

Bancroft Convertible Fund, Inc.

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Second Quarter Update - April 30, 2005 (unaudited)

Financial Highlights

Market price 04/30/05	\$16.95
Net asset value (NAV) 04/30/05	\$19.92
Market discount to NAV	(14.91)%
12-Month income distribution	\$0.70
Yield on market price	4.13%
Ratio of expenses to avg. net assets	1.21%*
Ratio of net income to avg. net assets	3.02%*
Portfolio turnover	37.55%
Shares outstanding	5,588,453

* Annualized

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (10/31/04)	<u>\$20.40</u>
Changes in NAV from Operations:	
Net Investment Income	0.31
Realized Gain	0.14
Increase in Unrealized Gain	<u>(0.57)</u>
Total Change from Operations	<u>(0.12)</u>
Distributions:	
Net Investment Income	(0.36)
Capital Gains	<u>0.00</u>
Total Change from Distributions	<u>(0.36)</u>
Total Change	<u>(0.48)</u>
Ending NAV (04/30/05)	<u>\$19.92</u>

Major Industry Exposure as of 04/30/05

	% of Net Assets
Energy	17.6
Financial and Insurance	12.0
Pharmaceuticals	11.4
Banking/Savings and Loan	9.3
Technology	6.3
Health Care	6.2
Telecommunications	5.7
Entertainment	4.5
Retail	4.5
Consumer Goods	3.1

The portfolio holdings and industry exposure are as of April 30, 2005 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.

Performance through 04/30/05 *with dividends reinvested*

	Calendar	1 Year	5 Years	10 Years
	YTD			
Bancroft market price (a,b)	(10.48)%	(4.05)%	16.38%	148.17%
Bancroft net asset value (b,c,d)	(5.45)	(0.92)	0.80	122.92
Closed-end conv. fund avg. (d)	(5.34)	2.49	7.00	106.90
S&P 500 (a)	(4.00)	6.33	(13.86)	165.51
Russell 2000 (a)	(10.76)	4.80	22.55	149.85
Lehman Aggregate Bond				
Total Return Index (d)	0.87	5.26	43.48	99.24

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

(a) From Bloomberg L.P. pricing service.

(b) Performance is not adjusted for dilution due to the Dec. 2003 rights offering.

(c) Net asset value dilution resulting from the rights offering was 2.38%.

(d) From Lipper, Inc. Closed-End Fund Performance Analysis, April 30, 2005.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Jul. 04	\$20.98	\$20.06	\$20.23	\$18.71	\$17.87	\$17.87
Oct. 04	20.65	19.79	20.40	18.50	17.65	18.23
Jan. 05	21.24	20.36	20.77	19.11	18.08	18.49
Apr. 05	21.28	19.86	19.92	18.60	16.95	16.95

Total Fund Investments as of 04/30/05

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 58,965	53.0
Convertible Preferred Stocks	23,397	21.0
Mandatory Convertible Securities	21,152	19.0
Short-Term Securities	7,109	6.4
Other Assets	693	0.6
Net Assets	<u>\$111,316</u>	<u>100.0%</u>

Largest Investment Holdings as of 04/30/05

	% of Net Assets
Chesapeake Energy Corp.	2.9
The Walt Disney Company	2.8
GlobalSantaFe Corp.	2.7
Nuveen Investments, Inc.	2.7
Weatherford International Ltd.	2.3
Devon Energy Corp.	2.1
International Rectifier Corp.	2.0
The St. Paul Travelers Companies, Inc.	2.0
The Chubb Corp.	1.8
Valero Energy Corp.	1.8

Portfolio of Investments April 30, 2005 (unaudited)

