

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

ELLSWORTH FUND LTD
Form N-Q
August 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.

(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, 49th Floor
Philadelphia, PA 19103-7599

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

Date of fiscal year end: September 30, 2006

Date of reporting period: June 30, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

ELLSWORTH FUND LTD.

Portfolio of Investments June 30, 2006 (unaudited)-----

Principal Amount -----		Value (Note 1) -----
	CONVERTIBLE BONDS AND NOTES -- 58.0%	
	AEROSPACE AND DEFENSE -- 3.9%	
\$1,500,000	AAR Corp. 1.75% 2026 cv. sr. notes (BB-).....	\$ 1,445,625

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

1,000,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) (1).....	1,106,250
2,000,000	DRS Technologies, Inc. 2% 2026 cv. sr. notes (B2) (Acquired 01/30/06; Cost \$2,044,792) (1,2).....	1,985,000

		4,536,875

	BANKING/SAVINGS AND LOAN -- 1.3%	
1,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2).....	1,501,875

	CONSUMER GOODS -- 1.5%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2)	1,739,375

	ENERGY -- 5.6%	
1,000,000	Cameron International Corp. 2.50% 2026 cv. sr. notes (Baal) (Acquired 05/23/06; Cost \$991,250) (2).....	990,000
1,500,000	Nabors Industries, Inc. 0.94% 2011 sr. exchangeable notes (A-) (exchangeable for Nabors Industries Ltd. common stock) (Acquired 05/18/06 - 06/02/06; Cost \$1,490,615) (2).....	1,456,875
1,500,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR)	1,944,375
1,500,000	Rentech, Inc. 4% 2013 cv. sr. notes (NR).....	2,029,680

		6,420,930

	ENTERTAINMENT -- 5.3%	
2,000,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2).....	1,970,000
3,750,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (A3)	4,148,438

		6,118,438

	FINANCIAL AND INSURANCE -- 1.1%	
1,125,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3)	1,257,188

	FINANCIAL SERVICES -- 2.1%	
2,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) (1)	2,377,500

	FOODS -- 0.9%	
1,000,000	Lehman Brothers Holdings, Inc. 3% 2012 medium-term notes (A1) (performance linked to General Mills, Inc. common stock) (1).....	1,000,000

	HEALTH CARE -- 3.7%	
1,000,000	American Medical Systems Holdings, Inc. 3.25% 2036 cv. sr. sub. notes (B3) (1)	1,068,750
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3)	2,250,000
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) (1).....	911,250

		4,230,000

	MULTI-INDUSTRY -- 3.0%	
1,500,000	LSB Industries, Inc 7% 2011 cv. sr. sub. deb. (NR)	1,627,500
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) (1)	832,500
1,000,000	Trinity Industries, Inc. 3.875% 2036 cv. sub. notes (Ba3) (1)	1,042,500

		3,502,500

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

PAGE 1

ELLSWORTH FUND LTD.

 Portfolio of Investments June 30, 2006 (continued)-----

Principal Amount -----		Value (Note 1) -----
	CONVERTIBLE BONDS AND NOTES -- CONTINUED	
	PHARMACEUTICALS -- 7.1%	
\$1,250,000	Amgen, Inc. 0.125% 2011 cv. sr. notes (A2) (Acquired 02/14/06 - 02/15/06; Cost \$1,253,750) (2)	\$1,175,000
500,000	Amgen, Inc. 0.375% 2013 cv. sr. notes (A2) (Acquired 02/14/06; Cost \$500,000) (2)	466,875
1,000,000	Bristol-Myers Squibb Co. floating rate 2023 cv. sr. deb. (A1)	1,003,130
1,000,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-)	1,411,250
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR and cash)	1,010,000
750,000	MedImmune, Inc. 1.375% 2011 cv. sr. notes (BBB) (Acquired 06/23/06; Cost \$750,000) (2)	755,625
750,000	MedImmune, Inc. 1.625% 2013 cv. sr. notes (BBB) (Acquired 06/23/06; Cost \$750,000) (2)	756,563
1,750,000	Teva Pharmaceutical Finance Co. B.V. 1.75% 2026 cv. sr. deb. (Baa2) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,603,438
		----- 8,181,881 -----
	RETAIL -- 4.1%	
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2)	963,750
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)....	1,332,813
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	2,392,500
		----- 4,689,063 -----
	TECHNOLOGY -- 14.5%	
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05; Cost \$1,000,000) (2)	1,118,750
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exchangeable for the cash equivalent of a basket of technology stocks) (1)	1,802,000
1,000,000	Coherent, Inc. 2.75% 2011 cv. sub. notes (NR) (Acquired 03/07/06 - 03/08/06; Cost \$1,012,500) (2)	1,085,000
1,000,000	Conexant Systems, Inc. 4% 2026 cv. sub. notes (NR)	921,250
2,000,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (A-) (1)	1,692,500
1,750,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	1,728,125
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B)	1,531,875
1,500,000	Lehman Brothers Holdings, Inc. 1% 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) (1)	1,408,950
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05; Cost \$1,000,000) (2)	1,000,000
1,100,000	SanDisk Corp. 1% 2013 cv. sr. notes (BB-) (Acquired 05/09/06 - 05/10/06; Cost \$1,108,875) (2)	976,250
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR)	1,451,250
1,000,000	Symantec Corp. 1% 2013 cv. sr. notes (NR) (Acquired 06/13/06; Cost \$992,500) (2)	975,000

