Bancroft Convertible Fund, Inc.

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Second Quarter Update - April 30, 2004 (unaudited)

Financial Highlights

Market value 04/30/04	$18.35
Net asset value (NAV) 04/30/04	$20.79
Market discount to NAV	(11.74)%
12-Month income distribution	$0.70
Yield on market value	3.81%
Ratio of expenses to avg. net assets	1.09%*
Ratio of net income to avg. net assets	3.28%*
Portfolio turnover	44.81%
Shares outstanding	5,557,138

* *Annualized.*

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (10/31/03)	$20.84
Changes in NAV from Operations:	
Net Investment Income	0.33
Realized Gain	0.45
Increase in Unrealized Gain	0.05
Total Change from Operations	0.83
Effect of Rights Offering	(0.50)
Distributions:	
Net Investment Income	(0.38)
Capital Gains	(0.00)
Total Change from Distributions	(0.38)
Total Change	(0.05)
Ending NAV (04/30/04)	$20.79

Major Industry Exposure as of 04/30/04

	% of Net Assets
Pharmaceuticals	11.7
Technology	11.2
Banking/Savings & Loan	11.0
Financial & Insurance	10.7
Energy	10.0
Retail	7.9
Telecommunications	7.1
Health Care	5.0
Automotive	3.8
Consumer Goods	3.5

Performance through 04/30/04 *with dividends reinvested*

	4 Months	1 Year	5 Years	10 Years
Bancroft market value (a)	(1.01)%	0.41%	32.10%	174.87%
Bancroft net asset value (b)	0.08	9.98	17.79	147.81
Closed-end conv. fund avg. (b)	1.21	17.18	23.46	122.10
S&P 500 (a)	0.10	22.88	(10.78)	193.25
Russell 2000 (a)	0.85	42.05	38.64	121.66(c)
Lehman Aggregate Bond Total Return Index (b)	(0.01)	1.82	38.03	103.13

Performance data represent past results and do not reflect future performance.

(a) From Bloomberg L.P. pricing service.
(b) From Lipper, Inc. Closed-End Fund Performance Analysis, April 30, 2004.
(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

	Net Asset Values			Market Prices		
Qtr. Ended	High	Low	Close	High	Low	Close
Jul. 03	$20.58	$19.55	$20.02	$19.85	$18.95	$19.80
Oct. 03	20.84	19.61	20.84	19.70	19.05	19.70
Jan. 04	21.75	20.73	21.51	20.14	18.59	19.59
Apr. 04	21.79	20.79	20.79	19.74	18.35	18.35

Total Fund Investments as of 04/30/04

	(000's)	% of Net Assets
Convertible Bonds and Notes	$ 63,660	55.1
Convertible Preferred Stocks	23,320	20.2
Mandatory Convertible Securities	23,284	20.1
Common Stocks	23	0.0
Short-Term Securities	5,310	4.6
Other Assets	(44)	(0.0)
Net Assets	$115,553	100.0%

Largest Investment Holdings as of 04/30/04

by underlying common stock

	% of Net Assets
Teva Pharmaceuticals Industries Ltd.	2.7
Amerada Hess Corp.	2.3
Washington Mutual, Inc.	2.2
Church & Dwight Co., Inc.	2.1
The St. Paul Travelers Companies, Inc.	2.1
Sovereign Bancorp, Inc.	2.0
Capital One Financial Corp.	1.9
Conexant Systems, Inc.	1.9
Fifth Third Bancorp	1.8
The TJX Companies, Inc.	1.8

The portfolio holdings and industry exposure are as of April 30, 2004 and subject to change without notice.

