

# BANCROFT CONVERTIBLE FUND



2000 Annual Report  
October 31, 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 through 10/31/00** *with dividends reinvested*

	<u>10 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Bancroft market value *	14.15%	20.63%	102.20%	357.94%
Bancroft net asset value †	6.36	13.62	102.36	310.96
Closed-end convertible fund average †	5.77	14.11	77.28	297.92
S&P 500 *	(1.81)	6.08	166.56	489.80
Russell 2000 *	(0.42)	17.61	80.03	318.82‡
Lehman Aggregate Bond Total Return Index †	7.83	7.30	35.94	115.51

*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, dated October 31, 2000.

‡ 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. 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
Jul. 00	29.01	25.93	27.48	22.63	20.00	22.63
Oct. 00	29.37	26.36	27.09	24.63	21.63	22.63

### **Dividend Distributions (12 Months)**

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>Total</u>	<u>* Corporate Deduction</u>
11/24/99	12/28/99	\$0.183	\$2.897	\$3.080	21%
3/16/00	3/30/00	0.200	—	0.200	23
6/15/00	6/29/00	0.210	—	0.210	23
9/14/00	9/28/00	0.210	—	0.210	23
		<u>\$0.803</u>	<u>\$2.897</u>	<u>\$3.700</u>	

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

# To Our Shareholders

At this time last year the stock market was exploding upward as massive amounts of money flowed into stocks that appeared to many to be riding the information superhighway wave. In our letter to shareholders in the 1999 Annual Report, we indicated that we thought that there were signs of a “frothy top”. It is clear in retrospect that many stocks were bid up too high by the substantial amount of money flowing into them and that the market has since made substantial progress in correcting some of the unsustainable prices of the time.

We believe that a portion of the stock market’s volatility is due to monetary policy. It is likely that the liquidity made available to the economy by the Federal Reserve Bank in order to cope with or prevent Y2K problems caused the inflation of stock prices and that the subsequent draining of liquidity caused the deflation of stock prices.

The Chairman of the Federal Reserve Bank, Alan Greenspan, has indicated that the signs of inflation are receding. This implies that the monetary authorities are unlikely to continue draining liquidity from the economy. If this is so, the stage is being set for the end of the Bear market that the U.S. equity markets have been in since March. Further, interest rates are now likely to fall, which helps both the bond and stock markets.

With the flow of money in to the financial markets and the productivity gains created by the improvements in the availability of information and technology, there are substantial reasons to be optimistic about the financial markets for 2001. We are also optimistic about the overall economy as well.

In its November 30, 2000 edition of its “Quicktake Report”, Morningstar\* continued to rate Bancroft’s performance at four-stars (above average). Shareholders who wish a copy of this report or the most recent report issued by Standard and Poor’s on the Fund should contact us. You can also view the Morningstar report on their website, [morningstar.com](http://morningstar.com)\*\*

At its November meeting the Board of Directors declared a dividend totaling \$3.515 per share consisting of 41.9 cents per share from undistributed net investment income, \$1.80 per share from realized short-term capital gains, and \$1.296 per share from long-term capital gains realized in fiscal year 2000. This dividend is payable on December 28, 2000 to shareholders of record November 23, 2000.

The 2001 annual meeting of shareholders will be held on February 12, 2001 at our offices in Morristown, NJ. Particulars will be included in the proxy statement. All shareholders are welcome and we hope to see you there.



Thomas H. Dinsmore  
Chairman of the Board

December 11, 2000

\* Morningstar is a mutual fund analysis and statistical reporting service that reports on and rates most mutual funds.

\*\* Morningstar is solely responsible for the content of its site.

See Important Factors Regarding Forward-Looking Statements on page 13 of this report.