<u>Principal Amount</u>		<u>Value (Note 1)</u>
	CONVERTIBLE BONDS AND NOTES — 53.0%	
	Automotive — 1.8%	
\$4,500,000	Lear Corp. 0% 2022 cv. sr. notes (Baa3)	<u>\$ 1,982,813</u>
	Banking/Savings and Loan — 2.8%	
2,078,000	The Bear Stearns Companies, Inc. 0.25% 2010 medium-term notes (A1) (exch. for Fifth Third Bancorp common stock) ⁽¹⁾	1,805,366
1,500,000	Ocwen Financial Corp. 3.25% 2024 contingent cv. sr. unsecured notes (B-)	<u>1,263,750</u>
		<u>3,069,116</u>
	Consumer Goods — 1.7%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2)	<u>1,854,600</u>
	Data-Processing Services — 1.2%	
1,500,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes (NR)	<u>1,302,765</u>
	Electrical Supplies — 0.9%	
1,500,000	Graftech International Ltd. 1.625% 2024 cv. sr. deb. (B2)	<u>982,500</u>
	Energy — 9.1%	
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1)	1,657,500
4,000,000	Devon Energy Corp. 0% 2020 cv. sr. deb. (BBB)	2,287,500
5,000,000	GlobalSantaFe Corp. 0% 2020 cv. deb. (Baa1)	2,950,000
750,000	OMI Corp. 2.875% 2024 cv. sr. notes (B+)	678,750
4,000,000	Weatherford International Ltd. 0% 2020 cv. sr. deb. (Baa1)	<u>2,549,160</u>
		<u>10,122,910</u>
	Entertainment — 3.7%	
1,250,000	Citadel Broadcasting Corp. 1.875% 2011 cv. sub. notes (NR)	951,438
3,000,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1)	<u>3,150,030</u>
		<u>4,101,468</u>
	Financial and Insurance — 0.8%	
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (A1) (conv. into Swiss Reinsurance Company common stock) (Acquired 11/15/01 - 12/05/01; Cost \$1,007,750) ⁽²⁾	<u>940,600</u>
	Health Care — 5.0%	
1,500,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,691,850
1,750,000	Isolagen, Inc. 3.5% 2024 cv. sub. notes (NR) (Acquired 10/29/04 - 02/17/05; Cost \$1,771,250) ⁽²⁾	1,470,000
1,000,000	LifePoint Hospitals, Inc. 4.5% 2009 cv. sub. notes (B3)	1,022,500
1,000,000	Mentor Corp. 2.75% 2024 cv. sub. notes (NR)	<u>1,326,250</u>
		<u>5,510,600</u>
	Multi-Industry — 0.8%	
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) ⁽¹⁾	<u>926,250</u>

Portfolio of Investments April 30, 2005 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — (continued)		
Office Equipment — 1.5%		
\$1,750,000	IOS Capital, LLC 5% 2007 cv. sub. notes (Ba3) (exch. for IKON Office Solutions, Inc. common stock) (Acquired 05/08/02 - 06/02/03; Cost \$1,746,250) ⁽²⁾	\$ 1,717,188
Pharmaceuticals — 8.3%		
2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,887,500
2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) ⁽¹⁾	1,458,830
1,000,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR) (Acquired 03/11/05; Cost \$1,013,125) ⁽²⁾	905,000
1,500,000	Impax Laboratories, Inc. 1.25% 2024 cv. sr. sub. deb. (NR)	1,285,650
500,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR)	486,250
1,250,000	Ivax Corp. 1.5% 2024 cv. sr. notes (NR) ⁽¹⁾	1,222,936
1,000,000	Teva Pharmaceutical Finance II, LLC series A 0.5% 2024 cv. sr. deb. (BBB) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock)	1,001,250
1,000,000	Teva Pharmaceutical Finance II, LLC series B 0.25% 2024 cv. sr. deb. (BBB) (exch. for ADR representing Teva Pharmaceutical Industries Ltd. common stock)	<u>1,012,500</u>
		<u>9,259,916</u>
Retail — 4.5%		
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)	1,109,375
1,000,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2)	1,002,500
1,500,000	Dick's Sporting Goods, Inc. 1.6061% 2024 sr. cv. notes (B)	981,600
2,400,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	<u>1,906,800</u>
		<u>5,000,275</u>
Technology — 5.2%		
1,000,000	Advanced Micro Devices, Inc. 4.75% 2022 cv. sr. deb. (B3) ⁽¹⁾	944,375
1,250,000	Agilent Technologies, Inc. 3% 2021 sr. cv. deb. (Ba2) ⁽¹⁾	1,235,943
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	2,216,250
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) (Acquired 2/15/05 - 04/20/05; Cost \$1,491,557) ⁽²⁾	<u>1,443,705</u>
		<u>5,840,273</u>
Telecommunications — 5.7%		
1,500,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) ⁽³⁾	2,027,775
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B2)	975,330
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B2)	495,240
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,128,125
1,000,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR)	941,250
1,000,000	UTStarcom, Inc. 0.875% 2008 cv. notes (NR)	<u>786,250</u>
		<u>6,353,970</u>
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$58,965,244</u>

