

BANCROFT CONVERTIBLE FUND



2000 Semi-Annual Report
April 30, 2000

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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 thru 4/30/00 *with dividends reinvested*

	<u>4 Months</u>	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Bancroft market value *	4.05%	9.15%	113.24%	281.06%
Bancroft net asset value †	6.02	15.79	121.16	275.15
Closed-end convertible fund average †	7.93	24.29	106.88	268.67
S&P 500 *	(0.78)	10.13	208.24	458.00
Russell 2000 *	0.65	18.55	103.87	220.23 ‡
Lehman Aggregate Bond Total Return Index † . . .	1.91	1.26	38.86	117.63

Performance data represent past results and do not reflect future performance.

* From Bloomberg L.P. pricing service.

† From Lipper, Inc. Closed-End Fund Performance Analysis.

‡ 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>
Jul 99	\$28.73	\$26.35	\$27.55	\$24.00	\$22.00	\$23.75
Oct 99	27.69	25.97	27.35	23.88	20.75	22.25
Jan 00	28.72	24.91	26.04	23.69	19.88	20.81
Apr 00	28.84	25.72	27.42	22.44	20.00	21.00

Dividend Distributions (12 Months)

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>Total</u>
6/15/99	6/29/99	\$0.200	\$ —	\$0.200
9/15/99	9/29/99	0.200	—	0.200
11/24/99	12/28/99	0.183	2.897	3.080
3/16/00	3/30/00	0.200	—	0.200
		<u>\$0.783</u>	<u>\$2.897</u>	<u>\$3.680</u>

To Our Shareholders

The Internet bubble was pricked during the last few months. The Goldman Sachs Technology Industry Internet Index fell by over 50% from its high in March to its low in May. This may be because investors decided that the prices of internet stocks were too high, or perhaps the tightening of monetary policy by the Federal Reserve is draining funds from the more speculative sectors of the stock market. We expect volatility in these areas to continue to be high but are optimistic about long-term returns now that some of the excesses in the market have been reduced.

In this volatile environment, convertible securities have provided performance with greater stability: not moving up as much when the stock market was rising quickly, not falling as much when the market was falling. We in management view volatility that is less than that of the equity market (as measured by the S&P 500 or the Russell 2000 indices) as one of our intended goals for the Fund's performance.

I was elected to the executive committee of the Closed-End Fund Association at its April 2000 Annual meeting. This organization was created by a group of closed-end funds (CEFs) with the purpose of improving the visibility of CEFs, as well as improving the availability of information such as daily net asset values. To this end, the association has created an extensive website at www.cefa.com as well as a small book on Closed-End Funds. As a member of the association the Fund has received several free copies of this book that are available to shareholders. The Association is also working on projects including corporate governance and independent analysis of CEFs.

In the June 2000 *Mutual Funds Magazine*, Bancroft was included in the list of 5 star (top rated) convertible funds. The magazine ranked all convertible funds on a risk adjusted basis and the top 20% are given 5 stars. In its most recent edition of its *Principia Pro for Closed-End Funds*, Morningstar* continued to rate Bancroft four stars (above average). Shareholders who wish a copy of Morningstar's March 31, 2000 report or the most recent report issued by Standard and Poor's should contact us. Morningstar has a similar report on the Fund on its website.

The Fund has repurchased some of its stock in the open market. While we may purchase shares again in the future, the Fund is under no obligation to continue to do so. For more details, see note 3 in the Notes to Financial Statements.

At its May meeting the Board of Directors declared a dividend of twenty-one cents per share. This is an increase of one cent per share from the previous dividend. It will be payable on June 29, 2000 to shareholders of record June 15, 2000.



Thomas H. Dinsmore
Chairman of the Board

June 16, 2000

* Morningstar is an analytical and statistical reporting service that reports on and rates most mutual funds.

See Important Factors Regarding Forward-Looking Statements on page 12 of this report.