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3)	1,042,500

		16,733,450

	TELECOMMUNICATIONS -- 2.7%	
1,500,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR)	1,453,125
1,556,000	Time Warner Telecom, Inc. 2.375% 2026 cv. sr. deb (Caal)	1,616,295

		3,069,420

	UTILITIES -- 1.4%	
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1)	1,606,875

	TOTAL CONVERTIBLE BONDS AND NOTES	\$66,965,370

PAGE 2

ELLSWORTH FUND LTD.

 Portfolio of Investments June 30, 2006 (continued)-----

Shares		Value
-----		(Note 1)

	CONVERTIBLE PREFERRED STOCKS -- 18.5%	
	AEROSPACE AND DEFENSE -- 0.8%	
40,000	Ionatron, Inc. 6.5% series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$970,253) (2)	\$ 900,000

	BANKING/SAVINGS AND LOAN -- 4.4%	
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,699,600
20,000	New York Community Bancorp, Inc. 6% BONUSES units (Baa2)	939,000
35,000	Sovereign Capital Trust IV 4.375% PIERS (Baa2) (exchangeable for Sovereign Bancorp, Inc. common stock) (1)	1,592,500
15,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exchangeable for Washington Mutual, Inc. common stock)	853,200

	BUILDING PRODUCTS -- 1.6%	5,084,300

35,000	TXI Capital Trust I 5.5% SPuRS (B2) (exchangeable for Texas Industries, Inc. common stock)	1,855,000

	CHEMICALS -- 2.1%	
80,000	Celanese Corp. 4.25% cv. perp. pfd. (NR)	2,384,800

	ENERGY -- 3.5%	
25,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+)	2,336,500
9,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-)	1,676,250

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

		4,012,750

	FINANCIAL AND INSURANCE -- 6.1%	
75,000	Citigroup Funding, Inc. variable rate exch. notes (Aa1) (exchangeable for Genworth Financial, Inc. common stock).....	2,467,500
10	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 01/11/05; Cost \$1,048,750) (2).....	929,470
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2).....	1,242,500
100,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1).....	2,452,000

		7,091,470

	TOTAL CONVERTIBLE PREFERRED STOCKS	\$21,328,320

	MANDATORY CONVERTIBLE SECURITIES -- 17.1%(4)	
	CHEMICALS -- 1.3%	
40,000	Huntsman Corp. 5% mand. cv. pfd. 02/16/08 (NR)	1,554,000

	CONSUMER GOODS -- 1.1%	
35,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. 09/01/06 (B).....	1,299,200

	ENERGY -- 0.2%	
1,000	Chesapeake Energy Corp. 6.25% mand. cv. pfd. 06/15/09 (NR)	259,970

PAGE 3

ELLSWORTH FUND LTD.

