

BANCROFT CONVERTIBLE FUND



2002 Annual Report
October 31, 2002

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Bancroft Convertible Fund, Inc. 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 Company considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.

Highlights

Performance through October 31, 2002 *with dividends reinvested*

	<u>10 Months</u>	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Bancroft market value (a)	(10.58)%	(1.82)%	35.58%	187.89%
Bancroft net asset value (b)	(8.63)	(6.29)	17.24	141.61
Closed-end convertible fund average (b)	(14.69)	(10.69)	4.10	108.03
S&P 500 (a)	(21.84)	(15.11)	3.71	156.41
Russell 2000 (a)	(22.69)	(11.56)	(7.60)	87.78(c)
Lehman Aggregate Bond Total Return Index (b)	8.05	5.89	43.07	105.51

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, dated October 31, 2002.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

<u>Qtr. Ended</u>	<u>Net Asset Values</u>			<u>Market Prices (AMEX, symbol BCV)</u>		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
Jan. 02	\$21.22	\$20.45	\$20.65	\$20.80	\$18.75	\$20.00
Apr. 02	20.76	20.44	20.68	20.30	18.56	18.80
Jul. 02	20.86	18.02	18.71	19.50	16.50	17.04
Oct. 02	19.11	17.82	18.55	18.40	17.05	17.54

Dividend Distributions (12 Months)

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>* Corporate Deduction</u>
11/29/01	12/27/01	\$0.38	—	12%
3/13/02	3/27/02	0.20	—	13
6/13/02	6/27/02	0.18	—	13
9/13/02	9/27/02	0.18	—	13
		<u>\$0.94</u>		

* Percentage of each ordinary income distribution qualifying for the corporate dividend received tax deduction.

To Our Shareholders

In our last quarterly report we pointed out that we were in the longest bear market since before World War II. It appears that we were within a few weeks of the end of this Great Bear. The market's tone has turned positive as economic news continues to reflect improvement. Productivity is rising, monetary policy is not restrictive, inflation appears to be under control, the election results may lead to lower taxes, accounting standards are being improved and banks are reporting that the growth in non-performing loans appears to be topping out. We continue to believe that the equity markets will be volatile, but should be higher next year.

The Fund's industry exposure reflects our view of the economy and the availability of convertible securities. Defense companies are likely to see a long-term increase in defense government spending. Drug companies are less likely to see price controls and insurance companies may be able to charge higher rates in this riskier world. Consumers do not appear reluctant to spend as the equity in their homes has held up well and they have been able to refinance mortgages at lower interest rates. Further, retailers continue to improve their efficiency through the use of technology and have kept inventories under control.

A basic premise under which this fund operates is that convertible securities can offer equity-like performance with less volatility over complete market cycles. As indicated on the chart on the facing Highlights page, the Fund outperformed the Closed-end Convertible Fund average and the Russell 2000 index for the ten months, one year, five years and ten years ended October 31, 2002. The Fund also outperformed the S&P 500 index for the same ten months, one year and five year periods. We believe that past outperformance of these important indices and our peer category, while no guarantee of future returns, is an historical validation of this premise.

The Fund's website www.bancroftfund.com contains press releases, dividend information and daily net asset values. The Closed-End Fund Association (www.cefa.com), of which the Fund is a member, is another source of information on many closed-end funds.* Based upon data through November 30, 2002, Morningstar** has continued to rate Bancroft's performance at four stars (above average) overall as measured on their "Quicktake Report" on their website. Shareholders who wish to obtain a copy of the most recent report on the Fund issued by Standard and Poor's should contact us.

At its November meeting the Board of Directors declared a dividend of 23.1 cents per share. The entire dividend consists of undistributed net investment income. This dividend will be payable on December 27, 2002 to shareholders of record on November 29, 2002.

The 2003 annual meeting of shareholders will be held at our offices in Morristown, New Jersey on February 10, 2003. Details will be included in the Proxy Statement. All shareholders are welcome to attend and we hope to see you there.



Thomas H. Dinsmore
Chairman of the Board

December 11, 2002

* The Closed-End Fund Association is solely responsible for the content of its website.

** Morningstar is a mutual fund analysis and statistical reporting service that reports on and rates most mutual funds. It is solely responsible for the content of its website.

Largest Investment Holdings by underlying common stock

	<u>Value (Note 1)</u>	<u>% Total Net Assets</u>
Washington Mutual, Inc. <i>A financial services company that provides a diversified line of products and services to consumers and small to mid-sized businesses.</i>	\$ 2,356,875	2.7 %
Telecom Corp. of New Zealand <i>The principal supplier of telecommunications in New Zealand, (exchangeable from Bell Atlantic Financial Services, Inc. 5.75% due 2003)</i>	2,012,500	2.3
Reinsurance Group of America, Inc. <i>Through its subsidiaries, provides life insurance and reinsurance of asset-intensive products and financial reinsurance in the United States, Canada and various international markets.</i>	1,808,800	2.1
Costco Wholesale Corp. <i>Operates wholesale membership warehouses in the United States, Canada, and various international markets.</i>	1,806,548	2.1
Johnson & Johnson <i>Manufactures health care products and provides related services for the consumer, pharmaceutical, and medical devices and diagnostics markets. (exchangeable from Alza Corp. 0% due 2020)</i>	1,700,000	1.9
Northrop Grumman Corp. <i>Provides products, services, and solutions in defense and commercial electronics, systems integration, information technology, and non-nuclear shipbuilding systems.</i>	1,669,350	1.9
Capital One Financial Corp. <i>Through its subsidiaries, provides credit card products, certain consumer lending, and deposit services. (value includes that portion of the Fund's investment in Lehman Brothers Holdings BASES, which is attributable to the issuer (\$180,500))</i>	1,652,500	1.9
Cephalon, Inc. <i>Discovers, develops and markets biopharmaceutical products to treat neurological disorders and cancer.</i>	1,626,406	1.9
Affiliated Computer Services, Inc. <i>Provides a variety of business services including business process outsourcing, electronic commerce, technology outsourcing, and professional and systems integration services.</i>	1,623,625	1.9
Anixter International, Inc. <i>Distributes wiring systems for voice, data, and video networks and electrical power applications in North America, Europe, Asia, and Latin America.</i>	<u>1,610,250</u>	<u>1.9</u>
Total	<u>\$17,866,854</u>	<u>20.6 %</u>