Largest Investment Holdings by underlying common stock

<u>Principal Amount or Shares</u>		<u>Value (Note 1)</u>	<u>% Total Net Assets</u>
3,000,000	Cable and Wireless Communications PLC <i>An integrated telecommunications company operating throughout the United Kingdom, as well as a provider of television and Internet services. (exchangeable from Bell Atlantic Financial 4¹/₄% due 2005)</i>	\$ 3,795,000	3.4 %
3,000,000	Telecom Corp. of New Zealand <i>The principal supplier of telecommunications in New Zealand. (exchangeable from Bell Atlantic Financial 5³/₄% due 2003)</i>	3,037,500	2.7
2,000,000	Costco Wholesale Corp. <i>Operates wholesale membership warehouses in the United States, Taiwan, Canada, Korea, Japan, and the United Kingdom.</i>	2,493,750	2.2
2,000,000	Time Warner, Inc. <i>A media company with operations in entertainment, cable networks and publishing. (exchangeable from Merrill Lynch 0.25% due 2004)</i>	2,380,000	2.1
2,000,000	The Walt Disney Corp. <i>A media company with operations in entertainment, theme parks and resorts, and consumer products. (exchangeable from Deutsche Bank Financial 1% due 2007)</i>	2,237,500	2.0
30,000	AES Corp. <i>Owns or has an interest in ninety-four power facilities throughout the world.</i>	2,131,875	1.9
1,200,000	STMicroelectronics, N.V. <i>Designs, develops, manufactures, and markets semiconductor integrated circuits and discrete devices.</i>	2,043,000	1.8
45,000	Devon Energy Corp. <i>An independent energy company involved in oil and gas property acquisition, exploration, and production. (exchangeable from Kerr-McKee Corp. 5¹/₂% due 2004)</i>	2,022,188	1.8
2,000,000	General Electric Corp. <i>Develops and manufactures products for the utilization of electricity. GE also offers financial services through GE Capital Services, Inc. (exchangeable from CS First Boston 2 % due 2010 and Exch. Certificate 1¹/₄% due 2004)</i>	1,990,000	1.8
1,250,000	Sepracor, Inc. <i>Develops and commercializes potentially improved versions of widely-prescribed drugs.</i>	1,987,500	1.8

Major Industry Exposure

	<u>% Total Net Assets</u>
Technology	15.77 %
Entertainment	12.42
Telecommunications	12.21
Energy	12.12
Health Care & Drugs	6.69
Financial & Insurance	6.32
Retail	5.68
Cable	4.37
Capital Goods	4.35
Banking	<u>4.30</u>
 Total	 <u>84.23 %</u>

Major Portfolio Changes

Three months ended April 30, 2000

	<u>Principal Amount or Shares</u>
ADDITIONS	
American Express Company (<i>exchangeable from Exch. Certificate Corp.</i>)	2,150,000
General Electric Corp. (<i>exchangeable from CS First Boston, Inc.</i>)	1,500,000
Sprint Corp. PCS (<i>exchangeable from Liberty Media Group</i>)	1,500,000
MetLife, Inc. (<i>exchangeable from MetLife Capital Trust I</i>)	30,000
ACE Limited	25,000
Juniper Networks, Inc.	1,000,000
Level 3 Communications, Inc.	1,000,000
EMC Corp. (<i>exchangeable from The Goldman Sachs Group, Inc.</i>)	1,000,000
Vitesse Semiconductor Corp.	1,000,000
Intel Corp. (<i>exchangeable from Exch. Certificate Corp.</i>)	1,000,000
American Tower Corp.	750,000
 REDUCTIONS	
Bea Systems, Inc.	500,000
CoreComm, Ltd.	500,000
Curagen Corp.	750,000
General Electric Corp. (<i>exchangeable from CS First Boston, Inc.</i>)	1,000,000
Human Genome Sciences, Inc.	875,000
Level 3 Communications, Inc.	1,000,000
Lucent Technologies, Inc. (<i>exchangeable from NatWest Markets</i>)	750,000
RSL Communications, Inc.	15,000
Siebel Systems, Inc.	1,210,000
Time Warner, Inc. (<i>exchangeable from Houston Industries, Inc.</i>)	10,000
Vitesse Semiconductor Corp.	1,000,000