Portfolio of Investments June 30, 2006 (continued)-----

Shares		Value (Note 1)
-----		-----
	MANDATORY CONVERTIBLE SECURITIES -- CONTINUED (4)	
	FINANCIAL AND INSURANCE -- 8.2%	
7,000	Alleghany Corp. 5.75% mandatory cv. pfd. 06/15/09 (BBB-)	\$ 1,949,500
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (Ba3)	1,302,390
30,000	Merrill Lynch & Co., Inc. 6.75% mandatory exch. securities 10/15/07 (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	1,177,500
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+)	2,205,600
42,500	Morgan Stanley, Inc. 5.875% mandatory exch. securities 10/15/08 (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	1,691,925
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3)	944,775

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3)	238,000

		9,509,690

	FOODS -- 0.9%	
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exchangeable for General Mills, Inc. common stock).....	1,044,800

	PHARMACEUTICALS -- 1.7%	
40,000	Schering-Plough Corp. 6% mand. cv. pfd. 09/14/07 (Baa3)	2,013,200

	TECHNOLOGY -- 3.5%	
30,000	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exchangeable for Equinix, Inc. common stock).....	1,532,400
98,850	The Goldman Sachs Group, Inc. 14.75% mandatory exch. notes 06/22/07 (NR) (exchangeable for Advanced Micro Devices, Inc. common stock) (Acquired 06/14/06; Cost \$2,500,411) (2).....	2,490,328

		4,022,728

	TOTAL MANDATORY CONVERTIBLE SECURITIES (4)	\$19,703,588

	COMMON STOCKS -- 3.3%	
	AEROSPACE AND DEFENSE -- 0.0%	
2,643	Ionatron, Inc. (Acquired 04/17/05; Cost \$29,747) (2,3)	16,783

	HEALTH CARE -- 0.6%	
21,115	LifePoint Hospitals, Inc. (3)	678,425

	MULTI-INDUSTRY -- 0.4%	
25,000	Cendant Corp.	407,250

	PHARMACEUTICALS -- 1.4%	
26,300	Johnson & Johnson	1,575,896

	TELECOMMUNICATIONS -- 1.0%	
40,000	AT&T Inc.	1,115,600

	TOTAL COMMON STOCKS	\$ 3,793,954

PAGE 4

ELLSWORTH FUND LTD.

Portfolio of Investments June 30, 2006 (continued)-----

Principal

Value

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

Amount		(Note 1)
-----		-----
	SHORT-TERM SECURITIES -- 1.0%	
	COMMERCIAL PAPER -- 1.0%	
\$1,200,000	American Express Credit Corp. 4.98% 07/03/06 (P1)	\$ 1,199,336

	U.S. GOVERNMENT OBLIGATIONS -- 0.0%	
11,000	U.S. Treasury notes 3.625% 04/30/07 (Aaa) (5)	10,852

	TOTAL SHORT-TERM SECURITIES	1,210,188

	TOTAL CONVERTIBLE BONDS AND NOTES -- 58.0%	66,965,370
	TOTAL CONVERTIBLE PREFERRED STOCKS -- 18.5%	21,328,320
	TOTAL MANDATORY CONVERTIBLE SECURITIES -- 17.1%	19,703,588
	TOTAL COMMON STOCKS -- 3.3%	3,793,954
	TOTAL SHORT-TERM SECURITIES -- 1.0%	1,210,188

	TOTAL INVESTMENTS -- 97.9%	113,001,420
	OTHER ASSETS AND LIABILITIES, NET -- 2.1%	2,436,491

	TOTAL NET ASSETS -- 100.0%	\$115,437,911
		=====

- (1) Contingent payment debt instrument which accrues contingent interest. See Note 1.
- (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 June 30, 2006 was \$17,077,519 which represented 14.8% 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.

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

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

Ellsworth Fund Ltd.

 (Selected) NOTES TO FINANCIAL STATEMENTS (UNAUDITED)-----

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

Note 1. Security Valuation - Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Listed securities for which no sales were reported, are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Unlisted securities traded in the over-the-counter market are valued using an evaluated quote provided by an independent pricing service. The independent pricing service derives an evaluated quote by obtaining dealer quotes, analyzing the listed markets, reviewing trade execution data and employing sensitivity analysis. Evaluated quotes may also reflect appropriate factors such as individual characteristics of the issue, communications with broker-dealers, and other market data. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith by management pursuant to procedures approved by the Board of Trustees. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

Note 2. 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.

At June 30, 2006 unrealized appreciation (depreciation) of investment securities on a tax basis were as follows:

Unrealized appreciation	\$ 6,281,732
Unrealized depreciation	(4,539,502)

Net unrealized appreciation	1,742,230

Cost for federal income tax purposes \$110,059,854

ITEM 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures

(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)

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

under the Investment Company Act of 1940, as amended (the "Act"), (17 CFR 270.30a-3(c)) are effective as of August 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: August 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: August 22, 2006

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

Date: August 22, 2006