# Largest Investment Holdings by underlying common stock

Principal Amount or Shares		Value (Note 1)	% Total Net Assets
3,000,000	Telecom Corp. of New Zealand . . . . . <i>The principal supplier of telecommunications in New Zealand. (exchangeable from Bell Atlantic Financial Services, Inc. 5.75% due 2003)</i>	\$ 2,891,250	2.6%
30,000	MetLife, Inc. . . . . <i>Provides insurance and financial services to a range of individual and institutional customers. (exchangeable from MetLife Capital Trust I 8% equity security units)</i>	2,634,375	2.4
2,000,000	Cable and Wireless Communications plc . . . . . <i>An integrated telecommunications company which operates throughout the United Kingdom, providing television and Internet services. (exchangeable from Bell Atlantic Financial Services, Inc. 4.25% due 2005)</i>	2,235,000	2.0
2,150,000	American Express Company . . . . . <i>Through its subsidiaries, provides travel-related, financial advisory, and international banking services around the world. (exchangeable from Exchangeable Certificate Corp. 0.625% due 2005)</i>	2,201,063	2.0
2,000,000	Time Warner, Inc. . . . . <i>A media company with operations in entertainment, cable networks and publishing. (exchangeable from Merrill Lynch &amp; Co., Inc. 0.25% due 2006)</i>	2,087,500	1.9
50,000	The Coastal Corp. . . . . <i>Gathers, markets, processes, stores and transmits gas, as well as refines, markets and distributes petroleum and chemicals. The company is also involved in oil and gas exploration and production, coal mining and power.</i>	2,068,750	1.9
25,000	ACE Limited . . . . . <i>The holding company for the ACE Group of Companies, a property and casualty insurance business.</i>	2,018,750	1.8
2,250,000	Costco Wholesale Corp. . . . . <i>Operates wholesale membership warehouses in the United States, Taiwan, Canada, Korea, Japan, and the United Kingdom.</i>	1,987,031	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. and owns the National Broadcasting Company. (exchangeable from CS First Boston, Inc. 2% due 2010 and Exchangeable Certificate Corp. 1.25% due 2004)</i>	<u>1,980,000</u>	<u>1.8</u>
	Total . . . . .	<u>\$20,103,719</u>	<u>18.2%</u>

# Major Industry Exposure

	<u>% Total Net Assets</u>
Telecommunications . . . . .	14.48%
Energy . . . . .	14.47
Technology . . . . .	14.06
Financial & Insurance . . . . .	10.02
Entertainment . . . . .	8.02
Health Care & Drugs . . . . .	6.69
Banking . . . . .	6.54
Cable . . . . .	4.89
Capital Goods . . . . .	3.78
Retail . . . . .	3.52
Total . . . . .	<u>86.47%</u>

# Major Portfolio Changes by underlying common stock

Three months ended October 31, 2000

	<u>Principal Amount or Shares</u>
<b>ADDITIONS</b>	
Analog Devices, Inc. . . . .	1,000,000
Brocade Communications Corp. ( <i>exchangeable from The Goldman Sachs Group, Inc.</i> ) . . . . .	448
Calpine Corp. ( <i>exchangeable from Calpine Capital Trust III</i> ) . . . . .	17,500
Charter Communications, Inc. . . . .	1,000,000
The Chase Manhattan Corp. ( <i>exchangeable from JMH Finance, Ltd.</i> ) . . . . .	1,000,000
Covad Communications Group, Inc. . . . .	1,250,000
Level 3 Communications, Inc. . . . .	980,000
Online Resources & Communications Corp. . . . .	1,000,000
QUALCOMM, Inc. ( <i>exchangeable from First Union National Bank</i> ) . . . . .	1,000,000
Telecom Italia S.p.A. ( <i>exchangeable from Tecnost International, N.V.</i> ) . . . . .	1,500,000
United Parcel Service, Inc. . . . .	1,000,000
<b>REDUCTIONS</b>	
Clear Channel Communications, Inc. . . . .	1,000,000
GIN Internet Index . . . . .	1,000,000
Interim Services Inc. . . . .	1,500,000
Juniper Networks, Inc. . . . .	1,000,000
Level 3 Communications, Inc. . . . .	1,500,000
Merck & Co. and Pfizer, Inc. ( <i>exchangeable from Bear Stearns Cos., Inc.</i> ) . . . . .	2,000,000
Merrill Lynch & Co., Inc. technology basket . . . . .	1,500,000
Motorola, Inc. ( <i>exchangeable from CS First Boston, Inc.</i> ) . . . . .	800,000
NTL, Inc. . . . .	1,000,000
Siebel Systems, Inc. . . . .	200,000
TXU Corp. . . . .	20,000