Portfolio of Investments April 30, 2000

Principal Amount or Shares		Value (Note 1)
	ADVERTISING — 2.1%	
\$1,500,000	Interpublic Group Cos., Inc. 1.87% 2006 cv. sub. deb. 144A (Baa1)	\$ 1,398,750
1,000,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes 144A (NR)	<u>1,007,500</u>
		<u>2,406,250</u>
	AEROSPACE — 0.9%	
925,000	Simula, Inc. 8% 2004 sr. cv. sub. notes (NR)	511,063
705,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	<u>521,700</u>
		<u>1,032,763</u>
	BANKING — 4.3%	
50,000 shs	CNB Capital Trust I 6% SPuRS (A1) (exch. for CNB Bancshares, Inc. common stock)	1,662,500
40,000 shs	National Australia Bank Ltd. 7 ⁷ / ₈ % exch. capital units (A1)	985,000
25,000 shs	Sovereign Capital Trust II 7 ¹ / ₂ % PIERS (B1) (exch. for Sovereign Bancorp, Inc. common stock)	1,173,438
35,000 shs	WBK Trust 10% STRYPES * (NR) (exch. for Westpac Banking Corp., Ltd. common stock)	<u>1,050,000</u>
		<u>4,870,938</u>
	CABLE — 4.4%	
1,000,000	Bell Atlantic Financial Services, Inc. 4 ¹ / ₄ % 2005 cv. sub. deb. 144A (A1) (exch. for cash equiv. of Cable & Wireless Communications PLC common stock)	1,265,000
2,000,000	Bell Atlantic Financial Services, Inc. 4 ¹ / ₄ % 2005 euro. cv. sub. deb. (A1) (exch. for cash equiv. of Cable & Wireless Communications PLC common stock)	2,530,000
20,000 shs	Cox Communications, Inc. 7% FELINE PRIDES * (Baa2)	<u>1,153,750</u>
		<u>4,948,750</u>
	CAPITAL GOODS — 4.4%	
1,050,000	Advanced Energy Industries, Inc. 5 ¹ / ₄ % 2006 cv. sub. notes (NR)	1,607,813
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes 144A (A1) (exch. for General Electric Corp. common stock)	1,447,500
500,000	Exchangeable Certificate Corp. 1 ¹ / ₄ % 2004 sr. medium-term exch. notes 144A (AAA)(exch. for General Electric Corp. common stock)	542,500
15,000 shs	Hanover Compressor Capital Trust 7 ¹ / ₄ % cv. pfd. TIDES 144A (B1) (conv. into Hanover Compressor Company common stock)	<u>1,323,750</u>
		<u>4,921,563</u>
	DATA-PROCESSING SERVICES — 3.1%	
2,150,000	Exchangeable Certificate Corp. 0.625% 2005 medium-term exch. notes 144A (AAA)(exch. for American Express Company common stock)	1,983,375
1,750,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3)	<u>1,477,656</u>
		<u>3,461,031</u>
	ELECTRIC UTILITIES — 0.7%	
20,000 shs	Texas Utilities Co. 9 ¹ / ₄ % FELINE PRIDES * (Baa3)	<u>842,500</u>
	ENERGY — 12.1%	
30,000 shs	AES Trust III trust cv. pfd. securities (Ba3) (conv. into AES Corp. common stock)	2,131,875
40,800 shs	Apache Corp. \$.015 dep. shs. representing series C ACES pfd. * (Baa2)	1,741,650
59,250 shs	The Coastal Corp. 6 ⁵ / ₈ % FELINE PRIDES * (Baa2)	1,725,656
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. (Baa2) (conv. into Chevron Corp. common stock)	961,875
1,450,000	Diamond Offshore Drilling, Inc. 3 ³ / ₄ % 2007 cv. sub. notes (Baa1)	1,656,625
70,000	Enron Corp. 7% 2002 exch. notes * (Baa1) (conv. into EOG Resources, Inc. common stock)	1,693,125
750,000	Kerr-McGee Corp. 5 ¹ / ₄ % 2010 cv. sub. deb. (Baa2)	812,344
45,000	Kerr-McGee Corp. 5 ¹ / ₂ % 2004 DECS * (Baa1) (exch. for Devon Energy Corp. common stock)	2,022,188
1,000,000	Swiss Life Financial Ltd. 2% 2005 GEMMS 144A (NR) (exch. for Royal Dutch Petroleum common stock)	<u>973,750</u>
		<u>13,719,088</u>

Portfolio of Investments April 30, 2000 (continued)

