

BANCROFT CONVERTIBLE FUND



2003 Annual Report
October 31, 2003

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Bancroft Convertible Fund, Inc. (the "Fund") 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 Fund 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, 2003 *with dividends reinvested*

| | <u>10 Months</u> | <u>1 Year</u> | <u>5 Years</u> | <u>10 Years</u> |
|---|------------------|---------------|----------------|-----------------|
| Bancroft market value (a) | 14.33% | 16.71% | 34.85% | 173.02% |
| Bancroft net asset value (b) | 14.26 | 16.67 | 32.61 | 134.49 |
| Closed-end convertible fund average (b) | 23.49 | 30.37 | 32.16 | 107.35 |
| S&P 500 (a) | 21.21 | 20.80 | 2.68 | 169.58 |
| Russell 2000 (a) | 39.40 | 43.40 | 49.95 | 103.80(c) |
| Lehman Aggregate Bond Total Return Index (b) | 2.81 | 4.90 | 37.27 | 92.71 |

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, 2003.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

| Qtr. Ended | Net Asset Values | | | Market Prices (AMEX, symbol BCV) | | |
|------------|------------------|------------|--------------|----------------------------------|------------|--------------|
| | <u>High</u> | <u>Low</u> | <u>Close</u> | <u>High</u> | <u>Low</u> | <u>Close</u> |
| Jan. 03 | \$19.21 | \$18.58 | \$18.80 | \$19.20 | \$17.53 | \$18.41 |
| Apr. 03 | 19.55 | 18.17 | 19.55 | 19.25 | 17.68 | 18.95 |
| 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 |

Dividend Distributions (12 Months)

| <u>Record Date</u> | <u>Payment Date</u> | <u>Income</u> | <u>Capital Gains</u> | <u>* Corporate Deduction</u> |
|--------------------|---------------------|----------------|----------------------|------------------------------|
| 11/29/02 | 12/27/02 | \$0.231 | — | 16% |
| 3/14/03 | 3/28/03 | 0.180 | — | 4 |
| 6/13/03 | 6/27/03 | 0.160 | — | 4 |
| 9/18/03 | 9/29/03 | 0.160 | — | 4 |
| | | <u>\$0.731</u> | | |

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

To Our Shareholders

The US economy is finally beginning to grow robustly again. Most of the effects of the bursting of the Internet bubble in 2000 have washed through the financial markets and the economy. Time, productivity and lower tax rates have started to take effect. While we do not expect the kind of Gross Domestic Product (GDP) growth (8.2%) and productivity growth (9.4%) we saw in the third quarter of 2003 to continue, we do see annual GDP growth around 4% for 2004. Sustained GDP growth at 4% would expand job creation and increase corporate profits. With the price to estimated earnings for the S&P 500 index falling below 20x, the stock market would be closer to its historical mean of 15x.

Bancroft Convertible Fund is the oldest closed-end convertible fund. Founded in 1971, the Fund's strategy has remained consistently as an equity investment that uses convertible securities to reduce risk and volatility. This strategy tends to outperform in bear markets and lag in bull markets. For the five and ten year periods ended October 31, 2003 the Fund did outperform its peers within the category of closed-end convertible funds followed by Lipper, Inc. (this category consists of seven funds for ten years, eight funds for five years and currently consists of thirteen funds). Fund performance for the fiscal year 2003 (October 31, 2003) has lagged its peers as we may have moved in to a bull market and our peers have changed. Of the thirteen closed-end convertible funds in the Lipper Inc. survey, five are now leveraged, seven have recently had more than one third of their portfolios in non-convertible debt (mostly high yield securities) and one has half in common stock and warrants. Only four funds remain unleveraged convertible (greater than 80% of investments) funds. The addition of leverage usually makes portfolios more volatile and the addition of non-convertible debt increases exposure to interest rate risk.

The open-end mutual fund industry has been caught up in a financial scandal involving market timing and late trading, which may adversely affect long-term investors in the funds implicated in the scandal. The publicly-traded closed-end fund format prevents the kind of trading activity at the center of the scandal from affecting the assets or diluting the interests of the shareholders in closed-end funds. Readers should note this is another positive attribute of the closed-end fund structure.

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, 2003, Morningstar ** has rated the Fund's performance at three stars (average) overall as measured on the "Quicktake Report" on their website. In addition, 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 21 cents per share. The dividend consists of undistributed net investment income. This dividend will be payable on December 26, 2003 to shareholders of record on November 28, 2003.

The 2004 annual meeting of shareholders will be held in Bonita Springs, Florida on February 14, 2004. Time and location will be included in the Proxy Statement, scheduled to be mailed to shareholders on December 29, 2003. All shareholders are welcome to attend and we hope to see you there.