Major Industry Exposure

	<u>% Total Net Assets</u>
Financial & Insurance	10.5%
Retail	9.8
Aerospace & Defense	8.5
Health Care	7.8
Pharmaceuticals	7.2
Technology	7.0
Banking / Savings & Loan	6.5
Telecommunications	6.0
Energy	4.9
Advertising	<u>4.3</u>
Total	<u><u>72.5%</u></u>

Major Portfolio Changes by underlying common stock Six months ended October 31, 2002

ADDITIONS

American Electric Power Co., Inc.
 Charming Shoppes, Inc.
 Costco Wholesale Corp.
 DTE Energy Co.
 GATX Corp.
 The Gap, Inc.
 General Mills, Inc.
 IKON Office Solutions, Inc.
(exchangeable from IOS Capital, LLC)
 LifePoint Hospitals, Inc.
 New York Community Bancorp, Inc.
 Omnicom Group, Inc.

REDUCTIONS

Apache Corp.
 Computer Associates International, Inc.
 El Paso Corp.
 The Gap, Inc.
 ICN Pharmaceuticals, Inc.
 J.C. Penney Company, Inc.
 L-3 Communications Holdings, Inc.
 Lucent Technologies, Inc.
 Masco Corp.
 National Data Corp.
 Sovereign Bancorp, Inc.

Portfolio of Investments October 31, 2002

Principal Amount or Shares		Identified Cost	Value (Note 1)
	ADVERTISING — 4.3%		
\$1,550,000	The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR) . . .	\$1,426,283	\$1,243,875
1,000,000	Omnicom Group, Inc. 0% 2031 LYONS * (A3)	961,250	987,500
1,600,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa1)	<u>1,639,000</u>	<u>1,473,200</u>
		<u>4,026,533</u>	<u>3,704,575</u>
	AEROSPACE & DEFENSE — 8.5%		
1,625,000	GenCorp Inc. 5.75% 2007 cv. sub. notes 144A (B1)	1,699,374	1,355,859
1,500,000	The Goldman Sachs Group, Inc. 1.00% 2009 exh. equity-linked notes * (Aa3) (exch. for General Dynamics Corp. common stock) . .	1,537,101	1,447,230
750,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3)	750,000	1,000,313
500,000	L-3 Communications Holdings, Inc. 4.40% 2011 sr. sub. cv. CODES * (Ba3)	564,644	568,125
15,000 shs	Northrop Grumman Corp. 7.25% equity units ** (NR)	1,580,125	1,669,350
20,000 shs	RC Trust I 8.25% equity security units **, ** (Ba2) (exch. for Raytheon Co. class B common stock)	1,000,500	1,053,800
705,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	<u>706,450</u>	<u>317,250</u>
		<u>7,838,194</u>	<u>7,411,927</u>
	AUTOMOTIVE — 2.9%		
20,000 shs	Ford Motor Co. Capital Trust II 6.50% cv. pfd. (Baa2) (exch. for Ford Motor Co. common stock)	1,023,750	734,000
35,500 shs	General Motors Corp. series B cv. sr. deb. (A3)	956,270	735,915
2,500,000	Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1)	<u>1,008,704</u>	<u>1,050,000</u>
		<u>2,988,724</u>	<u>2,519,915</u>
	BANKING / SAVINGS & LOAN — 6.5%		
20,000 shs	Commerce Capital Trust II 5.95% cv. trust pfd. 144A (Baa1) (exch. for Commerce Bancorp common stock)	1,000,000	1,141,250
40,000 shs	National Australia Bank Ltd. 7.875% exh. capital units (A2)	1,038,700	1,356,000
15,000 shs	New York Community Bancorp, Inc. 6% BONUSSES units (Ba1) . . .	750,469	763,905
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual, Inc. common stock)	1,773,125	1,833,125
10,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	<u>520,313</u>	<u>523,750</u>
		<u>5,082,607</u>	<u>5,618,030</u>
	CABLE — 2.1%		
1,000,000	Charter Communications, Inc. 5.75% 2005 cv. sr. notes (Caa2)	985,250	220,000
42,500 shs	Equity Securities Trust II 6.25% ** (NR) (exch. for Cablevision Systems Corp. common stock)	1,007,850	550,508
1,000,000	Verizon Global Funding Corp. 4.25% 2005 euro. sr. exh. notes * (A1) (exch. for cash equiv. of Cable & Wireless Communications plc & NTL, Inc. common stocks)	<u>1,202,210</u>	<u>1,043,125</u>
		<u>3,195,310</u>	<u>1,813,633</u>
	CAPITAL GOODS — 1.5%		
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exh. notes * (Aa3) (exch. for General Electric Corp. common stock)	<u>1,677,291</u>	<u>1,311,563</u>
	DATA-PROCESSING SERVICES — 3.8%		
1,000,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	994,375	946,250
250,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes (NR)	241,250	236,563
1,000,000	Documentum, Inc. 4.50% 2007 cv. sr. notes 144A (NR)	1,001,875	867,500
1,250,000	National Data Corp. 5% 2003 cv. sub. notes (B2)	<u>1,222,844</u>	<u>1,252,038</u>
		<u>3,460,344</u>	<u>3,302,351</u>