Principal Amount or Shares		Value (Note 1)
	ENTERTAINMENT — 12.4%	
\$2,750,000	America Online, Inc. 0% 2019 cv. sub. deb. (Ba3)	\$1,450,625
2,000,000	Clear Channel Communications, Inc. 1½% 2002 sr. cv. notes (Baa3)	1,926,250
2,000,000	Deutsche Bank Financial, Inc. 1% 2007 sr. medium-term exch. notes (Aa3) (exch. for cash value of The Walt Disney Corp. common stock)	2,237,500
1,000,000	EchoStar Communications Corp. 4¾% 2007 cv. sub. notes 144A (NR)	1,530,000
1,000,000	Imax Corp. 5¾% 2003 cv. sub. notes 144A (B1)	1,160,000
2,000,000	Merrill Lynch & Co., Inc. 0.25% 2006 series B medium-term notes (Aa3) (exch. for Time Warner, Inc. common stock)	2,380,000
1,000,000	NTL, Inc. 5¾% 2009 cv. sub. notes 144A (Caa1)	905,000
20,000	The Seagram Co. Ltd. 7½% 2002 adj. cv.-rate equity security units * (Ba2)	1,011,250
29,000 shs	UnitedGlobalCom dep. shs. representing 7% series D sr. cum. cv. pfd. (NR)	1,451,813
		<u>14,052,438</u>
	FINANCIAL & INSURANCE — 6.3%	
25,000 shs	ACE Limited 8¼% FELINE PRIDES (BBB)	1,350,000
13,000 shs	American General Delaware, L.L.C. 6% cv. A MIPS (A2)	897,813
1,000,000	American International Group 2¼% 2004 cv. notes (Aaa)	1,562,500
30,000	MetLife Capital Trust I 8% equity security units (BBB+) (exch. for MetLife, Inc. common stock)	1,674,375
625,000	Penn Treaty American Corp. 6¼% 2003 cv. sub. notes (BB+)	445,313
1,175,000	Penn Treaty American Corp. 6¼% 2003 cv. sub. notes 144A (BB+)	837,188
10,730	Southwest Securities Group, Inc. 5% 2004 DARTS * (NR) (exch. for Knight/Trimark Group, Inc. Class A common stock)	391,645
		<u>7,158,834</u>
	HEALTH CARE & DRUGS — 6.7%	
250,000	Alkermes, Inc. 3¾% 2007 cv. sub. notes 144A (NR)	147,188
2,000,000	The Bear Stearns Cos., Inc. 1% 2006 medium-term notes (A2) (conv. into an index comprised of Merck & Co., Inc. and Pfizer, Inc. common stocks)	1,680,000
250,000	CV Therapeutics 4¾% 2007 cv. sub. notes 144A (NR)	185,938
500,000	Cor Therapeutics 5% 2007 cv. sub. notes 144A (NR)	629,688
2,000,000	Elan Finance Corp. 0% 2018 LYON 144A (Baa3) (exch. for ADR's representing Elan Corp., PLC common stock)	1,352,500
500,000	Human Genome Sciences, Inc. 5% 2007 cv. sub. notes 144A (NR)	432,500
1,250,000	Roche Holdings, Inc. 0% 2010 LYON 144A (NR)	692,188
625,000	Roche Holdings, Inc. 0% 2015 LYON 144A (NR) (exch. for Genentech, Inc. common stock)	468,750
1,000,000	Sepracor, Inc. 7% 2005 cv. notes 144A (CCC+)	1,590,000
250,000	Sepracor, Inc. 7% 2005 cv. notes (CCC+)	397,500
		<u>7,576,252</u>
	PAPER & PAPER PRODUCTS — 1.1%	
30,000	Georgia-Pacific Corp. 7½% 2002 PEPS * (Baa2)	1,209,375
	RETAIL — 5.7%	
1,000,000	Costco Companies, Inc. 0% 2017 cv. sub. notes 144A (A3)	1,246,875
1,000,000	Costco Companies, Inc. 0% 2017 cv. sub. notes (A3)	1,246,875
15,200 shs	CVS Auto. Common Exch. Security Trust \$4.23 TRACES * (NR) (exch. for CVS Corp. common stock)	1,157,100
32,500 shs	Dollar General Trust 8½% STRYPES * (NR) (conv. into Dollar General Corp. common stock)	1,078,594
12,300 shs	Estee Lauder Trust 6¼% TRACES II * (NR) (conv. into Estee Lauder Companies, Inc. common stock)	1,021,669
1,000,000	Office Depot, Inc. 0% 2007 LYON (Baa2)	673,750
		<u>6,424,863</u>