Thomas H. Dinsmore
Chairman of the Board

December 5, 2003

* 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

| | Value (Note 1) | % Total Net Assets |
|--|---------------------|-----------------------|
| New York Community Bancorp, Inc. <i>A holding company for New York Community Bank, a thrift, that operates through divisional banks in New York and New Jersey.</i> | \$ 2,874,680 | 2.9% |
| 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> | 2,610,000 | 2.7 |
| Lucent Technologies, Inc. <i>Designs, builds and delivers a wide range of public and private networks, communications systems and software, and data networking systems. The Company also designs, builds and delivers business telephone systems and microelectronic components.</i> | 2,512,800 | 2.6 |
| 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> | 2,360,000 | 2.4 |
| Church & Dwight Co., Inc. <i>Produces sodium bicarbonate and sodium bicarbonate-based products. The Company sells its products primarily under the Arm & Hammer trademark, to consumers and to industrial customers and distributors.</i> | 2,216,320 | 2.3 |
| Capital One Financial Corp. <i>Through its subsidiaries, provides credit card products, certain consumer lending and deposit services.</i> | 2,137,950 | 2.2 |
| Ivax Corp. <i>Researches, develops, manufactures and markets branded and generic pharmaceuticals in the United States and international markets. The Company also specializes in veterinary products and nutraceuticals.</i> | 2,015,250 | 2.0 |
| Kerr-McGee Corp. <i>Explores for and produces oil and natural gas in various countries around the world. The Company focuses on offshore activities primarily in the Gulf of Mexico and the North Sea.</i> | 1,985,500 | 2.0 |
| Travelers Property Casualty Corp. <i>Provides a broad range of insurance products and services for the commercial and consumer markets.</i> | 1,915,200 | 1.9 |
| School Specialty, Inc. <i>Distributes non-textbook educational supplies and furniture for grades pre-kindergarten through 12.</i> | <u>1,825,453</u> | <u>1.9</u> |
| Total | <u>\$22,453,153</u> | <u>22.9%</u> |

Major Industry Exposure

| | <u>% Total Net Assets</u> |
|------------------------------|-------------------------------|
| Financial & Insurance | 10.9% |
| Banking/Savings & Loan | 10.6 |
| Telecommunications | 9.9 |
| Retail | 9.4 |
| Pharmaceuticals | 9.3 |
| Energy | 7.6 |
| Technology | 7.3 |
| Health Care | 6.7 |
| Aerospace & Defense | 4.9 |
| Entertainment | 4.5 |
| Total | <u>81.1%</u> |

Major Portfolio Changes by underlying common stock Six months ended October 31, 2003

ADDITIONS

Chesapeake Energy Corp.
 Church & Dwight Co., Inc.
 Converse Technology, Inc.
 Doral Financial Corp.
 General Motors Corp.
 Lucent Technologies, Inc.
 Nextel Communications, Inc.
 Omnicare, Inc.
(exchangeable from Omnicare Capital Trust I)
 UTStarcom, Inc.
 Vishay Intertechnology, Inc.
 The Williams Companies, Inc.
 Xerox Corp.

REDUCTIONS

Analog Devices, Inc.
 Anixter International, Inc.
 The Chubb Corp.
 Commerce Bancorp, Inc.
 Credence Systems Corp.
 Hutchinson Technology, Inc.
 Offshore Logistics, Inc.
 Oneok, Inc.
 Siebel Systems, Inc.
 STMicroelectronics, N.V.
 UTStarcom, Inc.
 WPP Group plc
 Xerox Corp.