Portfolio of Investments October 31, 2002 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
	ENERGY — 4.9%		
\$ 500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	\$ 532,304	\$ 500,100
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	1,088,867	1,002,700
1,300,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa2)	1,363,688	1,407,562
30,000	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa2) (exch. for Devon Energy Corp. common stock)	995,625	1,361,250
		<u>3,980,484</u>	<u>4,271,612</u>
	ENTERTAINMENT — 1.7%		
3,000,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Ltd. common stock) . .	1,592,691	1,448,190
	FINANCIAL & INSURANCE — 10.5%		
50,000 shs	Capital One Financial Corp. 6.25% Upper DECS **,* (Baa3)	2,335,101	1,472,000
1,500,000	Exchangeable Certificate Corp. 0.625% 2005 exch. certificates 144A (Aaa)(exch. for American Express Company common stock)	1,444,325	1,440,000
20,000 shs	Platinum Underwriters Holdings, Ltd. 7% equity security units **,* (NR)	538,250	555,000
17,500 shs	Prudential Financial Capital Trust I 6.25% equity security units **,* (A3) (exch. for Prudential Financial, Inc. common stock)	875,000	887,031
40,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	2,000,000	1,808,800
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds 144A (Aa1) (conv. into Swiss Reinsurance Company common stock)	1,007,750	865,000
40,000 shs	Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. notes (A2) . .	1,000,000	849,000
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1)	995,697	939,375
500,000	XL Capital, Ltd. 0% 2021 cv. deb. * (A1)	336,855	313,125
		<u>10,532,978</u>	<u>9,129,331</u>
	FOODS — 1.2%		
1,500,000	General Mills, Inc. 0% 2022 cv. sr. deb. 144A * (Baa2)	1,008,113	1,014,375
	HEALTH CARE — 7.8%		
750,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (Ba3)	778,048	1,158,150
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	988,600	1,021,700
1,000,000	Invitrogen, Inc. 5.50% 2007 cv. sub. notes (NR)	1,005,000	876,250
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes 144A (B3)	500,000	498,750
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	490,000	498,750
1,000,000	Medtronic, Inc. 1.25% 2021 cv. deb. * (A1)	1,091,106	1,043,350
1,000,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	968,125	825,000
600,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes 144A (B1) . .	585,938	510,000
400,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes (B1)	400,000	340,000
		<u>6,806,817</u>	<u>6,771,950</u>
	MULTI-INDUSTRY — 2.1%		
2,000,000	Lehman Brothers Holdings, Inc. 0.25% 2006 BASES notes * (A3) (based on the value of the performance of the 10 Uncommon Values Index †)	2,151,530	1,805,000
	OFFICE EQUIPMENT — 1.2%		
1,250,000	IOS Capital, LLC 5% 2007 cv. sub. notes 144A (Baa3) (exch. for IKON Office Solutions, Inc. common stock)	1,250,000	1,019,531

Portfolio of Investments October 31, 2002 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
PAPER & PAPER PRODUCTS — 1.2%			
25,000 shs	Temple-Inland Inc. 7.50% Upper DECS **,** (Baa3)	\$ 1,230,665	\$ 1,082,500
PHARMACEUTICALS — 7.2%			
\$2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,561,982	1,700,000
1,000,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (NR)	989,375	929,375
750,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes (NR)	633,750	697,031
1,500,000	Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR)	1,493,125	1,323,750
1,315,000	Roche Holdings, Inc. 0% 2015 LYONs 144A (NR) (exch. for Genentech, Inc. common stock)	999,383	940,225
800,000	Sepracor, Inc. 7% 2005 cv. sub. deb. 144A (CCC+)	800,000	656,000
		<u>6,477,615</u>	<u>6,246,381</u>
RETAIL — 9.8%			
578,000	Barnes & Noble, Inc. 5.25% 2009 cv. sub. notes (Ba3)	585,977	575,833
500,000	Brinker International, Inc. 0% 2021 cv. sr. deb. 144A (Baa2)	319,925	328,360
750,000	Brinker International, Inc. 0% 2021 cv. sr. deb. (Baa2)	474,320	492,540
1,500,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes 144A (B2)	1,539,184	1,215,000
500,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	311,314	401,455
1,750,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,492,535	1,405,093
1,725,000	Duane Reade Inc. 2.148% 2022 cv. sr. notes 144A (Ba3)	1,018,308	829,075
525,000	Duane Reade Inc. 2.148% 2022 cv. sr. notes (Ba3)	234,744	252,328
750,000	The Gap, Inc. 5.75% 2009 cv. bonds (Ba3)	759,688	779,063
250,000	J.C. Penney Company, Inc. 5% 2008 cv. sub. notes (B1)	216,250	239,375
850,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	860,000	882,164
250,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	258,100	259,460
500,000	Skechers U.S.A., Inc. 4.50% 2007 cv. bonds 144A (NR)	498,625	377,500
15,000 shs	Toys “R” Us, Inc. 6.25% equity securities units **,** (Baa3)	662,463	508,500
		<u>9,231,433</u>	<u>8,545,746</u>
TECHNOLOGY — 7.0%			
750,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa2)	751,563	974,175
500,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes (Baa2)	570,813	649,450
1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (Baa1)	1,224,375	1,229,250
1,000,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	991,250	755,000
250,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes (NR)	229,063	188,750
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes * (Aa3) (exch. for Microsoft Corp. common stock)	1,717,282	1,432,500
500,000	Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (B3)	481,875	218,750
750,000	STMicroelectronics N.V. 0% 2009 LYONs (Baa1)	631,875	643,594
		<u>6,598,096</u>	<u>6,091,469</u>
TELECOMMUNICATIONS — 6.0%			
4,000,000	Anixter International, Inc. 0% 2020 LYONs 144A (Ba3)	1,206,900	1,130,000
1,700,000	Anixter International, Inc. 0% 2020 LYONs (Ba3)	534,536	480,250
2,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 sr. exch. notes 144A * (A1) (exch. for cash equiv. Telecom Corp. of New Zealand, Ltd. common stock)	2,149,220	2,012,500
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,393,776	1,549,350
		<u>5,284,432</u>	<u>5,172,100</u>