Portfolio of Investments April 30, 2005 (continued)

Shares		Value (Note 1)
CONVERTIBLE PREFERRED STOCKS — 21.0%		
Automotive — 0.8%		
50,000	General Motors Corp. 6.25% 2033 series C cv. sr. deb. (Baa3)	\$ 942,000
Banking/Savings and Loan — 6.6%		
17,500	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	986,422
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,516,000
30,000	New York Community Bancorp, Inc. 6% BONUSES units (Baa2)	1,458,750
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	1,531,250
35,000	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	1,828,750
		7,321,172
Energy — 5.2%		
1,000	Chesapeake Energy Corp. 4.125% cum. cv. pfd. (NR)	1,260,000
20,000	Chesapeake Energy Corp. 5% cum. cv. pfd. (B-) (Acquired 04/13/05; Cost \$2,000,000) ⁽²⁾	1,976,370
5,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (NR) (Acquired 03/09/05 - 03/10/05; Cost \$1,003,750) ⁽²⁾	916,250
20,000	The Williams Companies, Inc. 5.5% 2033 jr. sub. cv. deb. (B-)	1,675,000
		5,827,620
Entertainment — 0.8%		
22,500	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	911,250
Financial and Insurance — 4.7%		
20	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05; Cost \$2,078,125) ⁽²⁾	1,857,500
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,159,688
100,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1)	2,189,500
		5,206,688
Health Care — 1.3%		
29,000	Omnicare Capital Trust II 4% PIERS (NR) (exch. for Omnicare, Inc. common stock) ⁽¹⁾	1,403,600
Mining — 1.6%		
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-)	1,784,728
	TOTAL CONVERTIBLE PREFERRED STOCKS	\$23,397,058

Portfolio of Investments April 30, 2005 (continued)

Principal Amount or Shares		Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES — 19.0% ⁽⁴⁾		
Chemicals — 0.8%		
20,000 shs	Huntsman Corp. 5% mand. cv. pfd. (NR)	\$ 937,920
Consumer Goods — 1.4%		
40,000 shs	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. (B)	1,600,000
Energy — 3.3%		
20,000 shs	Amerada Hess Corp. 7% mand. cv. pfd. ACES (Ba3)	1,634,000
30,000 shs	Valero Energy Corp. 2% mand. cv. pfd. (BB)	2,035,800
		<u>3,669,800</u>
Financial and Insurance — 6.5%		
15,000 shs	The Chubb Corp. 7% 2005 equity units (A) ⁽¹⁾	447,750
54,000 shs	The Chubb Corp. 7% 2006 equity units (A2) ⁽¹⁾	1,611,360
37,500 shs	Merrill Lynch & Co, Inc. 6.75% mand. exch. sec. (Aa3) (exch. for Nuveen Investments, Inc. common stock)	1,286,363
50,000 shs	Morgan Stanley, Inc. 5.875% mand. exch. sec. (NR) (exch. for Nuveen Investments, Inc. common stock)	1,680,000
40,000 shs	Platinum Underwriters Holdings, Ltd. 7% equity security units (NR) ⁽¹⁾	1,122,800
45,000 shs	XL Capital, Ltd. 6.5% equity security units (A2)	1,028,520
		<u>7,176,793</u>
Foods — 1.7%		
40,000 shs	Albertson's, Inc. 7.25% HITS units (Baa2) ⁽¹⁾	864,000
40,000 shs	Lehman Brothers Holdings, Inc. 6.25% PIES (A1) (exch. for General Mills, Inc. common stock)	1,060,000
		<u>1,924,000</u>
Pharmaceuticals — 3.1%		
31,500 shs	Baxter International, Inc. 7% equity units (Baa1) ⁽¹⁾	1,759,905
30,000 shs	Schering-Plough Corp. 6% mand. cv. pfd. (Baa3)	1,642,500
		<u>3,402,405</u>
Technology — 1.1%		
\$2,000,000	Lehman Brothers Holdings, Inc. 6% 2005 YEELDS (A) (performance linked to LSI Logic Corp. common stock)	1,170,000
Utilities — 1.1%		
50,000 shs	DTE Energy Co. 8.75% equity security units (BBB-) ⁽¹⁾	1,271,000
	TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽⁴⁾	<u>\$21,151,918</u>

