

BANCROFT CONVERTIBLE FUND, INC.

65 MADISON AVENUE, SUITE 550 • MORRISTOWN, NEW JERSEY 07960-7308 • (973) 631-1177 • www.bancroftfund.com

November 18, 2003

Dear Stockholders:

This letter is being distributed to all beneficial holders of the common stock of Bancroft Convertible Fund, Inc. (the "Company") as of the close of business on November 13, 2003 (the "Record Date"), in connection with a distribution of non-transferable rights ("Rights") to acquire up to 797,918 shares of common stock of the Company at the subscription price. The subscription price (the "Subscription Price") will be the lesser of (a) 95% of the net asset value per share of the Company's common stock on December 17, 2003 (the "Pricing Date") or (b) 95% of the average of the volume-weighted average sales prices of a share of the Company's common stock on the American Stock Exchange on the Pricing Date and the four preceding trading days.

Since the rights offering closes prior to the Pricing Date, stockholders who exercise their Rights will not know the Subscription Price at the time they exercise their Rights. Payment of the estimated Subscription Price of \$18.32 per share must be made when a stockholder exercises the Rights.

As described in the Prospectus, you have received one Right for every one whole share of common stock held as of the close of business on the Record Date, rounded up to the nearest number of Rights evenly divisible by six. The Rights are non-transferable. You are entitled to subscribe for and purchase one share for every six Rights granted to you at the Subscription Price (the "Primary Subscription"). The Rights also entitle you to subscribe at the Subscription Price for additional shares of common stock (the "Over-Subscription Privilege"), subject to proration, as discussed below. Shares will be available for purchase pursuant to the Over-Subscription Privilege only to those stockholders who fully exercise their Rights pursuant to the Primary Subscription, to the extent that there are shares that are not subscribed for through the Primary Subscription. If the shares so available (the "Available Shares") are not sufficient to satisfy all subscriptions pursuant to the Over-Subscription Privilege, the Available Shares will be allocated pro rata among stockholders who over-subscribe based on the number of Rights originally issued to them by the Company.

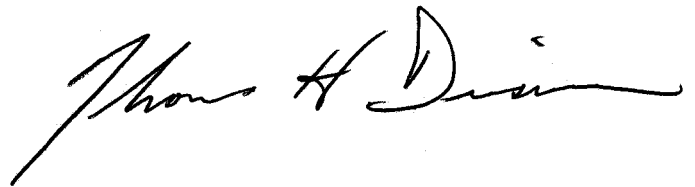
To exercise your Rights you must, prior to December 16, 2003, at 5:00 p.m., Eastern time (the "Expiration Date") instruct your bank, broker, trust company or other financial institution that holds your shares to exercise your Rights on your behalf. Therefore, your prompt action is requested. The Company reserves the right to amend the terms of the rights offering prior to the Expiration Date.

Stockholders who do not fully exercise their Rights should expect that they will, at the completion of the rights offering, own a smaller proportional interest in the Company than if they exercised their Rights. In addition, as a result of the rights offering, you may experience an

immediate dilution of the aggregate net asset value of your shares, which, under certain circumstances, may be substantial. This is because the Subscription Price per share and the net proceeds to the Company for each new share sold will be less than the Company's net asset value per share on the Expiration Date.

Additional copies of the enclosed materials may be obtained from the Information Agent, Georgeson Shareholder Communication Inc. Any questions or requests for assistance should be directed to the Information Agent who can be reached toll free at (888) 613-9988.

Very truly yours,

A handwritten signature in black ink, reading "Thomas H. Dinsmore". The signature is written in a cursive style with a large, prominent initial "T" and "D".

Thomas H. Dinsmore,
Chairman and Chief Executive Officer