

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.

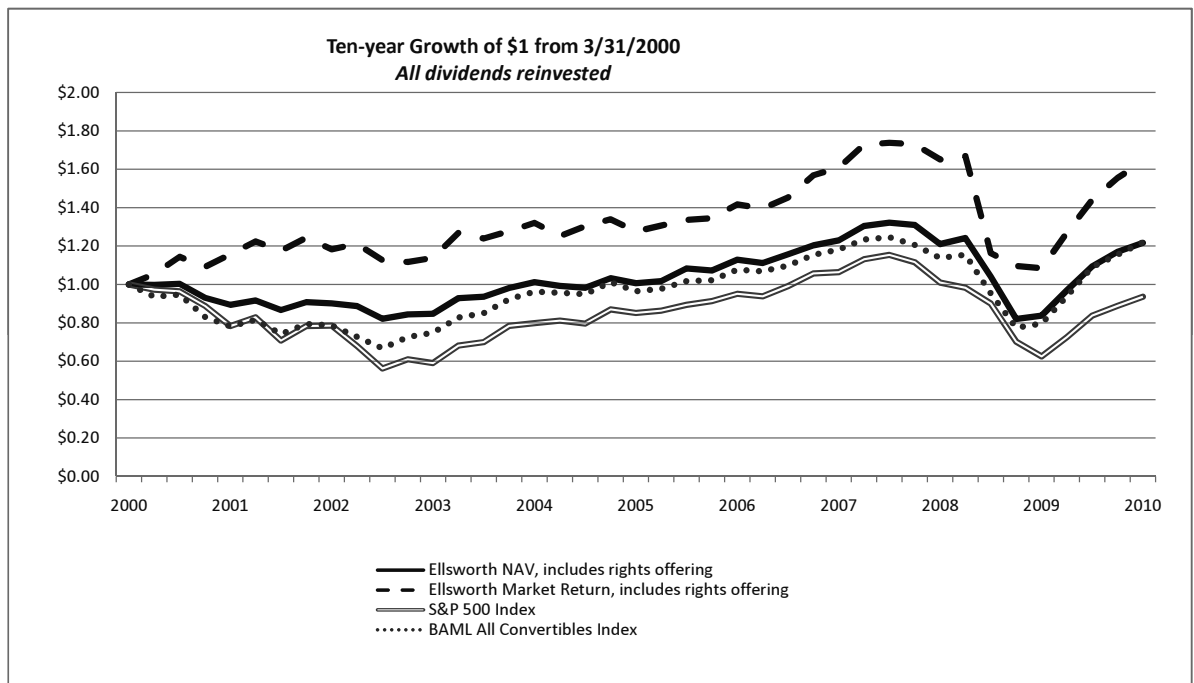
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To Our Shareholders *(continued)*

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



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
	YTD	1 Year	5 Years	10 Years	Volatility *
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 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 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
5/14/09	5/28/09	\$0.0750	—	\$0.0750
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
		<u>\$0.3060</u>	<u>—</u>	<u>\$0.3060</u>