

ELLSWORTH FUND LTD
Form N-Q
August 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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:
Steven B. King, Esq.
Ballard Spahr LLP
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, 2013

Date of reporting period: June 30, 2013

ITEM 1. SCHEDULE OF INVESTMENTS.

**Ellsworth Fund Ltd. Schedule of Investments unaudited
June 30, 2013**

| | Principal Amount | Value (Note 1) |
|--|---------------------|-------------------|
| | _____ | _____ |
| Convertible Bonds and Notes 61.3% | | |
| Airlines 1.2% | | |
| Hawaiian Holdings, Inc., 5.00%, Due 3/15/16, (BBB) | \$ 1,375,000 | \$ 1,509,062 |

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|--|-----------|-----------|
| Biotechnology 5.4% | | |
| Array BioPharma Inc., 3.00%, Due 6/1/20, (BB) | 750,000 | 717,656 |
| Exelixis, Inc., 4.25%, Due 8/15/19, (BB) | 500,000 | 486,250 |
| Gilead Sciences, Inc., 1.00%, Due 5/1/14, (A) | 750,000 | 1,702,500 |
| Gilead Sciences, Inc., 1.625%, Due 5/1/16, (A) | 1,000,000 | 2,265,005 |
| OPKO Health Inc., 3.00%, Due 2/1/33, (A) (1) | 670,000 | 723,600 |
| Regeneron Pharmaceuticals, Inc., 1.875%, Due 10/1/16, (AA) | 250,000 | 671,094 |
| | | 6,566,105 |
| Capital Markets 2.1% | | |
| BlackRock Kelso Capital Corp., 5.50%, Due 2/15/18, (BBB) (1) | 1,500,000 | 1,535,625 |
| FXCM Inc., 2.25%, Due 6/15/18, (AAA) (1) | 1,000,000 | 1,074,400 |
| | | 2,610,025 |
| Communications Equipment 2.2% | | |
| Finisar Corp., 5.00%, Due 10/15/29, (NR) | 75,000 | 137,016 |
| Ixia, 3.00%, Due 12/15/15, (BBB) | 500,000 | 600,938 |
| Infinera Corp., 1.75%, Due 6/1/18, (BBB) (1) | 500,000 | 555,000 |
| InterDigital, Inc., 2.50%, Due 3/15/16, (A) | 1,250,000 | 1,346,094 |
| | | 2,639,048 |
| Computers & Peripherals 2.5% | | |
| EMC Corp., 1.75%, Due 12/1/13, (A) | 1,400,000 | 2,069,382 |
| SanDisk Corp., 1.50%, Due 8/15/17, (BB) | 750,000 | 1,003,594 |
| | | 3,072,976 |
| Construction Materials 0.5% | | |
| CEMEX S.A.B. de C.V., 4.875%, Due 3/15/15, (NR) | 500,000 | 573,125 |
| Consumer Finance 2.1% | | |
| DFC Global Corp., 3.25%, Due 4/15/17, (B) | 1,250,000 | 1,233,594 |
| Encore Capital Group, Inc., 3.00%, Due 11/27/17, (NR) | 1,000,000 | 1,211,250 |
| Encore Capital Group, Inc., 3.00%, Due 7/1/20, (NR) (1) | 125,000 | 120,312 |
| | | 2,565,156 |
| Diversified Telecommunications Services 0.7% | | |
| Alaska Communications Systems Group, Inc., 6.25%, Due 5/1/18, (BB) | 1,000,000 | 796,875 |
| Energy Equipment & Services 1.9% | | |
| Bristow Group Inc., 3.00%, Due 6/15/38, (BB) | 1,155,000 | 1,367,231 |
| Hornbeck Offshore Services, Inc., 1.50%, Due 9/1/19, (BB) | 750,000 | 911,250 |
| | | 2,278,481 |
| Food Products 0.5% | | |
| Chiquita Brands International, 4.25%, Due 8/15/16, (CCC) | 700,000 | 672,438 |
| Health Care Equipment & Supplies 1.4% | | |
| Insulet Corp., 3.75%, Due 6/15/16, (A) | 750,000 | 981,562 |
| Volcano Corp., 1.75%, Due 12/1/17, (BBB) | 750,000 | 688,125 |
| | | 1,669,687 |