Portfolio of Investments October 31, 2003

| Principal Amount or Shares | | Identified Cost | Value (Note 1) |
|----------------------------------|--|--------------------|-------------------|
| | ADVERTISING — 2.5% | | |
| \$1,550,000 | The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR) . . . | \$1,476,478 | \$ 1,502,531 |
| 1,000,000 | Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2) | 980,625 | 950,625 |
| | | <u>2,457,103</u> | <u>2,453,156</u> |
| | AEROSPACE & DEFENSE — 4.9% | | |
| 1,500,000 | The Goldman Sachs Group, Inc. 1.00% 2009 exh. equity-linked notes * (Aa3) (exch. for General Dynamics Corp. common stock) . . | 1,635,967 | 1,393,140 |
| 750,000 | L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3) | 750,000 | 870,000 |
| 15,000 shs | Northrop Grumman Corp. 7.25% equity units ** (NR) | 1,608,754 | 1,513,500 |
| 20,000 shs | RC Trust I 8.25% equity security units ** (BB) (exch. for Raytheon Co. class B common stock) | 1,013,971 | 1,010,000 |
| | | <u>5,008,692</u> | <u>4,786,640</u> |
| | AUTOMOTIVE — 2.4% | | |
| 40,000 shs | General Motors Corp. 6.25% series C cv. sr. deb. (Baa1) | 1,000,000 | 1,109,600 |
| 2,500,000 | Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1) | 1,057,192 | 1,278,138 |
| | | <u>2,057,192</u> | <u>2,387,738</u> |
| | BANKING/SAVINGS & LOAN — 10.6% | | |
| 20,000 shs | Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock) | 1,073,750 | 1,158,760 |
| 4,000 shs | Doral Financial Corp. 4.75% perpetual cumulative cv. pfd. 144A (BB) | 1,000,000 | 1,043,000 |
| 40,000 shs | National Australia Bank Ltd. 7.875% exh. capital units (NR) | 1,038,700 | 1,484,800 |
| 40,000 shs | New York Community Bancorp, Inc. 6% BONUS units (Ba1) | 2,004,706 | 2,874,680 |
| 5,000 shs | State Street Corp. 6.75% treasury backed ACES ** (NR) | 1,022,600 | 1,246,328 |
| 35,000 shs | Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual, Inc. common stock) | 1,773,125 | 2,030,000 |
| 10,000 shs | Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock) | 520,313 | 580,000 |
| | | <u>8,433,194</u> | <u>10,417,568</u> |
| | CONSUMER GOODS — 3.1% | | |
| 2,000,000 | Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. 144A (B1) | 2,000,000 | 2,216,320 |
| 30,000 shs | Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. ** (Ba2) | 797,035 | 885,000 |
| | | <u>2,797,035</u> | <u>3,101,320</u> |
| | DATA-PROCESSING SERVICES — 2.0% | | |
| 965,000 | The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR) | 959,375 | 940,875 |
| 285,000 | The BISYS Group, Inc. 4% 2006 cv. sub. notes (NR) | 274,500 | 277,875 |
| 875,000 | Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes 144A (NR) | 880,781 | 792,969 |
| | | <u>2,114,656</u> | <u>2,011,719</u> |
| | ENERGY — 7.6% | | |
| 12,500 shs | Chesapeake Energy Corp. 6% cum. cv. pfd. 144A (B3) | 780,869 | 852,375 |
| 7,500 shs | Chesapeake Energy Corp. 6% cum. cv. pfd. (B3) | 489,375 | 511,425 |
| 500,000 | Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock) | 549,953 | 511,250 |
| 1,000,000 | Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock) | 1,123,715 | 1,022,500 |
| 1,900,000 | Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3) | 1,992,938 | 1,985,500 |
| 30,000 shs | Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa3) (exch. for Devon Energy Corp. common stock) | 995,625 | 1,279,500 |
| 20,000 shs | The Williams Cos., Inc. 5.50% 2033 jr. sub. cv. deb. 144A (B-) | 1,015,000 | 1,310,000 |
| | | <u>6,947,475</u> | <u>7,472,550</u> |

Portfolio of Investments October 31, 2003 (continued)

| Principal Amount or Shares | | Identified Cost | Value (Note 1) |
|--|--|--------------------|-------------------|
| ENTERTAINMENT — 4.5% | | | |
| \$ 500,000 | Alloy, Inc. 5.375% 2023 cv. sr. deb (NR) | \$ 511,875 | \$ 452,500 |
| 22,500 shs | Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1) | 919,590 | 1,023,750 |
| 2,500,000 | News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADS representing The News Corp. Limited common stock) . | 1,374,586 | 1,415,375 |
| 1,500 shs | Radio One, Inc. 6.50% HIGH TIDES (B3) | 1,529,438 | 1,537,220 |
| | | <u>4,335,489</u> | <u>4,428,845</u> |
| FINANCIAL & INSURANCE — 10.9% | | | |
| 45,000 shs | Capital One Financial Corp. 6.25% Upper DECS ***(Baa3) | 2,208,750 | 2,137,950 |
| 34,000 shs | The Chubb Corp. 7% equity units ***(A1) | 875,495 | 943,500 |
| 40,000 shs | Platinum Underwriters Holdings, Ltd. 7% eq. sec. units ***(NR) . | 1,121,479 | 1,208,000 |
| 40,000 shs | Reinsurance Group of America, Inc. 5.75% PIERS (Baa2) | 2,000,000 | 2,360,000 |
| 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 | 932,500 |
| 80,000 shs | Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. notes (A3) | 1,965,055 | 1,915,200 |
| 1,500,000 | XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1) | 1,090,716 | 952,500 |
| 500,000 | XL Capital, Ltd. 0% 2021 cv. deb. * (A1) | 361,823 | 317,500 |
| | | <u>10,631,068</u> | <u>10,767,150</u> |
| HEALTH CARE — 6.7% | | | |
| 750,000 | AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (B1) | 778,048 | 900,075 |
| 1,000,000 | Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3) . . | 988,600 | 1,048,700 |
| 500,000 | Health Management Associates, Inc. 1.50% 2023 cv. sr. notes * (BBB+) | 500,585 | 528,750 |
| 500,000 | LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes 144A (B3) | 500,000 | 483,750 |
| 500,000 | LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3) | 490,000 | 483,750 |
| 19,000 shs | Omnicare Capital Trust I 4% PIERS * (Ba3) (exch. for Omnicare, Inc. common stock) | 1,012,370 | 1,118,529 |
| 500,000 | Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3) | 457,500 | 467,500 |
| 500,000 | Province Healthcare Company 4.25% 2008 cv. sub. notes (B3) | 450,000 | 467,500 |
| 600,000 | Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes 144A (B1) . | 585,938 | 638,628 |
| 400,000 | Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes (B1) | 400,000 | 425,752 |
| | | <u>6,163,041</u> | <u>6,562,934</u> |
| OFFICE EQUIPMENT — 1.7% | | | |
| 1,750,000 | IOS Capital, LLC 5% 2007 cv. sub. notes 144A (Ba2) (exch. for IKON Office Solutions, Inc. common stock) | 1,746,250 | 1,680,000 |
| PAPER & PAPER PRODUCTS — 1.3% | | | |
| 25,000 shs | Temple-Inland, Inc. 7.50% Upper DECS ***(Baa3) | 1,238,934 | 1,321,750 |
| PHARMACEUTICALS — 9.3% | | | |
| 2,000,000 | Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock) | 1,597,106 | 1,420,000 |
| 1,000,000 | Amgen, Inc. 0% 2032 LYONS * (A2) | 787,272 | 756,430 |
| 21,500 shs | Baxter International, Inc. 7% equity units ***(A3) | 963,174 | 1,048,340 |
| 750,000 | Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (B-) | 739,375 | 703,125 |
| 250,000 | Cephalon, Inc. 2.50% 2006 cv. sub. notes (B-) | 223,750 | 234,375 |
| 1,000,000 | Gilead Sciences, Inc. 2% 2007 cv. sr. notes 144A (NR) | 1,119,388 | 1,325,720 |
| 250,000 | Guilford Pharmaceuticals, Inc. 5% 2008 cv. sub. notes 144A (NR) . . | 250,000 | 341,198 |