Portfolio of Investments April 30, 2000 (continued)

Principal Amount or Shares		Value (Note 1)
	STAFFING SERVICES — 1.0%	
\$1,500,000	Interim Services, Inc. 4½% 2005 cv. sub. deb. (Ba3)	<u>\$1,171,875</u>
	TECHNOLOGY — 15.8%	
1,000,000	CS First Boston, Inc. 2% 2010 medium-term exh. notes (A1) (exch. for Cisco Systems, Inc. common stock)	1,217,500
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exh. notes (A1) (exch. for Microsoft Corp. common stock)	1,278,750
1,000,000	CS First Boston, Inc. 1% 2010 medium-term exh. notes (A1) (exch. for Sun Microsystems, Inc. common stock)	1,052,500
1,000,000	Exchangeable Certificate Corp. 0.25% 2005 medium-term exh. notes 144A (AAA)(exch. for Intel Corp. common stock)	882,500
750,000	Exodus Communications, Inc. 4¾% 2008 cv. sub. notes 144A (NR)	1,043,438
1,000,000	The Goldman Sachs Group, Inc. 0% 2003 medium-term notes, series B (A1) (linked to the GSTI Internet Index)	923,300
1,000,000	The Goldman Sachs Group, Inc. 0.25% 2007 medium-term notes (A1) (exch. for EMC common stock)	1,076,350
2,000,000	Hewlett-Packard Co. 0% 2017 LYON (Aa3)	1,522,500
500,000	Internet Capital Group, Inc. 5½% 2004 cv. sub. notes 144A (NR)	328,438
1,000,000	Juniper Networks, Inc. 4¾% 2007 cv. sub. notes (NR)	909,375
1,500,000	Merrill Lynch & Co., Inc. 0.50% 2005 notes (Aa3) (exch. for specific technology common stocks †)	1,659,375
500,000	Rational Software 5% 2007 cv. sub. notes 144A (NR)	666,250
1,000,000	Sanmina Corp. 4¼% 2004 cv. sub. notes (B+)	1,485,000
500,000	Sci Systems, Inc. 3% 2007 cv. sub. notes (Ba1)	585,000
429,000	Siebel Systems, Inc. 5½% 2006 cv. sub. notes. 144A (NR)	1,174,119
1,200,000	STMicroelectronics, N.V. 0% 2009 LYON (Baa1)	<u>2,043,000</u>
		<u>17,847,395</u>
	TELECOMMUNICATIONS — 12.2%	
750,000	American Tower Corp. 5% 2010 cv. sub. deb. 144A (NR)	813,750
3,000,000	Bell Atlantic Financial Services, Inc. 5¾% 2003 cv. sub. deb. 144A (A1) (exch. for cash equiv. Telecom Corp. of New Zealand common stock)	3,037,500
800,000	CS First Boston, Inc. 1% 2008 medium-term exh. notes (A1) (exch. for Motorola common stock)	726,000
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 medium-term exh. notes 144A (AAA)(exch. for specific telephone and cable common stocks **)	1,141,250
1,000,000	Level 3 Communications, Inc. 6% 2010 cv. sub. notes (Caa1)	908,125
1,500,000	Liberty Media Group 3¾% 2030 sr. exh. deb. 144A (Baa3) (exch. for Sprint Corporation PCS common stock)	1,556,250
25,000	MediaOne Group, Inc. 7% 2002 PIES * (Baa3) (exch. for ADR's representing Vodafone AirTouch plc common stock)	1,135,938
1,750,000	Nextel Communications, Inc. 5¼% 2010 cv. sr. notes 144A (B1)	1,715,000
700,000	Tekelec 3¼% 2004 cv. sub. discount notes 144A (NR)	1,424,500
1,000,000	Telefonos De Mexico, S.A. 4¼% cv. sr. deb. (BB+)	<u>1,362,500</u>
		<u>13,820,813</u>