# Portfolio of Investments October 31, 2000

Principal Amount or Shares		Identified Cost	Value (Note 1)
	<b>ADVERTISING — 2.7%</b>		
\$1,500,000	Interpublic Group Cos., Inc. 1.87% 2006 cv. sub. deb. 144A (Baa1)	\$ 1,335,652	\$ 1,425,000
1,000,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes 144A (Baa3) . . . . .	1,015,000	1,011,250
600,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes Reg. (Baa3) . . . . .	624,000	606,750
		<u>2,974,652</u>	<u>3,043,000</u>
	<b>AEROSPACE — 0.4%</b>		
705,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR) . . . . .	706,450	493,500
	<b>BANKING — 6.5%</b>		
50,000 shs	CNB Capital Trust I 6% SPuRS (A1) (exch. for Fifth Third Bancorp common stock) . . . . .	1,253,063	1,762,500
1,000,000	Deutsche Bank Financial, Inc. 1.25% 2007 medium-term exch. notes (Aa3) (exch. for CitiGroup, Inc. common stock) . . . . .	1,018,667	1,101,250
1,000,000	JMH Finance, Ltd. 4.75% 2007 guaranteed bonds 144A (NR) (exch. for The Chase Manhattan Corp. common stock) . . . . .	1,043,750	1,012,500
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A1) . . . . .	1,038,700	1,005,000
25,000 shs	Sovereign Capital Trust II 7.50% PIERS (B1) (exch. for Sovereign Bancorp, Inc. common stock) . . . . .	1,250,000	1,321,875
35,000 shs	WBK Trust 10% STRYPES * (NR) (exch. for Westpac Banking Corp., Ltd. common stock) . . . . .	928,997	1,082,813
		<u>6,533,177</u>	<u>7,285,938</u>
	<b>CABLE — 4.9%</b>		
2,000,000	Bell Atlantic Financial Services, Inc. 4.25% 2005 euro. cv. sub. deb. (A1) (exch. for the cash equiv. of Cable & Wireless Communications plc common stock) . . . . .	2,289,033	2,235,000
1,000,000	Charter Communications, Inc. 5.75% 2005 sr. cv. notes 144A (NR)	1,000,000	1,077,500
20,000 shs	Cox Communications, Inc. 7% FELINE PRIDES * (Baa2) . . . . .	1,000,000	1,157,500
29,000 shs	UnitedGlobalCom dep. shs. representing 7% series D sr. cum. cv. pfd. (Caa) . . . . .	1,666,125	973,313
		<u>5,955,158</u>	<u>5,443,313</u>
	<b>CAPITAL GOODS — 3.8%</b>		
1,050,000	Advanced Energy Industries, Inc. 5.25% 2006 cv. sub. notes (NR) .	1,066,500	754,031
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes 144A (A1) (exch. for General Electric Corp. common stock) . . . . .	1,533,613	1,432,500
500,000	Exchangeable Certificate Corp. 1.25% 2004 sr. medium-term exch. notes 144A (AAA)(exch. for General Electric Corp. common stock)	487,511	547,500
15,000 shs	Hanover Compressor Capital Trust 7.25% cv. pfd. TIDES 144A (B1) (conv. into Hanover Compressor Company common stock) . . .	750,000	1,477,500
		<u>3,837,624</u>	<u>4,211,531</u>
	<b>DATA-PROCESSING SERVICES — 2.4%</b>		
1,750,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3) . . . . .	1,746,875	1,637,344
1,000,000	Online Resources & Communications Corp. 8% 2005 cv. sub. notes 144A (NR) . . . . .	1,000,000	1,005,000
		<u>2,746,875</u>	<u>2,642,344</u>
	<b>ENERGY — 14.5%</b>		
24,000 shs	AES Trust VII \$3 trust cv. pfd. securities 144A (Ba3) (conv. into AES Corp. common stock) . . . . .	1,276,500	1,696,500
40,800 shs	Apache Corp. \$2.015 dep. shs. representing ACES pfd. * (Baa2) . . .	1,354,341	1,938,000
17,500 shs	Calpine Capital Trust III 5% HIGH TIDES 144A (Ba2) (exch. for Calpine Corp. common stock) . . . . .	998,681	980,000
50,000 shs	The Coastal Corp. 6.625% FELINE PRIDES * (Baa2) . . . . .	1,212,409	2,068,750
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. (Baa1) (conv. into Chevron Corp. common stock) . . . . .	495,000	470,625
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. (Baa1) (conv. into Chevron Corp. common stock) . . . . .	995,000	943,750