Portfolio of Investments October 31, 2003 (continued)

| Principal Amount or Shares | | Identified Cost | Value (Note 1) |
|------------------------------------|---|--------------------|-------------------|
| PHARMACEUTICALS — continued | | | |
| \$ 500,000 | Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR) | \$ 495,000 | \$ 485,250 |
| 1,500,000 | Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR) | 1,493,125 | 1,530,000 |
| 1,000,000 | Teva Pharmaceutical Finance B.V. 0.75% 2021 cv. sub. deb. (BBB) (exch. for Teva Pharmaceuticals Industries Ltd. ADRs) | 1,208,750 | 1,363,700 |
| | | <u>8,876,940</u> | <u>9,208,138</u> |
| RETAIL — 9.4% | | | |
| 500,000 | Barnes & Noble, Inc. 5.25% 2009 cv. sub. notes (B1) | 497,975 | 530,000 |
| 750,000 | Brinker International, Inc. 0% 2021 cv. sr. deb. (Baa2) | 486,680 | 501,975 |
| 1,500,000 | Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes 144A (B2) | 1,539,184 | 1,514,063 |
| 250,000 | Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2) | 197,813 | 252,344 |
| 2,000,000 | Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3) | 1,710,292 | 1,635,880 |
| 500,000 | Dave & Buster's, Inc. 5% 2008 cv. sub. notes Reg. D with warrants attached (NR) | 500,000 | 591,500 |
| 1,225,000 | Duane Reade, Inc. 2.148% 2022 cv. sr. notes 144A (B1) | 730,061 | 637,772 |
| 750,000 | J.C. Penney, Inc. 5% 2008 cv. sub. notes (B1) | 752,875 | 789,375 |
| 550,000 | School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+) | 560,000 | 586,350 |
| 250,000 | School Specialty, Inc. 6% 2008 cv. sub. notes (B+) | 258,100 | 266,523 |
| 1,000,000 | School Specialty, Inc. 3.75% 2023 cv. sub. notes * (B+) | 1,012,757 | 972,580 |
| 25,000 shs | Toys "R" Us, Inc. 6.25% equity securities units ** (NR) | 1,091,804 | 1,025,000 |
| | | <u>9,337,541</u> | <u>9,303,362</u> |
| TECHNOLOGY — 7.3% | | | |
| 250,000 | Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa2) | 251,563 | 293,075 |
| 1,000,000 | Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes (Baa2) | 1,184,125 | 1,172,300 |
| 1,000,000 | Axcelis Technologies, Inc. 4.25% 2007 cv. sub. notes (NR) | 939,375 | 961,250 |
| 1,000,000 | International Rectifier 4.25% 2007 cv. sub. notes (B2) | 982,500 | 991,200 |
| 500,000 | Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (Caa2) .. | 481,875 | 482,500 |
| 1,000,000 | Mercury Interactive Corp. 4.75% 2007 cv. sub. notes (NR) | 991,250 | 995,000 |
| 1,000,000 | STMicroelectronics, N.V. 0% 2013 sr. cv. bonds 144A # (A-) | 1,000,000 | 1,075,000 |
| 1,000,000 | Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes 144A (B2) .. | 1,166,952 | 1,240,040 |
| | | <u>6,997,640</u> | <u>7,210,365</u> |
| TELECOMMUNICATIONS — 9.9% | | | |
| 550,000 | Commonwealth Telephone Enterprises, Inc. 3.25% 2023 cv. notes * (NR) | 574,690 | 567,872 |
| 750,000 | Comverse Technology, Inc. 0% 2023 ZYPS 144A # (BB-) | 750,000 | 898,125 |
| 250,000 | Comverse Technology, Inc. 0% 2023 ZYPS # (BB-) | 285,000 | 299,375 |
| 27,700 shs | The Goldman Sachs Group, Inc. 7.30% mandatory exch. notes ** (Aa3) (exch. for Verizon Communications, Inc. common stock) ... | 999,970 | 948,393 |
| 1,000,000 | Level 3 Communications, Inc. 2.875% 2010 cv. sub. notes (Ba3) ... | 1,000,000 | 1,007,440 |
| 1,000,000 | Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (Caa1) .. | 1,000,000 | 1,229,720 |
| 1,000,000 | Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (Caa1) .. | 1,000,000 | 1,283,080 |
| 1,000,000 | Nextel Communications, Inc. 2.875% 2010 cv. sr. notes (B2) | 1,132,500 | 1,155,000 |
| 750,000 | Tekelec, Inc. 2.25% 2008 cv. sub. discount notes 144A (NR) | 756,719 | 837,150 |
| 1,000,000 | UTStarcom, Inc. 0.875% 2008 cv. notes (NR) | 1,637,025 | 1,500,000 |
| | | <u>9,135,904</u> | <u>9,726,155</u> |
| TRANSPORTATION — 2.0% | | | |
| 750,000 | Continental Airlines, Inc. 4.50% 2007 cv. notes (Caa2) | 750,000 | 678,000 |
| 250,000 | ExpressJet Holdings, Inc. 4.25% 2023 cv. notes (NR) | 250,000 | 284,353 |
| 1,000,000 | United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa) | 980,000 | 1,030,000 |
| | | <u>1,980,000</u> | <u>1,992,353</u> |