Portfolio of Investments April 30, 2005, 2005 (continued)

<u>Principal Amount</u>		<u>Value (Note 1)</u>
	SHORT-TERM SECURITIES — 6.4%	
	Commercial Paper — 6.4%	
\$7,100,000	American Express Credit Corp. (P1) (2.85% maturing 05/03/05)	\$ 7,097,752
	U.S. Government Obligations — 0.0%	
11,000	U.S. Treasury notes 2.25% 04/30/06 (Aaa) ⁽⁵⁾	10,876
	TOTAL SHORT-TERM SECURITIES	<u>7,108,628</u>
	Total Convertible Bonds and Notes — 53.0%	58,965,244
	Total Convertible Preferred Stocks — 21.0%	23,397,058
	Total Mandatory Convertible Securities — 19.0%	21,151,918
	Total Short-Term Securities — 6.4%	7,108,628
	Total Investments — 99.4%	<u>110,622,848</u>
	Other assets and liabilities, net — 0.6%	693,074
	Total Net Assets — 100.0%	<u>\$111,315,922</u>

- (1) Contingent payment debt instrument. See Note 1(b) below.
- (2) Security not registered under the Securities Act of 1933, as amended (e.g., the security was purchased in a Rule 144A 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 such securities. The aggregate market value of these unregistered securities at April 30, 2005 was \$11,226,613, which represented 10.1% of the Fund's net assets.
- (3) Non-income producing security.
- (4) Mandatory convertible. See Note 1(e) below.
- (5) Collateral for a letter of credit.

ACES	Automatic Convertible Equity Securities.
ADR	American Depositary Receipts.
BONUSES	Bifurcated Option Note Unit Securities.
HITS	Hybrid Income Term Securities.
LYONs	Liquid Yield Option Notes.
PIES	Premium Income Exchangeable 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.
NR is used whenever a rating is unavailable.

Notes to Financial Statements (unaudited)

1. Significant Accounting Policies

Bancroft Convertible Fund, Inc. (the “Fund”), established in 1971, is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements:

(a) 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. Unlisted securities traded in the over-the-counter market and 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. 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 with the approval of the Board of Directors. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

(b) 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. Contingent interest income amounted to approximately 6 cents per share for the six months ended April 30, 2005. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At April 30, 2005 there were unrealized losses of approximately 2 cents per share on contingent payment debt instruments.

(c) Federal Income Taxes

The Fund’s policy is to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary.

The capital loss carryforward represents tax basis capital losses which may be carried over to offset future realized capital gains. To the extent that the carryforward is used, no capital gains distributions will be made. At October 31, 2004, the Fund had available for federal income tax purposes unused capital losses of \$4,470,204, available to offset future net capital gains, \$4,045,634 of which expires in 2010 and \$424,570 of which expires in 2011. The Fund utilized net capital loss carryforwards of \$3,760,644 during the fiscal year ended October 31, 2004.

(d) Distributions to Shareholders

Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the fiscal years ended October 31, 2004 and 2003 were \$3,826,570 and \$3,445,042, respectively, both from ordinary income.

Notes to Financial Statements (continued)

(e) Market Risk

It is the Fund's policy to invest at least 80% of its assets in convertible securities. Although convertible securities do derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Fund's investments include features which render them more sensitive to price changes of their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but generally less than that of the underlying common stock. The market value of those securities was \$21,151,918 at April 30, 2005, representing 19.0% of net assets.

For the complete Notes to Financial Statements see the Annual Report to Shareholders, dated October 31, 2004.