Portfolio of Investments April 30, 2000 (continued)

Principal Amount or Shares		Value (Note 1)
	U.S. TREASURY NOTES — 0.0%	
\$ 17,000	4 ⁷ / ₈ % 3/31/01 ††	\$ 16,750
	CORPORATE SHORT-TERM NOTES — 6.2%	
7,000,000	American Express Credit Corp. (P1) (5.88% maturing 5/1/00)	6,995,427
	Total Convertible Bonds and Notes — 74.9%	84,734,363
	Total Convertible Preferred Stocks — 18.3%	20,747,108
	Total Corporate Short-Term Notes — 6.2%	6,995,427
	Total Investments — 99.4%	112,476,898
	Other assets and liabilities, net — 0.6%	709,847
	Total Net Assets — 100.0%	<u>\$ 113,186,745</u>

* See Note 1(e)

† Ticker symbols: LU, NT & TXN

** Ticker symbols: CSCO, CMCSK, TWX, IBM, LMGa, & WCOM

†† Collateral for a letter of credit

ACES	Automatically Convertible Equity Securities
ADR	American Depositary Receipts
DARTS	Derivative Adjustable Ratio Securities
DECS	Debt Exchangeable for Common Stock
FELINE	Family of Equity-Linked Income Securities
GEMMS	Guaranteed Exchangeable Monetisation of Multiple Shares
LYON	Liquid Yield Option Note
MIPS	Monthly Income Preferred Securities
PEPS	Premium Equity Participating Securities
PIERS	Preferred Income Equity Redeemable Securities
PIES	Premium Income Exchangeable Securities
PRIDES	Preferred Redeemable Increased Dividend Equity Securities
SPuRS	Shared Preference Redeemable Securities
STRYPES	Structured Yield Product Exchangeable for Stock
TIDES	Term Income Deferrable Equity Securities
TRACES	Trust Automatic Common Exchange Securities

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies, Inc.

The cost of investments for federal income tax purposes is \$103,094,154 resulting in gross unrealized appreciation and depreciation of \$14,116,622 and \$4,733,878, respectively, or net unrealized appreciation of \$9,382,744 on a tax cost basis.

See accompanying notes to financial statements

Statement of Assets and Liabilities *(unaudited)*

	<u>April 30, 2000</u>
Assets:	
Investments at value (cost \$103,094,154) (Note 1)	\$ 112,476,898
Cash	72,616
Receivable for securities sold	1,547,600
Dividends and interest receivable	716,634
Prepaid Insurance	14,357
Deposits	<u>15,701</u>
Total assets	<u>114,843,806</u>
Liabilities:	
Payable for securities purchased	1,541,850
Accrued management fee (Note 2)	67,371
Accrued expenses	<u>47,840</u>
Total liabilities	<u>1,657,061</u>
Net Assets	<u><u>\$ 113,186,745</u></u>
Net assets consist of:	
Undistributed net investment income	\$ 1,053,610
Undistributed net realized gain from investment transactions	12,625,566
Unrealized appreciation on investments	9,382,744
Capital shares (Note 3)	41,277
Additional paid-in capital	<u>90,083,548</u>
Net Assets	<u><u>\$ 113,186,745</u></u>
Net asset value per share (\$113,186,745 ÷ 4,127,692 outstanding shares)	<u><u>\$ 27.42</u></u>

Statement of Operations *(unaudited)*

Six Months Ended April 30, 2000

Investment Income (Note 1):	
Interest	\$ 1,718,938
Dividends	<u>788,981</u>
Total Income	<u>2,507,919</u>
Expenses (Note 2):	
Management fee	397,522
Custodian	14,222
Directors' fees	46,375
Transfer agent	35,750
Professional fees	30,440
Reports to shareholders	25,439
Treasurer's office	12,500
Other	<u>51,122</u>
Total Expenses	<u>613,370</u>
Net Investment Income	<u>1,894,549</u>
Realized and Unrealized Gain on Investments:	
Net realized gain from investment transactions	12,638,367
Net increase in unrealized appreciation of investments	<u>654,432</u>
Net gain on investments	13,292,799
Net Increase in Net Assets Resulting from Operations	<u><u>\$ 15,187,348</u></u>