Portfolio of Investments October 31, 2002 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
	TRANSPORTATION — 3.3%		
\$1,000,000	Continental Airlines, Inc. 4.50% 2007 cv. notes (B2)	\$ 1,000,000	\$ 371,250
750,000	GATX Corp. 7.50% 2007 cv. sr. notes 144A (Baa3)	796,875	746,025
750,000	GATX Corp. 7.50% 2007 cv. sr. notes (Baa3)	774,150	746,025
1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	980,000	1,040,625
		<u>3,551,025</u>	<u>2,903,925</u>
	UTILITIES — 2.3%		
25,000 shs	American Electric Power Co., Inc. 9.25% equity units ***(Baa1)	1,250,000	910,938
40,000 shs	DTE Energy Co. 8.75% equity security units ***(Baa2)	1,000,000	1,106,800
		<u>2,250,000</u>	<u>2,017,738</u>
	SHORT-TERM SECURITIES — 6.1%		
5,300,000	American Express Credit Corp. (P1) (1.65% maturing 11/01/02)	5,299,271	5,299,271
11,000	U.S. Treasury notes 4.00% 4/30/03 # (Aaa)	11,162	11,151
		<u>5,310,433</u>	<u>5,310,422</u>
	Total Convertible Bonds and Notes — 71.7%	67,676,676	62,298,420
	Total Convertible Preferred Stocks — 11.2%	10,062,627	9,745,745
	Total Mandatory Convertible Securities — 12.8%	12,475,579	11,157,677
	Total Short-Term Securities — 6.1%	5,310,433	5,310,422
	Total Investments — 101.8%	<u>\$95,525,315</u>	<u>88,512,264</u>
	Other assets and liabilities, net — (1.8)%		<u>(1,607,859)</u>
	Total Net Assets — 100.0%		<u>\$86,904,405</u>

* Contingent payment debt instrument. See Note 1(b).

** Mandatory convertible. See Note 1(e).

† Ticker symbols: AIG, APOL, BBY, COF, HRC, KLAC, MCK, PFE, WEN & WY.

Collateral for a letter of credit.

ADBs	American Depositary Bonds.
ADRs	American Depositary Receipts.
ADSs	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
BONUSES	Bifurcated Option Note Unit Securities.
CODES	Contingent Debt Securities.
DECS	Debt Exchangeable for Common Stock.
LYONS	Liquid Yield Option Notes.
PIERS	Preferred Income Equity Redeemable Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies, Inc., have been obtained from sources believed reliable but have not been examined by PricewaterhouseCoopers LLP. NR is used whenever a rating is unavailable.

The cost of investments for federal income tax purposes is \$95,525,315 resulting in gross unrealized appreciation and depreciation of \$2,937,521 and \$9,950,572, respectively, or net unrealized depreciation of \$7,013,051 on a tax cost basis.

See accompanying notes to financial statements

Statement of Assets and Liabilities

	<u>October 31, 2002</u>
Assets:	
Investments at value (cost \$95,525,315) (Note 1)	\$ 88,512,264
Cash	323,211
Dividends and interest receivable	574,027
Other assets	<u>24,841</u>
Total assets	<u>89,434,343</u>
Liabilities:	
Payable for securities purchased	2,493,649
Accrued management fee (Note 2)	9,311
Accrued expenses	<u>26,978</u>
Total liabilities	<u>2,529,938</u>
Net Assets	<u>\$ 86,904,405</u>
Net assets consist of:	
Undistributed net investment income	\$ 1,077,927
Accumulated net realized loss from investment transactions	(7,806,278)
Unrealized depreciation on investments	(7,013,051)
Capital shares (Note 3)	46,841
Additional paid-in capital	100,235,980
Treasury Stock	<u>362,986</u>
Net Assets	<u>\$ 86,904,405</u>
Net asset value per share (\$86,904,405 ÷ 4,684,470 outstanding shares)	<u>\$ 18.55</u>