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|---|-----------|-----------|
| Health Care Providers & Services 1.6% | | |
| Lifepoint Hospitals, Inc., 3.50%, Due 5/15/14, (B) | 1,000,000 | 1,086,250 |
| Molina Healthcare Inc., 1.125%, Due 1/15/20, (AA) (1) | 750,000 | 824,531 |
| | | 1,910,781 |
| Health Care Technology 0.4% | | |
| Allscripts Healthcare Solutions, Inc., 1.25%, Due 7/1/20, (A) (1) | 500,000 | 492,812 |

Ellsworth Fund Ltd. Schedule of Investments continued
June 30, 2013

| | Principal Amount | Value (Note 1) |
|--|---------------------|-------------------|
| Convertible Bonds and Notes continued | | |
| Hotels, Restaurants & Leisure 1.4% | | |
| International Game Technology, 3.25%, Due 5/1/14, (BBB) | \$ 500,000 | \$ 533,750 |
| MGM Resorts International, 4.25%, Due 4/15/15, (B) | 1,000,000 | 1,121,875 |
| | | 1,655,625 |
| Household Durables 1.5% | | |
| Jarden Corp., 1.875%, Due 9/15/18, (B) (1) | 1,250,000 | 1,410,156 |
| The Ryland Group, Inc., 0.25%, Due 6/1/19, (BB) | 500,000 | 453,750 |
| | | 1,863,906 |
| Insurance 3.3% | | |
| AmTrust Financial Services, Inc., 5.50%, Due 12/15/21, (AAA) | 1,250,000 | 1,753,125 |
| National Financial Partners Corp., 4.00%, Due 6/15/17, (CCC) | 500,000 | 1,023,125 |
| Tower Group, Inc., 5.00%, Due 9/15/14, (NR) | 1,250,000 | 1,317,188 |
| | | 4,093,438 |
| Internet & Catalog Retail 1.9% | | |
| Priceline.com Inc., 1.25%, Due 3/15/15, (BBB) | 450,000 | 1,231,031 |
| Priceline.com Inc., 1.00%, Due 3/15/18, (BBB) | 500,000 | 583,750 |
| Shutterfly, Inc., 0.25%, Due 5/15/18, (AA) (1) | 500,000 | 552,812 |
| | | 2,367,593 |
| Internet Software & Services 1.4% | | |
| Equinix, Inc., 3.00%, Due 10/15/14, (B) | 1,000,000 | 1,686,250 |
| IT Services 0.8% | | |
| CSG Systems International, Inc., 3.00%, Due 3/1/17, (A) (1) | 900,000 | 1,026,000 |
| Machinery 0.9% | | |
| Chart Industries, Inc., 2.00%, Due 8/1/18, (B) | 750,000 | 1,128,281 |
| Metals & Mining 3.9% | | |
| A.M. Castle & Co., 7.00%, Due 12/15/17, (BBB) (1) | 400,000 | 666,000 |
| Kaiser Aluminum Corp., 4.50%, Due 4/1/15, (BB) | 1,000,000 | 1,359,375 |

