

Bancroft Convertible Fund, Inc.

65 Madison Avenue Suite 550 • Morristown, New Jersey 07960-7308 • www.bancroftfund.com

Fourth Quarter Update - October 31, 2003 (unaudited)

Financial Highlights

Market value 10/31/03	\$19.70
Net asset value (NAV) 10/31/03	\$20.84
Market discount to NAV	(5.47)%
12-Month income distribution	\$0.73
Yield on market value	3.71%
Ratio of expenses to avg. net assets	1.17%
Ratio of net income to avg. net assets	3.64%
Portfolio turnover	86.93%
Shares outstanding	4,725,858

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (10/31/02)	\$18.55
Changes in NAV from Operations:	
Net Investment Income	0.71
Realized Loss	(0.09)
Increase in Unrealized Gain	2.40
Total Change from Operations	3.02
Distributions:	
Net Investment Income	(0.73)
Capital Gains	(0.00)
Total Change from Distributions	(0.73)
Total Change	2.29
Ending NAV (10/31/03)	\$20.84

Major Industry Exposure as of 10/31/03

	% of Net Assets
Financial & Insurance	10.9
Banking/Savings & Loan	10.6
Telecommunications	9.9
Retail	9.5
Pharmaceuticals	9.4
Energy	7.6
Technology	7.3
Health Care	6.7
Aerospace & Defense	4.9
Entertainment	4.5

The portfolio holdings and industry exposure are as of October 31, 2003 and subject to change without notice.

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

Performance through 10/31/03 with dividends reinvested

	10 Months	1 Year	5 Years	10 Years
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 conv. fund avg. (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, October 31, 2003.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Jan. 03	\$19.21	\$17.58	\$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

Total Fund Investments as of 10/31/03

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$59,355	60.3
Convertible Preferred Stocks	20,909	21.2
Mandatory Convertible Securities	16,841	17.1
Other Assets	1,381	1.4
Net Assets	\$98,486	100.0%

Largest Investment Holdings as of 10/31/03

	% of Net Assets
New York Community Bancorp, Inc.	2.9
Washington Mutual, Inc.	2.7
Lucent Technologies, Inc.	2.6
Reinsurance Group of America, Inc.	2.4
Church & Dwight Co., Inc.	2.3
Capital One Financial Corp.	2.2
Ivax Corp.	2.0
Kerr-McGee Corp.	2.0
School Specialty, Inc.	1.9
Travelers Property Casualty Corp.	1.9

Portfolio of Investments October 31, 2003 (unaudited)

Principal Amount or Shares		Value
	ADVERTISING — 2.5%	
\$1,550,000	The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR)	\$ 1,502,531
1,000,000	Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2)	950,625
		<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)	1,393,140
750,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3) ..	870,000
15,000 shs	Northrop Grumman Corp. 7.25% equity units ** (NR)	1,513,500
20,000 shs	RC Trust I 8.25% equity security units **, ** (BB) (exch. for Raytheon Co. class B common stock)	1,010,000
		<u>4,786,640</u>
	AUTOMOTIVE — 2.4%	
40,000 shs	General Motors Corp. 6.25% series C cv. sr. deb. (Baa1)	1,109,600
2,500,000	Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1)	1,278,138
		<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)	1,158,760
4,000 shs	Doral Financial Corp. 4.75% perpetual cumulative cv. pfd. 144A (BB)	1,043,000
40,000 shs	National Australia Bank Ltd. 7.875% exh. capital units (NR)	1,484,800
40,000 shs	New York Community Bancorp, Inc. 6% BONUS units (Ba1)	2,874,680
5,000 shs	State Street Corp. 6.75% treasury backed ACES ** (NR)	1,246,328
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual, Inc. common stock)	2,030,000
10,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	580,000
		<u>10,417,568</u>
	CONSUMER GOODS — 3.1%	
2,000,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. 144A (B1)	2,216,320
30,000 shs	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. ** (Ba2)	885,000
		<u>3,101,320</u>
	DATA-PROCESSING SERVICES — 2.0%	
965,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	940,875
285,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes (NR)	277,875
875,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes 144A (NR)	792,969
		<u>2,011,719</u>
	ENERGY — 7.6%	
12,500 shs	Chesapeake Energy Corp. 6% cum. cv. pfd. 144A (B3)	852,375
7,500 shs	Chesapeake Energy Corp. 6% cum. cv. pfd. (B3)	511,425
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	511,250
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	1,022,500
1,900,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	1,985,500
30,000 shs	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa3) (exch. for Devon Energy Corp. common stock)	1,279,500
20,000 shs	The Williams Cos., Inc. 5.50% 2033 jr. sub. cv. deb. 144A (B-)	1,310,000
		<u>7,472,550</u>