Statement of Operations

For the Year Ended October 31, 2002

Investment Income (Note 1):	
Interest	\$ 3,638,242
Dividends	<u>1,161,340</u>
Total Income	<u>4,799,582</u>
Expenses (Note 2):	
Management fee	700,983
Custodian	21,085
Transfer agent	28,693
Professional fees	76,327
Directors' fees	102,700
Reports to shareholders	32,017
Treasurer's office	25,000
Other	<u>106,883</u>
Total Expenses	<u>1,093,688</u>
Net Investment Income	<u>3,705,894</u>
Realized and Unrealized Loss on Investments:	
Net realized loss from investment transactions	(5,477,832)
Net unrealized depreciation of investments	<u>(3,974,229)</u>
Net loss on investments	<u>(9,452,061)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$ (5,746,167)</u>

Statement of Changes in Net Assets

For the Years Ended October 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Change in net assets from operations:		
Net investment income	\$ 3,705,894	\$ 4,956,660
Net realized loss from investment transactions	(5,477,832)	(2,328,446)
Net unrealized depreciation of investments	<u>(3,974,229)</u>	<u>(10,215,379)</u>
Net decrease in net assets resulting from operations	<u>(5,746,167)</u>	<u>(7,587,165)</u>
Dividends to shareholders from:		
Net investment income	(4,381,151)	(4,913,677)
Net realized gain on investments	<u>—</u>	<u>(12,722,368)</u>
Total dividends	<u>(4,381,151)</u>	<u>(17,636,045)</u>
Capital share transactions (Note 3)	<u>1,168,112</u>	<u>9,751,270</u>
Change in net assets	<u>(8,959,206)</u>	<u>(15,471,940)</u>
Net assets at beginning of year	<u>95,863,611</u>	<u>111,335,551</u>
Net assets at end of year (including undistributed net investment income of \$1,077,927 and \$1,735,402, respectively)	<u>\$ 86,904,405</u>	<u>\$ 95,863,611</u>

Financial Highlights

Selected data for a share of common stock outstanding:

	Years Ended October 31,				
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Operating Performance:					
Net asset value, beginning of year	<u>\$20.72</u>	<u>\$27.09</u>	<u>\$27.35</u>	<u>\$26.89</u>	<u>\$30.48</u>
Net investment income79	1.07	1.04	.78	.87
Net realized and unrealized gain (loss)	<u>(2.02)</u>	<u>(3.23)</u>	<u>2.29</u>	<u>3.40</u>	<u>(.01)</u>
Total from investment operations	<u>(1.23)</u>	<u>(2.16)</u>	<u>3.33</u>	<u>4.18</u>	<u>.86</u>
Less Distributions:					
Dividends from net investment income	(.94)	(1.11)	(.80)	(.78)	(.88)
Distributions from realized gains	<u>—</u>	<u>(3.10)</u>	<u>(2.90)</u>	<u>(2.94)</u>	<u>(3.57)</u>
Total distributions	<u>(.94)</u>	<u>(4.21)</u>	<u>(3.70)</u>	<u>(3.72)</u>	<u>(4.45)</u>
Capital share repurchases	<u>—</u>	<u>—</u>	<u>.11</u>	<u>—</u>	<u>—</u>
Net asset value, end of year	<u>\$18.55</u>	<u>\$20.72</u>	<u>\$27.09</u>	<u>\$27.35</u>	<u>\$26.89</u>
Market value, end of year	\$17.54	\$18.75	\$22.63	\$22.25	\$26.75
Total Net Asset Value Return (%) ^(a)	(6.29)	(8.68)	13.62	16.36	3.16
Total Investment Return (%) ^(b)	(1.82)	1.31	20.63	(2.96)	18.17
Ratios/Supplemental Data:					
Net assets, end of year (\$000's)	\$86,904	\$95,864	\$111,336	\$103,791	\$93,433
Ratio of expenses to average net assets (%) ...	1.2	1.1	1.1	1.1	1.1
Ratio of net investment income to average net assets (%)	4.0	4.9	3.8	3.0	3.1
Portfolio turnover rate (%)	78	83	93	72	55

(a) Assumes valuation of the Fund's shares, and reinvestment of dividends, at net asset values.

(b) Assumes valuation of the Fund's shares at market price and reinvestment of dividends at actual reinvestment price.

Notes to Financial Statements

1. Significant Accounting Policies

Bancroft Convertible Fund, Inc. (the “Fund”) 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. Securities traded in the over-the-counter market and listed securities for which no sales were reported are valued at the mean between reported bid and asked prices as of the close of regular trading. Where no closing prices are available, value is determined by management, with the approval of the Board of Directors.

(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 13 cents per share for the year ended October 31, 2002. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At October 31, 2002 there were unrealized losses of approximately 14 cents per share on contingent payment debt instruments.

(c) Federal Income Taxes

It is the policy of the Fund 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.

(d) Dividends and Distributions to Shareholders

The liability for dividends and distributions payable is recorded on the ex-dividend date.

(e) Market Risk

It is the Fund’s policy to invest the majority 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 in their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but still less than that of the underlying common stock. The market value of those securities was \$11,157,677 at October 31, 2002, representing 13% of net assets.

Notes to Financial Statements (continued)

2. Management Fee and Other Transactions with Affiliates

The management fee is paid to the investment adviser, Davis-Dinsmore Management Company (the "Adviser"). The contract provides for payment of a monthly advisory fee, computed at an annual rate of $\frac{3}{4}$ of 1% of the first \$100,000,000 and $\frac{1}{2}$ of 1% of the excess over \$100,000,000 of the Fund's net asset value in such month.