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|---|-----------|-----------|
| Northgate Minerals Corp., 3.50%, Due 10/1/16, (NR) | | |
| (convertible into AuRico Gold Inc. common stock) | 600,000 | 568,500 |
| RTI International Metals, Inc., 3.00%, Due 12/1/15, (BBB) | | |
| | 600,000 | 653,250 |
| RTI International Metals, Inc., 1.625%, Due 10/15/19, (BBB) | | |
| | 500,000 | 473,125 |
| Stillwater Mining Company, 1.75%, Due 10/15/32, (B) | | |
| | 500,000 | 515,312 |
| United States Steel Corp., 4.00%, Due 5/15/14, (BB) | | |
| | 500,000 | 513,750 |
| | | 4,749,312 |
| Oil, Gas & Consumable Fuels 1.2% | | |
| Goodrich Petroleum Corp., 5.00%, Due 10/1/29, (CCC) | | |
| | 1,000,000 | 997,500 |
| Ship Finance International Ltd., 3.25%, Due 2/1/18, (B) | | |
| | 500,000 | 478,438 |
| | | 1,475,938 |
| Pharmaceuticals 1.7% | | |
| Mylan Inc., 3.75%, Due 9/15/15, (BBB) | | |
| | 500,000 | 1,187,500 |
| Salix Pharmaceuticals Ltd., 2.75%, Due 5/15/15, (A) | | |
| | 600,000 | 916,500 |
| | | 2,104,000 |
| Real Estate Investment Trusts 3.4% | | |
| Annaly Capital Management, Inc., 4.00%, Due 2/15/15, (AA) | | |
| | 750,000 | 841,410 |
| Colony Financial, Inc., 5.00%, Due 4/15/23, (AAA) | | |
| | 1,250,000 | 1,278,125 |
| IAS Operating Partnership LP, 5.00%, Due 3/15/18, (NR) (1) | | |
| (exchangeable for Invesco Mortgage Capital Inc. common stock) | 1,000,000 | 938,125 |
| Lexington Realty Trust, 6.00%, Due 1/15/30, (BBB) | | |
| | 500,000 | 841,562 |
| Starwood Property Trust, Inc., 4.00%, Due 1/15/19, (NR) | | |
| | 250,000 | 256,250 |
| | | 4,155,472 |

Ellsworth Fund Ltd. Schedule of Investments continued
June 30, 2013

| | Principal Amount | Value (Note 1) |
|--|---------------------|-------------------|
| Convertible Bonds and Notes continued | | |
| Semiconductors & Semiconductor Equipment 6.7% | | |
| GT Advanced Technologies, Inc., 3.00%, Due 10/1/17, (BB) | \$ 750,000 | \$ 640,312 |
| Intel Corp., 2.95%, Due 12/15/35, (A) (2) | 1,500,000 | 1,635,938 |
| Micron Technology, Inc., 3.125%, Due 5/1/32, (BB) | 750,000 | 1,200,469 |
| Micron Technology, Inc., 1.625%, Due 2/15/33, (BB) (1) | 50,000 | 72,406 |
| Photronics, Inc., 3.25%, Due 4/1/16, (A) | 1,000,000 | 1,099,375 |
| ReneSola Ltd., 4.125%, Due 3/15/18, (NR) | 500,000 | 271,900 |
| Rudolph Technologies Inc., 3.75%, Due 7/15/16, (A) | 500,000 | 572,812 |
| SunPower Corp., 4.75%, Due 4/15/14, (BBB) | 500,000 | 531,250 |
| SunPower Corp., 4.50%, Due 3/15/15, (BBB) | 1,250,000 | 1,464,844 |
| Xilinx, Inc., 2.625%, Due 6/15/17, (BBB) | 500,000 | 716,875 |
| | | 8,206,181 |
| Software 6.5% | | |

