months<br>Ended<br>March 31,<br>2010(a) | 2009          | 2008          | 2007          | 2006          | 2005          |
|---|---|---------------|---------------|---------------|---------------|---------------|
| <b>Operating Performance:</b>           |   |               |               |               |               |               |
| Net asset value, beginning of period    | \$ 7.15                                     | \$ 7.18       | \$ 10.27      | \$ 9.60       | \$ 9.29       | \$ 8.71       |
| Net investment income                   | 0.18  | 0.33          | 0.31          | 0.33          | 0.33          | 0.29          |
| Net realized and unrealized gain (loss) | 0.61  | (0.04)        | (2.24)        | 1.00          | 0.29          | 0.59          |
| <b>Total from investment operations</b> | <b>0.79</b>                                 | <b>0.29</b>   | <b>(1.93)</b> | <b>1.33</b>   | <b>0.62</b>   | <b>0.88</b>   |
| <b>Less Distributions:</b>              |   |               |               |               |               |               |
| Dividends from net investment income    | (0.17)                                      | (0.32)        | (0.33)        | (0.39)        | (0.31)        | (0.30)        |
| Distributions from realized gains       | -   | -             | (0.83)        | (0.27)        | -             | -             |
| <b>Total distributions</b>              | <b>(0.17)</b>                               | <b>(0.32)</b> | <b>(1.16)</b> | <b>(0.66)</b> | <b>(0.31)</b> | <b>(0.30)</b> |

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|   |    |      |    |      |    |        |    |       |    |      |    |      |
|---|----|------|----|------|----|--------|----|-------|----|------|----|------|
| Net asset value, end of period                  | \$ | 7.77 | \$ | 7.15 | \$ | 7.18   | \$ | 10.27 | \$ | 9.60 | \$ | 9.29 |
| Market value, end of period                     | \$ | 6.84 | \$ | 6.16 | \$ | 5.30   | \$ | 9.09  | \$ | 8.20 | \$ | 7.84 |
| Total Market Value Return (%) <sup>(b)</sup>    |    | 13.3 |    | 23.9 |    | (33.3) |    | 19.6  |    | 8.8  |    | 2.5  |
| Total Net Asset Value Return (%) <sup>(b)</sup> |    | 11.6 |    | 6.1  |    | (21.0) |    | 14.4  |    | 6.8  |    | 10.3 |

**Ratios/Supplemental Data:**

|  |    |                    |    |        |    |        |    |         |    |         |    |         |
|--|----|--------------------|----|--------|----|--------|----|---------|----|---------|----|---------|
| Net assets, end of period (in thousands)                 | \$ | 103,846            | \$ | 94,973 | \$ | 94,497 | \$ | 129,952 | \$ | 119,264 | \$ | 114,824 |
| Ratio of expenses to average net assets (%)              |    | 1.2 <sup>(c)</sup> |    | 1.2    |    | 1.1    |    | 1.1     |    | 1.2     |    | 1.2     |
| Ratio of net investment income to average net assets (%) |    | 4.8 <sup>(c)</sup> |    | 5.5    |    | 3.6    |    | 3.4     |    | 3.6     |    | 3.4     |
| Portfolio turnover rate (%)                              |    | 29                 |    | 71     |    | 61     |    | 84      |    | 60      |    | 82      |

(a) Unaudited.

(b) Market value total return is calculated assuming a purchase of Fund shares on the opening of the first business day and a sale on the closing of the last business day of each period reported. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's Automatic Dividend Investment and Cash Payment Plan. Net asset value total return is calculated on the same basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value.

(c) Annualized.

*See accompanying notes to financial statements*

Notes to Financial Statements (unaudited)

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

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

**(b) 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.

**(c) Security Valuation** - Investments in securities traded on a national securities exchange are valued at market using the last reported sales price, supplied by an independent pricing service, 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 the 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 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.

The Fund has adopted authoritative fair valuation accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion in changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted unadjusted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuation in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers, and those received from an independent pricing service.

Level 3 - Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund s own assumptions that market participants would use to price an asset or liability based on the best available information.

**Notes to Financial Statements** *(continued)*

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

The following is a summary of the inputs used to value the net assets of Ellsworth Fund Ltd. as of March 31, 2010:

|                            | Level 1 | Level 2 | Level 3 |
|----------------------------|---------|---------|---------|
| Investments in Securities: |         |         |         |
| Common Stocks:             |         |         |         |