Detailed portfolio information is available on our website (www.bancroftfund.com). *Visit us there or contact us by e-mail at* info@bancroftfund.com *or call us at (973) 631-1177.*

Portfolio of Investments April 30, 2004 (unaudited)

Principal Amount		Value
	CONVERTIBLE BONDS AND NOTES — 55.1%	
	Advertising — 0.9%	
$1,000,000	Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2)	$ 1,078,125
	Aerospace and Defense — 1.2%	
1,500,000	The Goldman Sachs Group, Inc. 1% 2009 exch. equity-linked notes * (Aa3) (exch. for General Dynamics Corp. common stock)	1,438,740
	Automotive — 2.5%	
1,000,000	American Axle & Manufacturing Holdings, Inc. 2% 2024 cv. sr. notes 144A * (Baa3)	1,010,625
2,500,000	Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1)	1,304,688
1,000,000	Lear Corp. 0% 2022 cv. sr. notes (Ba1)	521,875
		2,837,188
	Banking/Savings and Loan — 1.8%	
2,078,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium term notes * (A1) (exch. for Fifth Third Bancorp common stock)	2,059,714
	Consumer Goods — 2.1%	
2,000,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. 144A (B1)	2,484,280
	Data-Processing Services — 1.2%	
875,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes 144A (NR)	809,375
625,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes (NR)	578,125
		1,387,500
	Electrical Supplies — 0.8%	
1,000,000	Graftech International LTD 1.625% 2024 cv. sr. deb. 144A (B2)	883,750
	Energy — 1.7%	
1,900,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	2,006,457
	Entertainment — 1.0%	
1,250,000	Citadel Broadcasting Corp. 1.875% 2011 cv. sub. notes 144A (NR)	1,201,563
	Financial and Insurance — 1.9%	
1,250,000	Leucadia National Corp. 3.75% 2014 cv. sr. sub. notes 144A (Ba3)	1,270,313
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds 144A (Aa1) (conv. into Swiss Reinsurance Company common stock)	945,625
		2,215,938
	Health Care — 3.5%	
750,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (B1)	883,463
250,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes (B1)	294,488
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,064,100
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	525,000
125,000	Matria Healthcare, Inc. 4.875% 2024 cv. sr. sub. notes 144A (NR)	126,094
875,000	Mentor Corp. 2.75% 2024 cv. deb. 144A (NR)	1,095,938
		3,989,083
	Office Equipment — 1.6%	
1,750,000	IOS Capital, LLC 5% 2007 cv. sub. notes 144A (Ba3) (exch. for IKON Office Solutions, Inc. common stock)	1,828,750

Portfolio of Investments April 30, 2004 (continued)

Principal Amount		Value
	CONVERTIBLE BONDS AND NOTES — (continued)	
	Pharmaceuticals — 10.2%	
$2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	$1,507,500
2,000,000	Amgen, Inc. 0% 2032 LYONs * (A2)	1,478,972
500,000	Gilead Sciences, Inc. 2% 2007 cv. sr. notes 144A (NR)	697,813
750,000	Gilead Sciences, Inc. 2% 2007 cv. sr. notes (NR)	1,046,719
1,125,000	Impax Laboratories, Inc. 1.25% 2024 cv. sr. sub. deb. 144A (NR)	1,157,614
500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR)	506,250
1,250,000	Ivax Corp. 1.50% 2024 cv. sr. notes 144A * (NR)	1,233,088
1,050,000	Medarex, Inc. 2.25% 2011 cv. sr. notes 144A (NR)	1,031,625
750,000	Teva Pharmaceutical Finance B.V. 0.75% 2021 cv. sub. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,085,250
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.50% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,010,000
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADR)	1,018,750
		11,773,581
	Retail — 7.9%	
1,300,000	Dick’s Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes 144A (NR)	882,375
1,000,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes 144A (NR)	1,165,000
1,500,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes 144A (B2)	1,629,375
1,500,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,289,063
1,000,000	Reebok International Ltd. 2% 2024 cv. deb. 144A * (BBB)	1,003,750
1,000,000	Saks, Inc. 2% 2024 cv. sr. notes 144A (Ba3)	1,009,950
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	2,112,000
		9,091,513
	Technology — 9.3%	
1,500,000	Axcelis Technologies, Inc. 4.25% 2007 cv. sub. notes (NR)	1,488,750
2,191,000	Conexant Systems, Inc. 5.25% 2006 cv. sub. notes (NR)	2,227,973
2,378,000	Hewlett-Packard Co., Inc. 0% 2017 LYONs (Baa1)	1,331,680
2,000,000	Lehman Brothers Holdings, Inc. 6% 2005 YEELDS (A) (linked to LSI Logic Corp. common stock)	1,672,500
2,000,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	2,002,500
2,000,000	STMicroelectronics, N.V. 0% 2013 sr. cv. bonds 144A # (A3)	1,980,000
		10,703,403
	Telecommunications — 7.1%	
750,000	Comverse Technology, Inc. 0% 2023 ZYPS 144A # (BB-)	853,125
750,000	Comverse Technology, Inc. 0% 2023 ZYPS # (BB-)	853,125
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (Caa1)	1,293,340
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (Caa1)	674,950
500,000	NII Holdings, Inc. 2.875% 2034 cv. sr. notes 144A (NR)	519,369
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,176,563
750,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes 144A (NR)	894,375
500,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes (NR)	596,250
1,000,000	UTStarcom, Inc. 0.875% 2008 cv. notes (NR)	1,308,750
		8,169,847