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|--|-----------|------------|
| Bottomline Technologies, Inc., 1.50%, Due 12/1/17, (A) | 1,000,000 | 1,096,250 |
| Concur Technologies, Inc., 0.50%, Due 6/15/18, (AA) (1) | 500,000 | 500,000 |
| Electronic Arts Inc., 0.75%, Due 7/15/16, (A) | 500,000 | 523,125 |
| Mentor Graphics Corp., 4.00%, Due 4/1/31, (AA) | 1,000,000 | 1,221,250 |
| Nuance Communications, Inc., 2.75%, Due 8/15/27, (BB) | 1,500,000 | 1,739,062 |
| Rovi Corp., 2.625%, Due 2/15/40, (A) | 1,000,000 | 1,020,000 |
| Take-Two Interactive Software, Inc., 1.75%, Due 12/1/16, (BBB) | 750,000 | 827,344 |
| TeleCommunication Systems, Inc., 7.75%, Due 6/30/18, (BBB) | 1,000,000 | 990,000 |
| | | 7,917,031 |
| Textiles, Apparel & Luxury Goods 1.6% | | |
| Iconix Brand Group, Inc., 1.50%, Due 3/15/18, (A) (1) | 750,000 | 839,531 |
| Iconix Brand Group, Inc., 2.50%, Due 6/1/16, (A) | 1,000,000 | 1,132,500 |
| | | 1,972,031 |
| Trading Companies & Distributors 1.5% | | |
| Kaman Corp., 3.25%, Due 11/15/17, (A) (1) | 750,000 | 891,094 |
| Titan Machinery Inc., 3.75%, Due 5/1/19, (B) | 1,000,000 | 940,000 |
| | | 1,831,094 |
| Wireless Telecommunications 1.2% | | |
| SBA Communications Corp., 4.00%, Due 10/1/14, (AA) | 600,000 | 1,473,750 |
| | | 75,062,473 |
| Shares | | |
| Convertible Preferred Stock 12.7% | | |
| Commercial Banks 3.2% | | |
| Huntington Bancshares, Inc., 8.50%, (BB) | 1,250 | 1,535,000 |
| Wells Fargo & Co., 7.50%, (BBB) | 2,000 | 2,388,000 |
| | | 3,923,000 |
| Diversified Financial Services 1.5% | | |
| Bank of America Corp., 7.25%, (BB) | 1,600 | 1,776,800 |
| Food Products 1.4% | | |
| Post Holdings, Inc., 3.75%, (B) (1) | 8,300 | 901,629 |
| Bunge Ltd., 4.875%, (BB) | 7,500 | 754,875 |
| | | 1,656,504 |
| Machinery 1.1% | | |
| Stanley Black & Decker, Inc., 4.75%, (BBB) | 10,000 | 1,291,400 |

Ellsworth Fund Ltd. Schedule of Investments continued
June 30, 2013

Shares

Value
(Note 1)

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|---|---------|--------------|
| Convertible Preferred Stock continued | | |
| Oil, Gas & Consumable Fuels 2.1% | | |
| Chesapeake Energy Corp., 5.75%, (B) | 1,550 | \$ 1,596,500 |
| Halcon Resources Corp., 5.75%, (NR) | 1,000 | 1,020,000 |
| | | 2,616,500 |
| Real Estate Investment Trusts 1.8% | | |
| Health Care REIT, Inc., 5.50%, (BB) | 20,000 | 1,241,800 |
| Weyerhaeuser Co., 6.375%, (BBB) | 20,000 | 1,020,000 |
| | | 2,261,800 |
| Specialty Retail 0.8% | | |
| Amerivon Holdings LLC, 4.00%, (NR) (1,3,4) | 627,147 | 886,850 |
| Amerivon Holdings LLC, common equity units, (NR) (1,3,4) | 272,728 | 32,727 |
| | | 919,577 |
| Thrift & Mortgage Finance 0.9% | | |
| New York Community Capital Trust V, 6.00%, (BB) | 24,000 | 1,141,200 |
| | | |
| Total Convertible Preferred Stock | | 15,586,781 |
| Mandatory Convertible Securities 10.4% (5) | | |
| Aerospace & Defense 1.9% | | |
| United Technologies Corp., 7.50%, Due 8/1/22, (BBB) | 40,000 | 2,374,400 |
| Automobiles 1.6% | | |
| General Motors Co., 4.75%, Due 12/1/13, (NR) | 40,000 | 1,926,400 |
| Electric Utilities 2.4% | | |
| NextEra Energy, Inc., 5.599%, Due 6/1/17, (BBB) | 7,500 | 422,700 |
| NextEra Energy, Inc., 5.889%, Due 9/1/18, (BBB) | 20,000 | 1,111,600 |
| PPL Corp., 8.75%, Due 5/1/19, (NR) | 25,000 | 1,350,500 |
| | | 2,884,800 |
| Insurance 1.1% | | |
| MetLife, Inc., 5.00%, Due 10/8/14, (BBB) | 25,000 | 1,369,750 |
| IT Services 0.5% | | |
| Unisys Corp., 6.25%, Due 3/1/14, (B) | 10,000 | 622,500 |
| Multi Utilities 0.8% | | |
| Dominion Resources, Inc., 6.125%, Due 4/1/16, (BBB) | 10,000 | 502,000 |
| Dominion Resources, Inc., 6.00%, Due 7/1/16, (BBB) | 10,000 | 500,500 |
| | | 1,002,500 |
| Oil, Gas & Consumable Fuels 0.8% | | |
| Apache Corp., 6.00%, Due 8/1/13, (A) | 20,000 | 954,800 |
| Road & Rail 1.3% | | |
| Genesee & Wyoming, Inc., 5.00%, Due 10/1/15, (NR) | 10,000 | 1,196,300 |
| 2010 Swift Mandatory Common Exchange Security Trust, 6.00%, | | |