Portfolio of Investments October 31, 2003 (continued)

| Principal Amount or Shares | | Identified Cost | Value (Note 1) |
|----------------------------------|--|---------------------|---------------------|
| | UTILITIES — 2.3% | | |
| 30,000 shs | American Electric Power Co., Inc. 9.25% equity units ***(Baa3) | \$ 1,491,117 | \$ 1,282,500 |
| 40,000 shs | DTE Energy Co. 8.75% equity security units ***(BBB) | <u>1,013,139</u> | <u>990,800</u> |
| | | <u>2,504,256</u> | <u>2,273,300</u> |
| | SHORT-TERM SECURITIES — 0.0% | | |
| \$11,000 | U.S. Treasury notes 3.375% 4/30/04 † (Aaa) | <u>11,244</u> | <u>11,127</u> |
| | Total Convertible Bonds and Notes — 60.3% | 58,198,272 | 59,355,143 |
| | Total Convertible Preferred Stocks — 21.2% | 18,122,291 | 20,909,339 |
| | Total Mandatory Convertible Securities — 17.1% | 16,441,847 | 16,840,561 |
| | Total Short-Term Securities — 0.0% | 11,244 | 11,127 |
| | Total Investments — 98.6% | <u>\$92,773,654</u> | <u>97,116,170</u> |
| | Other assets and liabilities, net — 1.4% | | 1,369,330 |
| | Total Net Assets — 100.0% | | <u>\$98,485,500</u> |

* Contingent payment debt instrument which accrues contingent interest. See Note 1(b).

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

Non-income producing security.

† Collateral for a letter of credit.

| | |
|------------|--|
| ACES | Automatic Convertible Equity Securities. |
| ADR | American Depositary Receipts. |
| ADS | American Depositary Shares. |
| 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. |
| PIERS | Preferred Income Equity Redeemable 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., 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 is \$92,773,654 resulting in gross unrealized appreciation and depreciation of \$6,557,874 and \$2,215,358, respectively, or net unrealized appreciation of \$4,342,516.

See accompanying notes to financial statements

Statement of Assets and Liabilities

| | October 31, 2003 |
|---|-------------------------|
| Assets: | |
| Investments at value (cost \$92,773,654) (Note 1) | \$ 97,116,170 |
| Cash | 754,237 |
| Dividends and interest receivable | 612,861 |
| Other assets | 82,825 |
| Total assets | <u>98,566,093</u> |
| Liabilities: | |
| Accrued management fee (Note 2) | 60,863 |
| Accrued expenses | 4,946 |
| Other liabilities | 14,784 |
| Total liabilities | <u>80,593</u> |
| Net Assets | <u>\$ 98,485,500</u> |
| Net assets consist of: | |
| Undistributed net investment income | \$ 985,125 |
| Accumulated net realized loss from investment transactions | (8,230,848) |
| Unrealized appreciation on investments | 4,342,516 |
| Capital shares (Note 3) | 47,255 |
| Additional paid-in capital | 101,341,452 |
| Net Assets | <u>\$ 98,485,500</u> |
| Net asset value per share (\$98,485,500 ÷ 4,725,858 outstanding shares) | <u>\$ 20.84</u> |