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
<b>ENERGY — continued</b>			
\$1,450,000	Diamond Offshore Drilling, Inc. 3.75% 2007 cv. sub. notes (Baa1) . . . . .	\$ 1,489,875	\$ 1,467,219
10,000 shs	Dominion Resources, Inc. 9.50% PIES * (Baa1) . . . . .	500,000	588,125
50,000	Enron Corp. 7% 2002 exch. notes * (Baa1) (conv. into EOG Resources, Inc. common stock) . . . . .	1,101,940	1,746,875
1,000,000	Exchangeable Certificate Corp. 2% 2005 medium-term exch. notes 144A (AAA) (exch. for Exxon Mobil Corp. common stock) . . . . .	956,761	1,011,250
750,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa2) . . . . .	750,938	930,000
500,000	Kerr-McGee Corp. 7.50% 2014 cv. sub. deb. (Baa2) . . . . .	476,250	488,750
30,000	Kerr-McGee Corp. 5.50% 2004 DECS * (Baa1) (exch. for Devon Energy Corp. common stock) . . . . .	995,625	1,368,750
500,000	Loews Corp. 3.125% 2007 cv. sub. deb. (A2) (conv. into Diamond Offshore Drilling, Inc. common stock) . . . . .	428,125	413,125
		<u>13,031,445</u>	<u>16,111,719</u>
<b>ENTERTAINMENT — 8.0%</b>			
1,750,000	America Online, Inc. 0% 2019 cv. sub. deb. (Ba3) . . . . .	992,815	892,500
1,500,000	Clear Channel Communications, Inc. 2.625% 2003 sr. cv. notes (Baa3)	1,783,863	1,670,625
2,000,000	Deutsche Bank Financial, Inc. 1% 2007 sr. medium-term exch. notes (Aa3) (exch. for the cash value of The Walt Disney Corp. common stock) . . . . .	2,102,550	1,950,000
1,000,000	EchoStar Comm. Corp. 4.875% 2007 cv. sub. notes 144A (Caa2) . . . . .	1,000,000	1,170,625
1,000,000	Imax Corp. 5.75% 2003 cv. sub. notes 144A (B1) . . . . .	1,000,000	458,750
2,000,000	Merrill Lynch & Co., Inc. 0.25% 2006 series B medium-term notes (Aa3) (exch. for Time Warner, Inc. common stock) . . . . .	2,000,000	2,087,500
1,000 shs	Radio One Inc. 6.50% HIGH TIDES 144A (Caa) . . . . .	1,000,000	695,000
		<u>9,879,228</u>	<u>8,925,000</u>
<b>FINANCIAL &amp; INSURANCE — 10.0%</b>			
25,000 shs	ACE Limited 8.25% FELINE PRIDES * (A2) . . . . .	1,250,000	2,018,750
15,974 shs	American General Corp. common stock . . . . .	658,439	1,285,907
1,500,000	American International Group 0.50% 2007 cv. notes (AAA) . . . . .	1,500,000	1,721,250
2,150,000	Exchangeable Certificate Corp. 0.625% 2005 medium-term exch. notes 144A (AAA) (exch. for American Express Co. common stock)	2,007,347	2,201,063
30,000	MetLife Capital Trust I 8% equity security units * (A1) (exch. for MetLife, Inc. common stock) . . . . .	1,494,199	2,634,375
925,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes 144A(BB+)	954,875	772,375
625,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes (BB+) . . . . .	605,938	521,875
		<u>8,470,798</u>	<u>11,155,595</u>
<b>HEALTH CARE &amp; DRUGS — 6.7%</b>			
815,000	Allergan 0% LYON 144A (Baa1) . . . . .	502,154	521,600
2,000,000	Elan Finance Corp. 0% 2018 LYON 144A (Baa3) (exch. for ADRs representing Elan Corp., plc common stock) . . . . .	1,121,755	1,570,000
800,000	Human Genome Sciences, Inc. 3.75% 2007 cv. sub. notes (NR) . . . . .	684,000	790,000
250,000	Inhale Therapeutic System, Inc. 3.50% 2007 cv. sub. notes 144A (NR)	250,000	280,625
500,000	Ivax Corp. 5.50% 2007 cv. senior sub. notes 144A (NR) . . . . .	500,000	689,375
1,000,000	Merrill Lynch & Co., Inc. 2% 2005 medium-term notes (Aa3) (exch. for Johnson & Johnson common stock) . . . . .	1,013,450	985,000
625,000	Roche Holdings, Inc. 0% 2015 LYON 144A (NR) (exch. for Genentech, Inc. common stock) . . . . .	424,505	558,594
1,000,000	Seppracor, Inc. 7% 2005 cv. notes 144A (CCC+) . . . . .	1,000,000	1,243,750
250,000	Seppracor, Inc. 7% 2005 cv. notes (CCC+) . . . . .	228,750	310,938
500,000	Teva Pharmaceutical Finance, LLC 1.50% 2005 cv. sr. deb. 144A (BBB-) (exch. for ADRs representing Teva Pharmaceutical Industries, Ltd. common stock) . . . . .	500,369	497,500
		<u>6,224,983</u>	<u>7,447,382</u>