See accompanying notes to financial statements

Statement of Changes in Net Assets

	<u>Six Months Ended</u> <u>April 30, 2000*</u>	<u>Year Ended</u> <u>October 31, 1999</u>
Increase in net assets from operations:		
Net investment income	\$ 1,894,549	\$ 2,964,542
Net realized gain from investment transactions	12,638,367	10,993,709
Net change in unrealized appreciation of investments	<u>654,432</u>	<u>2,228,213</u>
Net change in net assets resulting from operations	<u>15,187,348</u>	<u>16,186,464</u>
Dividends to shareholders from:		
Net investment income	(1,523,143)	(2,912,846)
Net realized gain on investments	<u>(10,993,469)</u>	<u>(10,224,306)</u>
Total dividends	<u>(12,516,612)</u>	<u>(13,137,152)</u>
Capital share transactions (Note 3)		
Value of shares issued on reinvestment of distributions	7,930,327	7,308,248
Cost of shares purchased	<u>(1,205,131)</u>	<u>—</u>
Change in net assets resulting from capital share transactions	<u>6,725,196</u>	<u>7,308,248</u>
Increase in net assets	<u>9,395,932</u>	<u>10,357,560</u>
Net assets at beginning of period	<u>103,790,813</u>	<u>93,433,253</u>
Net assets at end of period (including undistributed net investment income of \$1,053,610 and \$682,203, respectively)	<u>\$113,186,745</u>	<u>\$103,790,813</u>

Financial Highlights

Selected data for a share of common stock outstanding:

Per Share Operating Performance:	Six Months Ended	Years Ended October 31,				
	<u>April 30, 2000*</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Net asset value, beginning of period	<u>\$27.35</u>	<u>\$26.89</u>	<u>\$30.48</u>	<u>\$28.23</u>	<u>\$24.84</u>	<u>\$ 23.11</u>
Net investment income46	.78	.87	.94	.96	1.14
Net realized and unrealized gain (loss)	<u>2.89</u>	<u>3.40</u>	<u>(.01)</u>	<u>4.55</u>	<u>4.19</u>	<u>2.30</u>
Total from investment operations	3.35	4.18	.86	5.49	5.15	3.44
Less Distributions:						
Dividends from net investment income	(.38)	(.78)	(.88)	(.93)	(1.11)	(1.17)
Distributions from realized gains	<u>(2.90)</u>	<u>(2.94)</u>	<u>(3.57)</u>	<u>(2.31)</u>	<u>(.65)</u>	<u>(.54)</u>
Total distributions	<u>(3.28)</u>	<u>(3.72)</u>	<u>(4.45)</u>	<u>(3.24)</u>	<u>(1.76)</u>	<u>(1.71)</u>
Net asset value, end of period	<u>\$27.42</u>	<u>\$27.35</u>	<u>\$26.89</u>	<u>\$30.48</u>	<u>\$28.23</u>	<u>\$24.84</u>
Market value, end of period	\$21.00	\$22.25	\$26.75	\$26.81	\$23.88	\$22.25
Net assets, end of period (\$000's)	113,187	103,791	93,433	96,187	83,302	71,425
Total Investment Return:						
Based on net asset value**	12.82%	16.36%	3.16%	21.18%	21.55%	15.79%
Based on market value†	10.58%	(2.96)%	18.17%	28.19%	15.65%	20.17%
Ratios/Supplemental Data:						
Ratio of expenses to average net assets	1.1% ‡	1.1%	1.1%	1.2%	1.2%	1.2%
Ratio of net investment income to average net assets	3.5% ‡	3.0%	3.1%	3.3%	3.9%	4.9%
Portfolio turnover rate	57%	72%	55%	71%	70%	43%

* Unaudited

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

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

‡ Annualized

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. Securities traded in the over-the-counter market and listed securities for which no sales were reported are valued at the mean between closing reported bid and asked prices. 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. Interest of \$12,341 was earned on cash balances held by the custodian of the Fund's assets during the six months ended April 30, 2000.

(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 \$17,234,440 at April 30, 2000, representing 15.2% of net assets.

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 annual fee is subject to reduction to the extent that the ordinary expenses of the Fund (excluding taxes and interest) exceed 1.5% of the first \$100,000,000 and 1% of the excess over \$100,000,000 of the average of the monthly net asset values of the Fund for the year.