Statement of Operations

For the Year Ended October 31, 2003

| | |
|---|----------------------|
| Investment Income (Note 1): | |
| Interest | \$ 2,537,867 |
| Dividends | 1,891,223 |
| Total Income | <u>4,429,090</u> |
| Expenses (Note 2): | |
| Management fee | 681,194 |
| Custodian | 30,561 |
| Transfer agent | 28,115 |
| Professional fees | 73,808 |
| Directors' fees | 111,400 |
| Reports to shareholders | 34,513 |
| Treasurer's office | 25,000 |
| Other | 92,259 |
| Total Expenses | <u>1,076,850</u> |
| Net Investment Income | <u>3,352,240</u> |
| Realized and Unrealized Loss on Investments: | |
| Net realized loss from investment transactions | (424,570) |
| Net unrealized appreciation of investments | 11,355,567 |
| Net gain on investments | 10,930,997 |
| Net Increase in Net Assets Resulting from Operations | <u>\$ 14,283,237</u> |

See accompanying notes to financial statements

Statement of Changes in Net Assets

For the Years Ended October 31, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|---|----------------------|----------------------|
| Change in net assets from operations: | | |
| Net investment income | \$ 3,352,240 | \$ 3,705,894 |
| Net realized loss from investment transactions | (424,570) | (5,477,832) |
| Net change in appreciation of investments | <u>11,355,567</u> | <u>(3,974,229)</u> |
| Net change in net assets resulting from operations | <u>14,283,237</u> | <u>(5,746,167)</u> |
| Dividends to shareholders from: | | |
| Net investment income | (3,445,042) | (4,381,151) |
| Capital share transactions (Note 3) | <u>742,900</u> | <u>1,168,112</u> |
| Change in net assets | 11,581,095 | (8,959,206) |
| Net assets at beginning of year | <u>86,904,405</u> | <u>95,863,611</u> |
| Net assets at end of year (including undistributed net investment income of \$985,125 and \$1,077,927, respectively) | <u>\$ 98,485,500</u> | <u>\$ 86,904,405</u> |

Financial Highlights

Selected data for a share of common stock outstanding:

| | Years Ended October 31, | | | | |
|--|--------------------------------|----------------|----------------|----------------|----------------|
| | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
| Operating Performance: | | | | | |
| Net asset value, beginning of year | \$18.55 | \$20.72 | \$27.09 | \$27.35 | \$26.89 |
| Net investment income | .71 | .79 | 1.07 | 1.04 | .78 |
| Net realized and unrealized gain (loss) | 2.31 | (2.02) | (3.23) | 2.29 | 3.40 |
| Total from investment operations | 3.02 | (1.23) | (2.16) | 3.33 | 4.18 |
| Less Distributions: | | | | | |
| Dividends from net investment income | (.73) | (.94) | (1.11) | (.80) | (.78) |
| Distributions from realized gains | — | — | (3.10) | (2.90) | (2.94) |
| Total distributions | (.73) | (.94) | (4.21) | (3.70) | (3.72) |
| Capital share repurchases | — | — | — | .11 | — |
| Net asset value, end of year | <u>\$20.84</u> | <u>\$18.55</u> | <u>\$20.72</u> | <u>\$27.09</u> | <u>\$27.35</u> |
| Market value, end of year | \$19.70 | \$17.54 | \$18.75 | \$22.63 | \$22.25 |
| Total Net Asset Value Return (%) ^(a) | 16.67 | (6.29) | (8.68) | 13.62 | 16.36 |
| Total Investment Return (%) ^(b) | 16.71 | (1.82) | 1.31 | 20.63 | (2.96) |
| Ratios/Supplemental Data: | | | | | |
| Net assets, end of year (\$000's) | \$98,486 | \$86,904 | \$95,864 | \$111,336 | \$103,791 |
| Ratio of expenses to average net assets (%) ... | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 |
| Ratio of net investment income to average net assets (%) | 3.6 | 4.0 | 4.9 | 3.8 | 3.0 |
| Portfolio turnover rate (%) | 87 | 78 | 83 | 93 | 72 |

(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.

See accompanying notes to financial statements

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 12 cents per share for the year ended October 31, 2003. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At October 31, 2003 there were unrealized losses of approximately 3 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 \$16,840,561 at October 31, 2003, representing 17% 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, 2003. 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, 2003 there were 4,725,858 shares of \$.01 par value common stock outstanding, (9,000,000 shares authorized).

The shares issued and resulting increase in paid-in capital in connection with reinvestment of dividends from net investment income during the years ended October 31, 2003 and 2002 were as follows:

| | 2003 | 2002 |
|-----------------------------|-----------|-------------|
| Shares issued | 41,388 | 58,552 |
| Increase in paid-in capital | \$742,900 | \$1,168,112 |

A distribution of \$.21 per share, derived from net investment income, was declared on November 17, 2003, payable December 26, 2003 to shareholders of record at the close of business November 28, 2003.