Portfolio of Investments April 30, 2004 (continued)

Principal Amount		Value
	CONVERTIBLE BONDS AND NOTES — (continued)	
	Transportation — 0.4%	
$250,000	ExpressJet Holdings, Inc. 4.25% 2023 cv. notes 144A (NR)	255,240
250,000	ExpressJet Holdings, Inc. 4.25% 2023 cv. notes (NR)	255,240
		510,480
	TOTAL CONVERTIBLE BONDS AND NOTES	63,659,912
Shares		
	CONVERTIBLE PREFERRED STOCKS — 20.2%	
	Automotive — 1.3%	
50,000	General Motors Corp. 6.25% series C cv. sr. deb. (Baa1)	1,515,625
	Banking/Savings and Loan — 8.2%	
20,000	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	1,237,500
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,436,400
30,000	New York Community Bancorp, Inc. 6% BONUSES units (Baa2)	1,987,500
50,000	Sovereign Capital Trust IV 4.375% PIERS * (Ba1) (exch. for Sovereign Bancorp, Inc. common stock)	2,350,000
35,000	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual, Inc. common stock)	1,933,750
10,000	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	552,500
		9,497,650
	Energy — 2.9%	
5,000	Chesapeake Energy Corp. 6% cum. cv. pfd. 144A (B3)	377,189
7,500	Chesapeake Energy Corp. 6% cum. cv. pfd. (B3)	565,783
1,000	Chesapeake Energy Corp. 4.125% cum. cv. pfd. 144A (B3)	1,048,750
20,000	The Williams Companies, Inc. 5.50% 2033 jr. sub. cv. deb. 144A (B-)	1,347,500
		3,339,222
	Entertainment — 2.3%	
22,500	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	1,065,938
1,500	Radio One, Inc. 6.50% HIGH TIDES (B3)	1,615,500
		2,681,438
	Financial and Insurance — 3.1%	
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,148,500
100,000	The St. Paul Travelers Companies, Inc. 4.50% 2032 cv. jr. sub. notes (Baa1)	2,457,000
		3,605,500
	Health Care — 1.6%	
29,000	Omnicare Capital Trust I 4% PIERS * (Ba3) (exch. for Omnicare, Inc. common stock)	1,798,000
	Mining — 0.8%	
1,000	Freeport-McMoRan Copper and Gold, Inc. 5.50% cv. perpetual pfd. (CCC)	882,750
	TOTAL CONVERTIBLE PREFERRED STOCKS	23,320,185

Portfolio of Investments April 30, 2004 (continued)