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

| | | |
|--|--------|------------|
| Due 12/31/13, (NR) | 30,000 | 421,443 |
| | | 1,617,743 |
| Total Mandatory Convertible Securities (5) | | 12,752,893 |

**Ellsworth Fund Ltd. Schedule of Investments continued
June 30, 2013**

| | Shares | Value (Note 1) |
|---|--------|-------------------|
| Common Stock 13.8% | | |
| Diversified Financial Services 0.8% | | |
| Citigroup Inc. | 19,546 | \$ 937,622 |
| Diversified Telecommunications Services 4.5% | | |
| AT&T Inc. | 70,000 | 2,478,000 |
| Verizon Communications Inc. | 60,000 | 3,020,400 |
| | | 5,498,400 |
| Media 0.8% | | |
| Walt Disney Co. | 15,000 | 947,250 |
| Oil, Gas & Consumable Fuels 1.3% | | |
| ConocoPhillips | 26,782 | 1,620,311 |
| Pharmaceuticals 4.7% | | |
| Abbott Laboratories | 18,000 | 627,840 |
| AbbVie Inc. | 20,000 | 826,800 |
| Bristol Myers Squibb Co. | 20,000 | 893,800 |
| Eli Lilly & Co. | 15,000 | 736,800 |
| Merck & Co., Inc. | 32,651 | 1,516,641 |
| Pfizer Inc. | 40,000 | 1,120,400 |
| | | 5,722,281 |
| Semiconductors & Semiconductor Equipment 0.5% | | |
| Intel Corp. | 25,000 | 605,500 |
| Software 1.2% | | |
| Microsoft Corp. | 43,600 | 1,505,508 |
| Total Common Stock | | 16,836,872 |
| Total Convertible Bonds and Notes 61.3% | | \$ 75,062,473 |
| Total Convertible Preferred Stock 12.7% | | 15,586,781 |
| Total Mandatory Convertible Securities 10.4% | | 12,752,893 |
| Total Common Stock 13.8% | | 16,836,872 |
| Total Investments 98.2% | | 120,239,019 |

| | | |
|-----------------------------------|--------|----------------|
| Other Assets and Liabilities, Net | 1.8% | 2,220,198 |
| Total Net Assets | 100.0% | \$ 122,459,217 |

**Ellsworth Fund Ltd. Schedule of Investments continued
June 30, 2013**

(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 June 30, 2013 was \$14,043,610 which represented 11.5% of the Fund's net assets.

(2) Contingent payment debt instrument which accrues contingent interest.

(3) Investment is valued at fair value as determined in good faith pursuant to 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 \$919,577 at June 30, 2013, which represented 0.8% of the Fund's net assets.

(4) Restricted securities include securities that have not been registered under the Securities Act 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. In some cases, the issuer of restricted securities has agreed to register such securities for resale at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Investments in restricted securities are 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. As of June 30, 2013, the Fund was invested in the following restricted securities:

| Security | Acquisition Date | Shares | Cost | Price per Share | Value | % Net Assets |
|---|------------------|---------|--------------|-----------------|------------|--------------|
| Amerivon Holdings LLC series A 4.00% cv. pfd. | April 1, 2010 | 627,147 | \$ 1,500,000 | \$ 1.4141 | \$ 886,850 | 0.72% |
| Amerivon Holdings LLC common equity units | April 1, 2010 | 272,728 | 0 | 0.010 | 32,727 | 0.03% |

(5) 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.

PORTFOLIO RATINGS:

Where a security is rated by Standard & Poor's, such rating appears in parentheses next to such security (but without any applicable + or - that might apply).

