

# DINSMORE CAPITAL MANAGEMENT

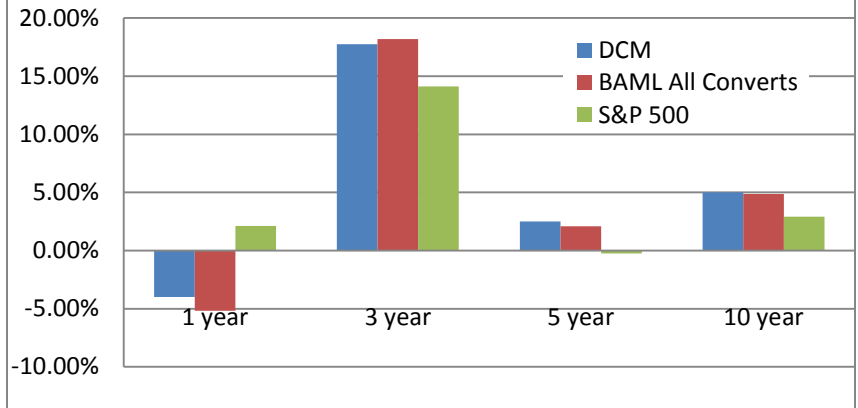
BANCROFT FUND LTD. & ELLSWORTH FUND LTD.

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Dinsmore Capital Management (DCM), formerly Davis Dinsmore Management, was founded in 1971. Thomas H. Dinsmore has been the portfolio manager since 1993. DCM is a Women's Business Enterprise (WBE) under the Minority and Women Certification Program of the State of New Jersey where DCM is located. The firm manages two closed-end funds which are the Bancroft Fund and the Ellsworth Fund with current AUM of \$200 million. DCM is one of the longest running convertible securities money management firms in existence. The current management and its team of analysts, traders and support staff have been together for almost twenty years. DCM claims compliance with the Global Investment Performance Standards (GIPS®). DCM has been verified on a firm-wide basis for the periods beginning January 1, 1998 through September 30, 2011 by Ashland Partners.

Open for Separately Managed Accounts.

## Convertible Performance



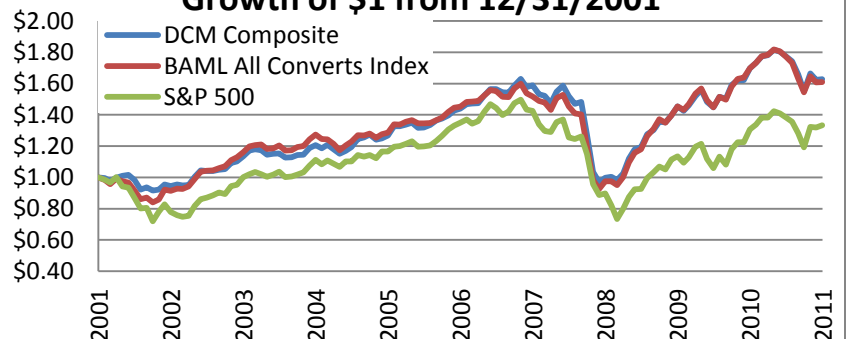
DCM believes convertible securities offer a conservative approach to equities which allows investors to participate defensively in the stock market. Historically, convertibles have participated in a much greater portion of their underlying stocks' upside than downside. This combination of bond safety and equity participation creates a compelling risk/reward profile for investors willing to trade maximum upside for greater downside protection.

## 12/31/2011 DCM Composite Stats

Avg. Rating	<b>BBB-</b>
Current Yield	<b>4.42%</b>
Yield to Best	<b>5.87%</b>
Average Maturity	<b>4.88 years</b>
TTM P/E	<b>14.91x</b>
Forward P/E	<b>12.82x</b>
Price to Book	<b>2.13x</b>
Price to Sales	<b>2.13x</b>
Price to Cash Flow	<b>9.29x</b>
Return on Equity	<b>13.12%</b>
# of Holdings	<b>129</b>
Annual Turnover	<b>40%</b>
Wtd Avg Delta	<b>55</b>
Median Premium	<b>35.17%</b>
Median Mkt Cap	<b>\$2.9B</b>

12/2011	DCM Composite Gross Returns		BAML All Convertibles Index		S&P 500	
	CAGR	Std Dev	CAGR	Std Dev	CAGR	Std Dev
1 year	-4.00%	12.70%	-5.18%	12.08%	2.11%	15.94%
3 year	17.76%	12.54%	18.19%	12.84%	14.11%	18.97%
5 year	2.49%	16.00%	2.09%	16.15%	-0.25%	18.88%
7 year	4.37%	13.95%	3.40%	14.05%	2.63%	16.36%
10 year	5.00%	12.41%	4.88%	12.87%	2.92%	15.92%

## Growth of \$1 from 12/31/2001



This document is intended solely to represent various investment views held by DCM. We believe the information provided here to be reliable but should not be assumed to be accurate or complete. The information set forth herein is being furnished on a confidential basis to the recipient and does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. All information is subject to change or correction without notice. All data is sourced from Bank of America Merrill Lynch, Bloomberg, and InvestWorks. All returns are calculated in US dollars and are presented gross of management fees and include the reinvestment of all income. Nothing contained herein constitutes financial, legal, tax, or other advice. Past results are not necessarily indicative of future performance. Additional information regarding policies for calculating and reporting returns as well as a fully compliant presentation and a description of the firms composite are available upon request, or on our website, <http://www.dinsmorecap.com>. The fee schedule for our funds is 75 bps of the first \$100 Million and 50 bps thereafter. The DCM Composite was created June 1, 2008. The Dinsmore Capital Management Composite includes all portfolios with a target allocation of at least 65% convertible securities and no more than 35% non convertible securities. The strategy aims to deliver a total return through a combination of income and capital appreciation with lower volatility than the S&P 500. Currently this consists of Bancroft Fund Ltd. and Ellsworth Fund Ltd. The BAML All Convertibles Index is an unbiased proxy for the broad U.S. Convertible Market. It is composed of USD denominated Convertibles over \$50mm market value that are convertible into USD denominated common stock, ADRs, or cash equivalent. Dinsmore Capital Management is an independent registered investment adviser with the Securities and Exchange Commission.