The Board of Directors of the Fund has authorized the Fund to issue, to shareholders of record November 13, 2003, non-transferable rights to acquire additional shares of the Fund's common stock (the "Rights"). Shareholders received one Right for each whole share of common stock held as of November 13, 2003, rounded up to the nearest number of Rights evenly divisible by six. The Rights allow shareholders to subscribe for one share of the Fund's common stock for each six Rights held. The subscription price of the Rights will be the lesser of (a) 95% of the net asset value per share of the Fund's common stock on December 17, 2003, or (b) 95% of the average of the volume-weighted average sales prices of a share of the Fund's Common Stock on the American Stock Exchange on the December 17, 2003 and the four preceding trading days.

Rights may be exercised at any time prior to 5:00 p.m., Eastern time, on December 16, 2003, unless extended by the Fund.

4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$77,444,095 and \$75,236,643, respectively, for the year ended October 31, 2003.

Notes to Financial Statements (continued)

5. Income Taxes

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 cost of investments for federal income tax purposes is \$92,816,654 resulting in gross unrealized appreciation and depreciation of \$6,514,874 and \$2,215,358, respectively, or net unrealized appreciation of \$4,299,516 on a tax cost basis.

At October 31, 2003 the components of net assets (excluding paid-in capital) on a tax basis were as follows:

| | |
|-------------------------------------|--------------------|
| Undistributed ordinary income | \$1,028,125 |
| Tax basis capital loss carryforward | (8,230,848) |
| Unrealized appreciation | <u>4,299,516</u> |
| | <u>(2,903,207)</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. At October 31, 2002, the Fund had available for federal income tax purposes unused capital losses of \$7,806,278, available to offset future capital gains, \$2,328,446 of which expires in 2009 and \$5,477,832 of which expires in 2010. The current year's loss carryover of \$424,570 will expire on October 31, 2011.

The tax character of distributions paid during the years ended October 31, 2003 and 2002 were as follows:

| | <u>2003</u> | <u>2002</u> |
|------------------------|------------------|------------------|
| Ordinary Income | \$3,445,042 | \$4,381,151 |
| Long-Term Capital Gain | <u>—</u> | <u>—</u> |
| | <u>3,445,042</u> | <u>4,381,151</u> |

The Fund intends to designate the maximum amount of dividends allowable which qualify for the reduced tax rate under The Jobs and Growth Tax Relief Reconciliation Act of 2003.

Report of Independent Auditors

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, 2003, the results of its operations for the year then ended, 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, 2003 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York
November 17, 2003

Miscellaneous Notes

Automatic Dividend Investment and Cash Payment Plan

The Fund has an Automatic Dividend Investment and Cash Payment Plan (the “Plan”). Any shareholder may elect to join the Plan by sending an application to American Stock Transfer & Trust Company, P.O. Box 922, Church Street Station, NY 10269-0560 (the “Plan Agent”). You may also obtain additional information about the Plan by calling the Plan Agent toll free at (800) 937-5449. 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. Shareholders should also contact their broker to determine whether shares acquired through participation in the Plan can be transferred to another broker, and thereafter, whether the shareholder can continue to participate in the Plan.

Under the Plan, all dividends and distributions are automatically invested in additional Fund shares. Depending on the circumstances, shares may either be issued by the Fund or acquired through open market purchases 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, the Plan 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.

All dividends and distributions made by the Fund (including capital gain dividends and dividends designated as qualified dividend income, which are eligible for taxation at lower rates) remain taxable to Plan participants, regardless of whether such dividends and distributions are reinvested in additional shares of the Fund through open market purchases or through the issuance of new shares. Plan participants will be treated as receiving the cash used to purchase shares on the open market and, in the case of any dividend or distribution made in the form of newly issued shares, will be treated as receiving an amount equal to the fair market value of such shares as of the reinvestment date. Accordingly, a shareholder may incur a tax liability even though such shareholder has not received a cash distribution with which to pay the tax.

Plan participants may also voluntarily send cash payments of \$100 to \$10,000 per month to the Plan Agent, to be combined with other Plan monies, for purchase of additional Fund 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 the Plan Agent in your dividend reinvestment account. You may deposit with the Plan Agent any Bancroft stock certificates you hold, for a one-time fee of \$7.50.

At any time, a Plan participant may instruct the Plan Agent to liquidate all or any portion of such Plan participant’s account. To do so, a Plan participant must deliver written notice to the Plan Agent prior to the record date of any dividend or distribution requesting either liquidation or a stock certificate. The Plan Agent will combine all liquidation requests it receives from Plan participants on a particular day and will then sell shares of the Fund that are subject to liquidation requests in the open market. The amount of proceeds a Plan participant will receive shall be determined by the average sales price per share, after deducting brokerage commissions, of all shares sold by the Plan Agent for all Plan participants who have given the Plan Agent liquidation requests.

The Plan Agent or the Fund may terminate the Plan for any reason at any time by sending written notice addressed to Plan participant’s address as shown on the Plan Agent’s records. Following the date of termination, the Plan Agent shall send the Plan participant either the proceeds of liquidation, or a stock certificate or certificates for the full shares held by Plan Agent in Plan participant’s account and a check for the value of any fractional interest in Plan participant’s account based on the market price of the Fund’s Common Stock on that date.