Where a security is rated by Standard & Poor's and at least one other rating agency and the Fund believes the ratings to be functionally equivalent to one another, the Standard & Poor's rating appears in parentheses next to such security (but without any applicable + or - that might apply).

Where a security is rated by Standard & Poor's and at least one other rating agency and the Fund believes the ratings not to be functionally equivalent to one another, the Fund puts in parentheses next to such security the Standard & Poor's rating which it believes approximates the average of all such ratings (but without any applicable + or - that might apply).

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

Where a security is not rated by Standard & Poor's, the Fund puts in parentheses next to such security the Standard & Poor's rating which it believes approximates the average of all such ratings (but without any applicable + or - that might apply). NR is used whenever a rating is unavailable.

SUMMARY OF PORTFOLIO RATINGS *

| | |
|-------------|-----|
| AAA | 4% |
| AA | 6% |
| A | 20% |
| BBB | 26% |
| BB | 17% |
| B | 12% |
| CCC & below | 3% |
| Not Rated | 12% |

* Excludes common stocks and cash.

See accompanying notes

Ellsworth Fund Ltd. Selected Notes to Financial Statements unaudited

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

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.

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of the markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Ellsworth Fund Ltd. Selected Notes to Financial Statements continued

The following is a summary of the inputs used to value the investments of the Fund as of June 30, 2013:

| | Level 1 | Level 2 | Level 3 | Totals |
|---|----------------------|-----------------------|-------------------|-----------------------|
| Investments in Securities: | | | | |
| Common Stock: | | | | |
| Diversified Financial Services | \$ 937,622 | \$ | \$ | \$ 937,622 |
| Diversified Telecommunications Services | 5,498,400 | | | 5,498,400 |
| Media | 947,250 | | | 947,250 |
| Oil, Gas & Consumable Fuels | 1,620,311 | | | 1,620,311 |
| Pharmaceuticals | 5,722,281 | | | 5,722,281 |
| Semiconductors & Semiconductors Equipment | 605,500 | | | 605,500 |
| Software | 1,505,508 | | | 1,505,508 |
| Total Common Stock | 16,836,872 | | | 16,836,872 |
| Convertible Bonds and Notes | | 75,062,473 | | 75,062,473 |
| Convertible Preferred Stock | | 14,667,204 | 919,577 | 15,586,781 |
| Mandatory Convertible Securities | | 12,752,893 | | 12,752,893 |
| Total Investments | \$ 16,836,872 | \$ 102,482,570 | \$ 919,577 | \$ 120,239,019 |

The following is a reconciliation of assets for which Level 3 inputs were used in determining value:

| | Convertible Preferred Stock |
|--|-----------------------------|
| Beginning balance | \$919,577 |
| Change in unrealized appreciation (depreciation) | |
| Ending balance | \$919,577 |

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS) . ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting to entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in observable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting to entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

In December 2011, FASB issued ASU No. 2011-11 related to disclosures about offsetting assets and liabilities. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The ASU is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The guidance requires retrospective application for all comparative periods presented. The Fund is currently evaluating the impact ASU 2011-11 will have on the financial statement disclosures.

Securities Transactions and Related Investment Income Securities transactions are accounted for on the trade date (the 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 three cents per share for the nine months ended June 30, 2013. In addition, Federal tax regulations require the Fund to reclassify realized gains (losses) on contingent payment debt instruments to interest income. At June 30, 2013, there were unrealized losses of approximately two cents per share on contingent payment debt instruments.

Federal Income Tax Cost At June 30, 2013, the cost basis of investments for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$105,208,349, \$17,873,184, \$(2,842,516) and \$15,030,668, respectively.

ITEM 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures.

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c)) are effective as of August 27, 2013 based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 17 CFR 240.15d-15(b)).

(b) There have been no changes in the Fund'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 Fund's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications of the principal executive officer and the principal financial officer of the Fund, as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), 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 27, 2013

Pursuant to the requirements of the Securities 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.

Edgar Filing: ELLSWORTH FUND LTD - Form N-Q

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

Date: August 27, 2013

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

Date: August 27, 2013