The Adviser furnishes investment advice, office equipment and facilities, and pays the salaries of all executive officers of the Fund, except that the costs associated with personnel and certain non-personnel expenses of the office of the Treasurer, up to a maximum of \$25,000 a year, are reimbursed by the Fund. Such reimbursements amounted to \$25,000 for the year ended October 31, 2002. The officers of the Fund are also directors, officers or employees of the Adviser, and are compensated by the Adviser.

3. Capital Stock

At October 31, 2002 there were 4,684,470 shares of \$.01 par value common stock outstanding, (9,000,000 shares authorized). During the years ended October 31, 2002 and 2001, 58,552 shares and 516,626 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$1,168,112 and \$9,751,270 respectively.

A distribution of \$.231 per share, derived from net investment income, was declared on November 18, 2002, payable December 27, 2002 to shareholders of record at the close of business November 29, 2002.

4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$73,066,025 and \$67,545,695, respectively, for the year ended October 31, 2002.

5. Distributions to Shareholders

Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from those reported for financial reporting purposes.

The tax character of distributions paid during the years ended October 31, 2002 and 2001 were as follows:

	2002	2001
Ordinary Income	\$ 4,381,151	\$12,310,403
Long-Term Capital Gain	—	5,325,642
	<u>4,381,151</u>	<u>17,636,045</u>

At October 31, 2002, the components of net assets (excluding paid-in capital) on a tax basis were as follows:

Undistributed ordinary income	\$ 1,077,927
Tax basis capital loss carryforward	(7,806,278)
Unrealized (depreciation)	<u>(7,013,051)</u>
	<u>(13,741,402)</u>

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. The prior year's loss carryover of \$2,328,446 will expire on October 31, 2009. The current year's loss carryover of \$5,477,832 will expire on October 31, 2010.

Report of Independent Accountants

To the Shareholders and Board of Directors of Bancroft Convertible Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets, and the financial highlights, present fairly, in all material respects, the financial position of Bancroft Convertible Fund, Inc. (the “Fund”) at October 31, 2002, the results of its operations for the year then ended, and the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 2002 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York

November 18, 2002

Miscellaneous Notes

Automatic Dividend Investment and Cash Payment Plan

Shareholders may participate in our reinvestment plan whereby all dividends and distributions are automatically invested in additional Bancroft shares at the current market price or net asset value, whichever is lower (but not less than 95% of market price). When the market price is lower, American Stock Transfer & Trust Company (AST), as your agent, will combine your dividends with those of other Plan participants, and purchase shares in the market, thereby taking advantage of the lower commissions on larger purchases. There is no other charge for this service.

Plan participants may also voluntarily send cash payments of \$100 to \$10,000 per month to AST, to be combined with other Plan monies, for purchase of additional Bancroft shares in the open market. You pay only a bank service charge of \$1.25 per transaction, plus your proportionate share of the brokerage commission. All shares and fractional shares purchased will be held by AST in your dividend reinvestment account.

At any time, you may instruct AST to sell all or any portion of your account. Also, you may deposit with AST any Bancroft stock certificates you hold, for a one-time fee of \$7.50.

All registered shareholders are eligible to join the Plan. If your shares are held by a broker or other nominee, you should instruct the nominee to join the Plan on your behalf. Some brokers may require that your shares be taken out of the broker's "street name" and re-registered in your own name. For further information please call American Stock Transfer & Trust Company at (800) 937-5449.

To join the Plan, fill out and mail the authorization form located on pages 15 and 16 of this report.

Revised Investment Policy

The Fund has revised its investment policy regarding its investments in convertible securities. Its revised policy provides that the Fund will invest, under normal circumstances, at least 80% of the value of its assets (consisting of net assets plus the amount of any borrowings for investment purposes) in convertible securities. This investment policy may be changed in the future by the Fund's Board of Directors without shareholder approval. The Fund will provide shareholders with at least 60 days prior notice of any change to this investment policy. The notice will be given in accordance with Investment Company Act rules.

Miscellaneous Notes (continued)

Notice of Privacy Policy

The Fund has adopted a privacy policy in order to protect the confidentiality of nonpublic personal information that we have about you. We receive personal information, such as your name, address and account balances, when transactions occur in Bancroft shares registered in your name.

We may disclose this information to companies that perform services for the Fund, such as the Fund's transfer agent or proxy solicitors. These companies may only use this information in connection with the services they provide to the Fund, and not for any other purpose. We will not otherwise disclose any nonpublic personal information about our stockholders or former stockholders to anyone else, except as required by law.

Access to nonpublic information about you is restricted to our employees and service providers who need that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Please direct any questions concerning your account to: American Stock Transfer & Trust Company, 59 Maiden Lane, New York, NY 10038 (800) 937-5449.

Visit us on the Internet at www.bancroftfund.com. The site provides information about the Fund including daily net asset values (NAV), historical dividends and press releases, as well as information about Davis-Dinsmore Management Company, the Fund's adviser. Email us at info@bancroftfund.com.

Bancroft is a member of the Closed-End Fund Association (CEFA). Find CEFA on the Internet at www.cefa.com. CEFA is solely responsible for the content of its website.

Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future purchase shares of Bancroft Convertible Fund, Inc. Common Stock from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares.