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 \$12,500 for the six months ended April 30, 2000. The officers of the Fund are also directors, officers or employees of the Adviser, and are compensated by the Adviser.

The Fund has adopted a Director deferred compensation arrangement, which allows the Directors to defer the receipt of all or a portion of Director Fees payable on or after October 31, 1998. The amount of these fees will remain an asset of the Fund. The Fund will be obligated to pay these fees, with interest, to the Directors who have elected to defer receipt of their fees on a future date or dates specified by the Directors, or as determined under the terms of the arrangement.

Notes to Financial Statements (continued)

3. Portfolio Activity

At April 30, 2000 there were 4,127,692 shares of \$.01 par value common stock outstanding, exclusive of 57,500 shares held in Treasury (9,000,000 shares authorized). During the six months ended April 30, 2000, 390,415 shares were issued in connection with reinvestment of dividends from net investment income and capital gains, resulting in an increase in paid-in capital of \$7,930,327. Also, 57,500 shares of Bancroft common stock were purchased for \$1,205,131. The amount paid was 21% less than the net asset value of the shares.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$58,941,380 and \$63,110,764, respectively, for the six months ended April 30, 2000.

A distribution of \$0.21 per share from net investment income was declared on May 17, 2000, payable June 29, 2000 to shareholders of record at the close of business June 15, 2000.

Miscellaneous Notes

Results of the 2000 Annual Shareholders Meeting

The results of the shareholder vote at the Annual Meeting of Shareholders held on February 16, 2000, were:

- All directors nominated by management were elected for terms expiring in 2003.

	<u>Shares Voted for</u>	<u>Shares withheld</u>
William A. Benton	2,979,815	57,608
Elizabeth B. Bogan	2,980,026	57,397
George R. Lieberman	2,966,162	71,261

- The selection of PricewaterhouseCoopers LLP as independent accountants was ratified with 2,979,436 shares voted for, 16,688 shares voted against and 41,299 shares abstaining.

Important Factors Regarding Forward-Looking Statements

The letter to Shareholders contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements which reflect the intent, belief or expectations of the Company, its management and the Adviser regarding the anticipated effect of events, circumstances and trends should be considered forward-looking statements. These forward-looking statements are not guarantees of future performance and there are a number of meaningful factors which could cause the Company's results to vary materially from those indicated by any such statements. Factors which could cause actual results to differ from expectations include, among others, increased volatility of securities in general as well as those purchased by the Company, a decline in economic activity, changes in individuals' savings rates, a decline in productivity or new products, changes in the Federal Reserve Board's monetary policy, an increase in interest rates, inflation or taxes, changes to foreign and domestic markets in general or changes to the market for convertible securities.

Internet

Visit us on the Internet at www.bcvecf.com. The site provides information about the Fund including daily NAV's, historical dividends and press releases, as well as information about Davis-Dinsmore Management Company, the Fund advisor. In addition you can email us at info@bcvecf.com.

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.

The Company is a member of the Closed-End Fund Association (CEFA) website: www.cefa.com

Board of Directors

GORDON F. AHALT	<i>Petroleum Consultant</i>
WILLIAM A. BENTON	<i>Retired Stock Exchange Specialist</i>
ELIZABETH C. BOGAN	<i>Senior Lecturer in Economics at Princeton University</i>
THOMAS H. DINSMORE, C.F.A.	<i>Chairman of the Board of Bancroft</i>
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THOMAS H. DINSMORE	<i>Chairman of the Board</i>
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GARY I. LEVINE	<i>Treasurer and Assistant Secretary</i>
MERCEDES A. PIERRE	<i>Assistant Treasurer</i>

Investment Advisor

Davis-Dinsmore Management Company
65 Madison Avenue, Morristown, NJ 07960-7308
(973) 631-1177
www.bcvecf.com
email: info@bcvecf.com


Shareholder Services and Transfer Agent

American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, NY 10005
(800) 937-5449
www.amstock.com

Common Stock Listing

American Stock Exchange Symbol: BCV

BANCROFT CONVERTIBLE FUND, INC.
65 MADISON AVENUE
MORRISTOWN, NEW JERSEY 07960
www.bcvecf.com

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