Portfolio of Investments October 31, 2003 (continued)

Principal Amount or Shares		Value
	ENTERTAINMENT — 4.5%	
\$ 500,000	Alloy, Inc. 5.375% 2023 cv. sr. deb (NR)	\$ 452,500
22,500 shs	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	1,023,750
2,500,000	News America, Inc. 0% 2021 LYONS 144A (Baa3) (exch. for ADS representing The News Corp. Limited common stock)	1,415,375
1,500 shs	Radio One, Inc. 6.50% HIGH TIDES (B3)	1,537,220
		<u>4,428,845</u>
	FINANCIAL & INSURANCE — 10.9%	
45,000 shs	Capital One Financial Corp. 6.25% Upper DECS ***(Baa3)	2,137,950
34,000 shs	The Chubb Corp. 7% equity units ***(A1)	943,500
40,000 shs	Platinum Underwriters Holdings, Ltd. 7% equity security units ***(NR)	1,208,000
40,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	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)	932,500
80,000 shs	Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. notes (A3)	1,915,200
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A *(A1)	952,500
500,000	XL Capital, Ltd. 0% 2021 cv. deb. *(A1)	317,500
		<u>10,767,150</u>
	HEALTH CARE — 6.7%	
750,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (B1)	900,075
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,048,700
500,000	Health Management Associates, Inc. 1.50% 2023 cv. sr. notes *(BBB+)	528,750
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes 144A (B3)	483,750
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	483,750
19,000 shs	Omnicare Capital Trust I 4% PIERS *(Ba3) (exch. for Omnicare, Inc. common stock)	1,118,530
500,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	467,500
500,000	Province Healthcare Company 4.25% 2008 cv. sub. notes (B3)	467,500
600,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes 144A (B1)	638,628
400,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes (B1)	425,752
		<u>6,562,935</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)	1,680,000
	PAPER & PAPER PRODUCTS — 1.3%	
25,000 shs	Temple-Inland, Inc. 7.50% Upper DECS ***(Baa3)	1,321,750
	PHARMACEUTICALS — 9.3%	
2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,420,000
1,000,000	Amgen, Inc. 0% 2032 LYONS *(A2)	756,430
21,500 shs	Baxter International, Inc. 7% equity units ***(A3)	1,048,340
750,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (B-)	703,125
250,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes (B-)	234,375
1,000,000	Gilead Sciences, Inc. 2% 2007 cv. sr. notes 144A (NR)	1,325,720

Portfolio of Investments October 31, 2003 (continued)