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
	<b>MULTI-INDUSTRY — 1.7%</b>		
\$2,000,000	Lehman Brothers Holdings, Inc. 0% 2003 BASES notes (A3) (based on the value of the performance of the 10 Uncommon Values Index)	\$ 2,053,708	\$ 1,890,000
	<b>RETAIL — 3.5%</b>		
1,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3) . . . . .	570,247	883,125
1,250,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3) . . . . .	1,031,998	1,103,906
32,500 shs	Dollar General Trust 8.50% STRYPES * (NR) (conv. into Dollar General Corp. common stock) . . . . .	1,065,732	881,563
12,300 shs	Estee Lauder Trust \$5.40 TRACES II * (NR) (conv. into Estee Lauder Companies, Inc. common stock) . . . . .	1,001,136	1,049,344
		<u>3,669,113</u>	<u>3,917,938</u>
	<b>TECHNOLOGY — 14.1%</b>		
1,100,000	Affiliated Computer Services 4% 2005 cv. sub. notes 144A (Baa3)	1,278,595	1,564,750
1,000,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (NR) . . . . .	1,000,000	945,625
1,000,000	CS First Boston, Inc. 2% 2010 medium-term exch. notes (A1) (exch. for Cisco Systems, Inc. common stock) . . . . .	1,032,428	1,035,000
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes (A1) (exch. for Microsoft Corp. common stock) . . . . .	1,592,991	1,290,000
1,100,000	Cypress Semiconductor Corp. 3.75% 2005 cv. sub. deb. (B1) . . . . .	1,103,375	977,625
1,000,000	Exchangeable Certificate Corp. 0.25% 2005 medium-term exch. notes 144A (AAA)(exch. for Intel Corp. common stock) . . . . .	916,368	833,750
750,000	Exodus Comm., Inc. 4.75% 2008 cv. sub. notes 144A (NR) . . . . .	750,000	854,531
1,000,000	The Goldman Sachs Group, Inc. 0.25% 2007 medium-term notes (A1) (exch. for EMC common stock) . . . . .	1,000,000	1,258,390
2,000,000	Hewlett-Packard Co. 0% 2017 LYON (Aa3) . . . . .	1,183,552	1,403,750
1,000,000	LSI Logic Corp. 4% 2005 cv. sub. notes (B1) . . . . .	1,118,295	841,250
500,000	Rational Software Corp. 5% 2007 cv. sub. notes 144A (NR) . . . . .	500,000	914,063
1,250,000	Sci Systems, Inc. 3% 2007 cv. sub. notes (Ba1) . . . . .	1,268,730	1,289,063
1,000,000	Solectron Corp. 0% 2019 LYON (Baa3) . . . . .	694,024	711,875
1,200,000	STMicroelectronics, N.V. 0% 2009 LYON (Baa1) . . . . .	1,002,898	1,734,000
