

The Depository Trust Company

IMPORTANT

B#: 2740

DATE: November 30, 2001

TO: All Participants

CATEGORY: Dividends

FROM: Nilesh Desai, Supervisor, Dividend Department

ATTENTION: Dividend Managers, Cashiers and Reorganization Managers

SUBJECT: Optional Dividend: Bancroft Convertible Fund, Inc.
Cusip: 059695106 R/D: 11/29/01 P/D: 12/27/01 Stock or
Cash. Rate: \$ 0.38 Net Investment Income
DTC Cut-off: 12/14/2001

***** WARNING TIME CRITICAL *****

Participants who have positions in the above captioned security may elect to receive the dividend distribution of **\$ 0.38** paid in stock or cash, as follows:

Stock Option #1: You may elect to receive additional common shares of **Bancroft Convertible Fund, Inc.** for the **\$ 0.38** per share. Fractional shares will be paid in cash.

As provided in the Plan, the number of shares you will be entitled to receive under Option 1 will be determined on December 19, 2001, either on the basis of the closing market price of the Funds's common stock, or its net asset value, whichever is lower on that date.

Cash Option #2: You may elect to receive cash at **\$ 0.38** per share held.

PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.

Participants not responding to the above option by 12/14/01, will receive the mandatory distribution in accordance with Option #1 (stock with fractions in cash).

To confirm your Record Date positions, DTC participants should access the Dividend and Allocation History (DPAL) Option, via the PTS Dividend Announcements Inquiry (DIVA) function.

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If there are any questions regarding this Important Notice or the processing of related instructions via EDS, participants should contact Mr. John Mc Carthy or Ms. Janet Tuccillo of DTC's Stock Dividend Department at (212) 855-4521/4533.