Principal Amount or Shares		Value
	PHARMACEUTICALS — continued	
\$ 250,000	Guilford Pharmaceuticals, Inc. 5% 2008 cv. sub. notes 144A (NR)	\$ 341,198
500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR)	485,250
1,500,000	Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR)	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)	1,363,700
		<u>9,208,138</u>
	RETAIL — 9.4%	
500,000	Barnes & Noble, Inc. 5.25% 2009 cv. sub. notes (B1)	530,000
750,000	Brinker International, Inc. 0% 2021 cv. sr. deb. (Baa2)	501,975
1,500,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes 144A (B2)	1,514,063
250,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2)	252,344
2,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,635,880
500,000	Dave & Buster's, Inc. 5% 2008 cv. sub. notes Reg. D with warrants attached (NR)	591,500
1,225,000	Duane Reade, Inc. 2.148% 2022 cv. sr. notes 144A (B1)	637,772
750,000	J.C. Penney, Inc. 5% 2008 cv. sub. notes (B1)	789,375
550,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	586,350
250,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	266,523
1,000,000	School Specialty, Inc. 3.75% 2023 cv. sub. notes * (B+)	972,580
25,000 shs	Toys "R" Us, Inc. 6.25% equity securities units *** (NR)	1,025,000
		<u>9,303,362</u>
	TECHNOLOGY — 7.3%	
1,000,000	Axcelis Technologies, Inc. 4.25% 2007 cv. sub. notes (NR)	961,250
250,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa2)	293,075
1,000,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes (Baa2)	1,172,300
1,000,000	International Rectifier 4.25% 2007 cv. sub. notes (B2)	991,200
500,000	Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (Caa2)	482,500
1,000,000	Mercury Interactive Corp. 4.75% 2007 cv. sub. notes (NR)	995,000
1,000,000	STMicroelectronics, N.V. 0% 2013 sr. cv. bonds 144A # (A-)	1,075,000
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes 144A (B2)	1,240,040
		<u>7,210,365</u>
	TELECOMMUNICATIONS — 9.9%	
550,000	Commonwealth Telephone Enterprises, Inc. 3.25% 2023 cv. notes * (NR)	567,875
750,000	Comverse Technology, Inc. 0% 2023 ZYPS 144A # (BB-)	898,125
250,000	Comverse Technology, Inc. 0% 2023 ZYPS # (BB-)	299,375
27,700 shs	The Goldman Sachs Group, Inc. 7.30% mandatory exchangeable notes ** (Aa3) (exch. for Verizon Communications, Inc. common stock)	948,393
1,000,000	Level 3 Communications, Inc. 2.875% 2010 cv. sub. notes (Ba3)	1,007,440
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (Caa1)	1,229,720
1,000,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (Caa1)	1,283,080
1,000,000	Nextel Communications, Inc. 2.875% 2010 cv. sr. notes (B2)	1,155,000
750,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes 144A (NR)	837,150
1,000,000	UTStarcom, Inc. 0.875% 2008 cv. notes (NR)	1,500,000
		<u>9,726,158</u>
	TRANSPORTATION — 2.0%	
750,000	Continental Airlines, Inc. 4.50% 2007 cv. notes (Caa2)	678,000
250,000	ExpressJet Holdings, Inc. 4.25% 2023 cv. notes (NR)	284,353
1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	1,030,000
		<u>1,992,353</u>

Portfolio of Investments October 31, 2003 (continued)

Principal Amount or Shares		<u>Value</u>
	UTILITIES — 2.3%	
30,000 shs	American Electric Power Co., Inc. 9.25% equity units *,** (Baa3)	\$ 1,282,500
40,000 shs	DTE Energy Co. 8.75% equity security units *,** (BBB)	<u>990,800</u>
		<u>2,273,300</u>
	SHORT-TERM SECURITIES — 0.0%	
\$11,000	U.S. Treasury notes 3.375% 4/30/04 † (Aaa)	<u>11,127</u>
	Total Convertible Bonds and Notes — 60.3%	59,355,146
	Total Convertible Preferred Stocks — 21.2%	20,909,340
	Total Mandatory Convertible Securities — 17.1%	16,840,561
	Total Short-Term Securities — 0.0%	<u>11,127</u>
	Total Investments — 98.6%	<u>97,116,174</u>
	Other assets and liabilities, net — 1.4%	<u>1,369,326</u>
	Total Net Assets — 100.0%	<u>\$98,485,500</u>

- * Contingent payment debt instrument. See Note 1(b) Semi-Annual Report to Shareholders, dated April 30, 2003.
- ** Mandatory convertible. See Note 1(e) Annual and Semi-Annual Reports to Shareholders, dated April 30, 2003.
- # 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. NR is used whenever a rating is unavailable.