Internet

www.bancroftfund.com
email: info@bancroftfund.com

Investment Adviser

Davis-Dinsmore Management Company
65 Madison Avenue, Suite 550
Morristown, NJ 07960-7308
(973) 631-1177

Shareholder Services and Transfer Agent

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
(800) 937-5449
www.amstock.com

Common Stock Listing

American Stock Exchange Symbol: BCV

Bancroft Convertible Fund, Inc.
Automatic Dividend Investment and Cash Payment Plan
Plan and Authorization Form

American Stock Transfer & Trust Company
P.O. Box 922, Church Street Station
New York, NY 10269-0560

I own, **registered in my name** shares of Common Stock of Bancroft Convertible Fund, Inc. (the "Company").

I wish to invest all the dividends and distributions paid by the Company on my shares automatically in additional shares from the date hereof until this arrangement is terminated as stated below. As a participant in this plan (the "Plan"), I may also wish to purchase additional shares of the Company through the Plan.

Authorization. You are authorized to act as my agent as follows:

A. Establish an Account in my name.

B. Take into my Account all dividends and distributions paid by the Company on all its Common Stock held in my name now or in the future and on all additional shares of the Company (including fractions) held by you in my Account.

C. In connection with any fiscal year-end distribution of capital gains or dividend from net investment income, take the distribution or dividend in Common Stock issued at the lower of market price or net asset value as determined on the fifth trading day preceding the date of payment.

D. In connection with the Company's first three quarterly dividends in each fiscal year from net investment income (and any other dividends or distributions declared by the Company, other than those paid pursuant to paragraph C):

1. If the net asset value as determined by the Company as of the close of business on the fifth trading day preceding the date of payment is equal to or lower than the closing market price of the Common Stock on the American Stock Exchange on that trading day plus brokerage commissions, take the dividend or distribution in Common Stock issued at that net asset value;

2. If the net asset value as determined by the Company as of the close of business on the fifth trading day preceding the date of payment is higher than the closing market price of the Common Stock on the American Stock Exchange on that trading day plus brokerage commissions, take the dividend or distribution in cash and add it to my Account.

E. As soon as practicable after each cash payment is made to my Account in accordance with paragraph D above, use the funds in my Account to buy on the American Stock Exchange as many additional full shares of the Company's Common Stock (plus a fractional interest in one share computed to three decimal places) as are available at prices which are less than net asset value. If, before you have completed the purchase of all shares for the distribution at prices less than net asset value, the market price equals or exceeds the net asset value of such shares, then you shall pay the remaining proceeds of the distribution to the Company and take the balance of the distribution in shares of Common Stock at net asset value.

F. I understand that as a Plan participant I may also voluntarily purchase additional shares through the Plan by delivering a check payable to American Stock Transfer & Trust Company for at least \$100, but not more than \$10,000 in any month for deposit into my Account. Within 30 days, American Stock Transfer & Trust Company (AST) will combine all similar monies received and purchase Company shares in the open market. Checks drawn on foreign banks are subject to collection and collection fees and will be invested the next investment date after funds have been collected.

G. You may mingle the cash in my Account with similar funds of other stockholders of the Company for whom you act as agent under the Plan. The cost of the shares and any fractional interests you buy for my Account in connection with a particular dividend, distribution or cash purchase shall be determined by the average cost per share, including brokerage commission, of all shares bought by you for all shareholders for whom you act under the Plan in connection with that dividend, distribution or cash purchase.

H. Whenever you receive or purchase shares or fractional interests for my Account, you will send me confirmation of the transaction as soon as practicable. You will hold such shares and fractional interests as my agent in your name or the name of your nominee. Do not send me stock certificates for full shares until I so request in writing or until my Account is terminated as stated below. You will vote any shares so held for me in accordance with any proxy returned to the Company by me in respect of the shares of which I am a record owner.

I. I may instruct you at any time to liquidate all or any portion of the shares of the Company then held in my Account. I understand that AST will combine all liquidation requests it receives from Plan participants on a particular day and will then sell shares of the Company that are subject to liquidation requests in the open market. The amount of proceeds I receive shall be determined by the average sales price per share, after deducting brokerage commissions, of all shares sold by you for all Plan participants who have given you liquidation requests.

J. I understand that there is presently no service charge for you serving as my agent and maintaining my Account, except that my Account will be charged a \$1.25 service fee for each cash purchase transaction on my behalf pursuant to paragraph F. You may, in addition, charge me for extra services performed at my request.

I further understand that the Company reserves the right to amend the Plan in the future to impose an additional service charge.

K. As a Plan participant I may deposit with AST Common Stock certificates of the Company that I now hold, to be added to my Account. A one-time fee of \$7.50 is charged for this service.

L. You will be liable only for willful misconduct or gross negligence in acting as my agent under the Plan. **Name and Address.** My name as shown on my Common Stock certificate or certificates (including all names if more than one) and my address, are as follows:

Please Print (print names exactly as on stock certificate):

NAME OR NAMES
NUMBER AND STREET
CITY, STATE AND ZIP CODE
SOCIAL SECURITY NUMBER

Stock Certificates. I understand that if I hold more than one Common Stock certificate registered in similar but not identical names or if more than one address is shown for me on the Company's Common Stock records, all my shares of Common Stock must be put into the same name and address if all of them are to be covered by one Account. I understand that additional shares subsequently acquired by me otherwise than through the Plan will be covered by my Account if and when they are registered in the same name and address as the shares in my Account.

Income Tax. I understand that participation in the Plan for automatic investment of dividends and distributions and cash purchase of shares does not relieve me of any income tax which may be payable by me on such dividends and distributions and on expenses incurred by the Company on my behalf.