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.

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

The Fund is a member of the Closed-End Fund Association (CEFA). Its website address is www.cefa.com. CEFA is solely responsible for the content of its website.

The Fund's Proxy Voting Guidelines (the "Guidelines") are available without charge, by calling the Fund collect at (973) 631-1177. The Guidelines are also posted on the Fund's website at <http://www.bancroftfund.com> and are available on the SEC's website at <http://www.sec.gov>.

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 its own Common Stock. These purchases may be made 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.

A Statement of Additional Information, dated November 17, 2003, which pertains to an offering of the Fund's Common Stock issuable upon exercise of rights that were issued to existing shareholders of the Fund on November 13, 2003, contains additional information about the Fund and Directors. This document is available, without charge, by calling the Fund collect at (973) 631-1177.

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

Directors

The business address of each director is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Each director is also a director of Ellsworth Convertible Growth and 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 | Term Of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Other Directorship(s) Held by Director |
|-------------------------------|---|---|--|
| Independent Directors | | | |
| Gordon F. Ahalt, 75 | Term as Director expires 2004. Director since 1982. | Retired. Prior to 2001, President of G.F.A. Inc. (petroleum industry consulting company). Prior to 1999, Consultant with W.H. Reaves & Co. (asset management company). | CalDive International, and The Houston Exploration Company |
| William A. Benton, 70 | Term as Director expires 2006. Director since 1994. | Retired. 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., 59 | Term as Director expires 2006. Director since 1990. | Senior Lecturer in Economics at Princeton University. | None |
| Donald M. Halsted, Jr., 76 | Term as Director expires 2005. Director since 1970. | Retired Business Executive. | None |
| George R. Lieberman, 81 | Term as Director expires 2006. Director since 1987. | Retired Advertising Executive. | None |
| Duncan O. McKee, 72 | Term of Director expires 2005. Director since 1996. | Retired Attorney. | None |
| Nicolas W. Platt, 50 | Term as Director expires 2004. Director since 1997. | Since January 2003, President of CNC-US (an international consulting company). Prior to January 2003, Senior Partner of Platt & Rickenbach (public relations firm). Prior to May 2001, 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 firm). | None |

Directors (continued)

| Name and Age | Term Of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Other Directorship(s) Held by Director |
|---------------------------------------|---|---|---|
| Interested Directors | | | |
| Thomas H. Dinsmore, 50 ^{1,2} | Term as Director expires 2005. Director since 1985. | Chairman and Chief Executive Officer of the Fund, Ellsworth and Davis-Dinsmore. | None |
| Jane D. O’Keeffe, 48 ^{1,2} | Term as Director expires 2004. Director since 1995. | President of the Fund, Ellsworth and Davis-Dinsmore. | None |

Officers

The business address of each officer is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Officers are elected by and serve at the pleasure of the Board of Directors. Each officer holds office until the annual meeting to be held in 2004, and thereafter until his or her respective successor is duly elected and qualified.

| Name and Age | Positions with the Fund | Officer Since | Principal Occupation(s) During the Past 5 Years |
|---------------------------------------|---|---------------|---|
| Thomas H. Dinsmore, 50 ^{1,2} | Director, Chairman and Chief Executive Officer | 1986 | Chairman and Chief Executive Officer of the Fund, Ellsworth and Davis-Dinsmore |
| Jane D. O’Keeffe, 48 ^{1,2} | Director and President | 1994 | President of the Fund, Ellsworth and Davis-Dinsmore |
| H. Tucker Lake, Jr., 56 ² | Vice President | 1994 | Since 2002, Vice President, and prior thereto Vice President, Trading, of the Fund, Ellsworth and Davis-Dinsmore |
| Gary I. Levine, 46 ^{3,4} | Vice President, Treasurer and Chief Financial Officer | 1993 | Since 2002, Vice President, Treasurer and Chief Financial Officer, and prior thereto, Treasurer and Assistant Secretary of the Fund, Ellsworth and Davis-Dinsmore |
| Germaine M. Ortiz, 33 | Vice President | 1996 | Since 1999, Vice President, and prior thereto, Assistant Vice President of the Fund, Ellsworth and Davis-Dinsmore |
| Sigmund Levine, 79 ^{3,5} | Secretary | 1986 | Senior Vice President and Secretary of the Fund, Ellsworth and Davis-Dinsmore |

¹ Thomas H. Dinsmore and Jane D. O’Keeffe are brother and sister.

² H. Tucker Lake, Jr. is the cousin of Thomas H. Dinsmore and Jane D. O’Keeffe.


³ Sigmund Levine is the father of Gary I. Levine.

⁴ Gary I. Levine was elected Secretary of the Fund as of November 17, 2003.

⁵ Sigmund Levine retired as Secretary of the Fund as of November 17, 2003.

BANCROFT CONVERTIBLE FUND, INC.
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