Shares		Value
	MANDATORY CONVERTIBLE SECURITIES — 20.1% **	
	Aerospace and Defense — 1.4%	
15,000	Northrop Grumman Corp. 7.25% equity units * (NR)	$ 1,569,450
	Banking/Savings and Loan — 1.0%	
5,000	State Street Corp. 6.75% treasury backed ACES (NR)	1,159,219
	Consumer Goods — 1.3%	
50,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. (B)	1,532,000
	Energy — 5.3%	
40,000	Amerada Hess Corp.7% mandatory cv. pfd. ACES (Ba3)	2,691,600
30,000	Kerr-McGee Corp. 5.50% 2004 DECS (Baa3) (exch. for Devon Energy Corp. common stock)	1,565,700
25,000	Teekay Shipping Corp. 7.25% PEPS units (BB-)	935,250
30,000	Valero Energy Corp. 2% mandatory cv. pfd. (BB+)	971,520
		6,164,070
	Financial and Insurance — 5.7%	
45,000	Capital One Financial Corp. 6.25% Upper DECS * (Baa3)	2,213,100
15,000	The Chubb Corp. 7% equity units * (A)	420,000
54,000	The Chubb Corp. 7% equity units * (A)	1,508,625
40,000	Platinum Underwriters Holdings, Ltd. 7% equity security units * (NR)	1,298,000
45,000	XL Capital, Ltd. 6.5% equity security units (A2)	1,141,875
		6,581,600
	Paper and Paper Products — 1.0%	
20,000	Temple-Inland, Inc. 7.50% Upper DECS * (Baa3)	1,122,000
	Pharmaceuticals — 1.5%	
31,500	Baxter International, Inc. 7% equity units * (A3)	1,700,055
	Technology — 1.9%	
105,550	The Goldman Sachs Group, Inc. 7.50% mandatory exch. notes (Aa3) (exch. for EMC Corp. common stock)	1,268,342
36,395	The Goldman Sachs Group, Inc. 5.625% mandatory exch. notes (Aa3) (exch. for Intel Corp. common stock)	952,130
		2,220,472
	Utilities — 1.1%	
50,000	DTE Energy Co. 8.75% equity security units * (BBB)	1,234,500
	TOTAL MANDATORY CONVERTIBLE SECURITIES **	23,283,366
	COMMON STOCKS — 0.0%	
	Telecommunications — 0.0%	
11,743	Covad Communications Group, Inc. common stock #	23,486
	TOTAL COMMON STOCKS	23,486

Portfolio of Investments April 30, 2004 (continued)

Principal Amount		Value
	SHORT-TERM SECURITIES — 4.6%	
	Commercial Paper — 4.6%	
$2,900,000	American Express Credit Corp. (P1) (0.99% maturing 05/03/04)	$ 2,899,601
2,400,000	American Express Credit Corp. (P1) (1.02% maturing 05/06/04)	2,399,592
		5,299,193
	U.S. Government Obligations — 0.0%	
11,000	U.S. Treasury notes 1.625% 4/30/05 † (Aaa)	11,000
	TOTAL SHORT-TERM SECURITIES	5,310,193
	Total Convertible Bonds and Notes — 55.1%	63,659,912
	Total Convertible Preferred Stocks — 20.2%	23,320,185
	Total Mandatory Convertible Securities — 20.1%	23,283,366
	Total Common Stocks — 0.0%	23,486
	Total Short-Term Securities — 4.6%	5,310,193
	Total Investments — 100.0%	115,586,142
	Other assets and liabilities, net — (0.0)%	(44,632)
	Total Net Assets — 100.0%	$115,552,510

* Contingent payment debt instrument. See Note 1(b) Annual Report to Shareholders, dated October 31, 2003.
** Mandatory convertible. See Note 1(e) Annual Report to Shareholders, dated October 31, 2003.
\# Non-income producing security.
† Collateral for a letter of credit.

ACES	Automatic Convertible Equity Securities.
ADR	American Depositary Receipts.
BONUSES	Bifurcated Option Note Unit Securities.
DECS	Debt Exchangeable for Common Stock.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYONs	Liquid Yield Option Notes.
PEPS	Premium Equity Particpating Securities.
PIERS	Preferred Income Equity Redeemable Securities.
YEELDS	Yield Enhanced Equity Linked Debt Securities.
ZYPS	Zero Yield Puttable Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies, Inc. NR is used whenever a rating is unavailable.