Amendments and Change of Agent.

1. I understand that the company may amend the terms of the Plan and reserves the right to change the agent which acts for all participants in the Plan at any time by giving written notice thereof to each participant at his address as shown on your records. Any such change shall be effective as to all dividends and distributions payable to shareholders of record on any date more than 30 days after mailing of such notice and shall be effective 30 days after the mailing of such notice as to cash purchases.

2. In connection with any dividend or distribution under Paragraphs C or D above, I understand that the Company will change the price at which shares of its Common Stock are issued to participants in the Plan if the net asset value of the shares is less than 95% of the market price of such shares on the fifth trading day preceding the payment date of any distribution of net investment income or net capital gain, unless the Board obtains a legal opinion from independent counsel that the issuance of shares at net asset value under these circumstances will not have a material adverse effect upon the federal income tax liability of the Company.

3. In connection with the distribution of shares of Common Stock at net asset value under Paragraph E above, I understand that the Company will change the price at which shares of its Common Stock are issued to participants in the Plan if the net asset value of the shares is less than 95% of the market price of such shares on any trading day in which shares of Common Stock are distributed at net asset value, unless the Board obtains a legal opinion from independent counsel that the issuance of shares at net asset value under these circumstances will not have a material adverse effect upon the federal income tax liability of the Company.

4. The Board may not authorize issuance of shares offered to Plan participants only, if such issuance is at a price less than net asset value, without the prior specific approval of the Company's stockholders or of the Securities and Exchange Commission.

Termination. I may terminate my Account at any time by delivering written notice to you prior to the record date of any dividend or distribution requesting either liquidation or a stock certificate. I understand that you or the Company may terminate all authorizations for any reason at any time by sending written notice addressed to participants at their address as shown on your records, such termination to be effective as to all dividends and distributions payable to stockholders of record on any date more than 30 days after mailing of such notice and shall be effective 30 days after the mailing of such notice as to cash purchases. Following the date of termination, you shall send me at my address shown on your records either the proceeds of liquidation, or a stock certificate or certificates for the full shares held by you in my Account and a check for the value of any fractional interest in my Account based on the market price of the Company's Common Stock on that date.

Signature(s) Date
(if shares are in more than one name, all must sign)

Directors and Officers

The address of each director and officer is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Each director is also a director of Ellsworth Convertible Growth & Income Fund, Inc. (Ellsworth) (a closed-end management investment company). Davis-Dinsmore Management Company (Davis-Dinsmore) is the Fund's investment adviser and is also the investment adviser to Ellsworth. Because of this connection, the Fund and Ellsworth make up a Fund Complex. Therefore, each director oversees two investment companies in the Fund Complex.

Name and Age	Director and/or Officer Since	Position With the Fund and Principal Occupation(s) During Past 5 Years	Other Directorship(s) Held by Director
Interested Directors			
Thomas H. Dinsmore ^{1,2,3} 49	1985	Chairman and Chief Executive Officer of the Fund, Ellsworth and Davis-Dinsmore.	None
Jane D. O'Keefe ^{1,2,3} 47	1995	President of the Fund, Ellsworth and Davis-Dinsmore.	None
Independent Directors			
Gordon F. Ahalt, 74	1982	Prior to 2001, President of G.F.A. Inc. (petroleum industry consulting). Prior to 1999, Consultant with W.H. Reaves & Co. (asset management company).	CalDive International, and The Houston Exploration Company
William A. Benton, 69	1994	Prior to 2001, Partner of BE Partners (small options market maker). Prior to 2000, Limited Partner of Gavin, Benton & Co. (NYSE specialist).	None
Elizabeth C. Bogan, Ph.D. 58	1990	Senior Lecturer in Economics at Princeton University.	None
Donald M. Halsted, Jr., 75	1970	Self-employed Businessman.	None
George R. Lieberman, 80	1987	Retired Advertising Executive.	None
Duncan O. McKee, 71	1996	Retired Attorney.	None
Nicolas W. Platt, 49	1997	Since May 2001, Senior Partner of Platt & Rickenbach (public relations). Previously with WPP Group, UK, as Exec. Vice Pres. of Ogilvy Public Relations Worldwide and Managing Director of the Corporate Financial Practice at Burson-Marsteller (public relations).	None
Other Officers			
Sigmund Levine ⁴ Senior Vice President and Secretary, 78	1982	Senior Vice President and Secretary of the Fund, Ellsworth and Davis-Dinsmore.	N/A
H. Tucker Lake, Jr. ³ Vice President, 55	1994	Since 2002, Vice President, and prior thereto, Vice President, Trading, of the Fund, Ellsworth and Davis-Dinsmore.	N/A
Gary I. Levine ⁴ Vice President and Treasurer, 45	1993	Since 2002, Vice President and Treasurer, and prior thereto, Treasurer and Assistant Secretary of the Fund, Ellsworth and Davis-Dinsmore.	N/A
Germaine Ortiz Vice President, 32	1996	Since 1999, Vice President, and prior thereto, Assistant Vice President of the Fund, Ellsworth and Davis-Dinsmore.	N/A

¹ Mr. Dinsmore and Ms. O'Keefe are considered interested persons because they are officers and directors of Davis-Dinsmore.

² Thomas H. Dinsmore and Jane D. O'Keefe are brother and sister.

³ H. Tucker Lake, Jr. is the cousin of Thomas H. Dinsmore and Jane D. O'Keefe.

⁴ Sigmund Levine is the father of Gary I. Levine.

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