		<u>14,441,256</u>	<u>15,653,672</u>
	<b>TELECOMMUNICATIONS — 14.5%</b>		
750,000	American Tower Corp. 5% 2010 cv. sub. deb. 144A (NR) . . . . .	750,000	745,313
4,000,000	Anixter International, Inc. 0% 2020 LYON 144A (Ba3) . . . . .	1,054,407	1,030,000
3,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 cv. sub. deb. 144A (A1) (exch. for the cash equiv. of Telecom Corp. of New Zealand common stock) . . . . .	3,182,069	2,891,250
1,250,000	Covad Comm. Group, Inc. 6% 2005 sr. cv. notes 144A (B3) . . . . .	1,250,000	610,938
15,000 shs	Crown Castle International Corp. 6.25% 2012 cv. pfd. (Caa) . . . . .	750,000	737,813
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 medium-term exch. notes 144A (AAA)(exch. for specific telephone & cable common stocks**) . . . . .	1,000,000	972,500
1,000,000	First Union National Bank 7% 2002 equity-linked series B notes (AA3) (linked to the value of QUALCOMM, Inc. common stock) . . . . .	1,000,000	1,045,000
448	The Goldman Sachs Group, Inc. 8% 2002 YES notes (A1) (exch. for Brocade Communications Corp. common stock) . . . . .	999,488	1,008,692
980,000	Level 3 Communications, Inc. 6% 2009 cv. sub. notes (Caa1) . . . . .	944,475	917,525
1,000,000	Liberty Media Corp. 3.75% 2030 sr. exch. deb. 144A (Baa3) (exch. for Sprint Corporation PCS common stock) . . . . .	1,000,000	828,750
25,000	MediaOne Group, Inc. 7% 2002 PIES * (A3) (exch. for ADRs representing Vodafone AirTouch plc common stock) . . . . .	1,106,500	1,021,875
1,750,000	Nextel Communications, Inc. 5.25% 2010 cv. sr. notes 144A (B1) . . . . .	1,756,250	1,491,875
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock) . . . . .	1,332,225	1,314,452
700,000	Tekelec 3.25% 2004 cv. sub. discount notes 144A (NR) . . . . .	609,338	1,508,938
		<u>16,734,752</u>	<u>16,124,921</u>

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount		Identified Cost	Value (Note 1)
	<b>TRANSPORTATION — 1.0%</b>		
\$1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (AAA) .....	\$ 1,000,000	\$1,090,000
	<b>U.S. TREASURY NOTES — 0.0%</b>		
17,000	4.875% 3/31/01 † .....	16,971	16,894
	<b>CORPORATE SHORT-TERM NOTES — 7.2%</b>		
8,000,000	American Express Credit Corp. (P1) (6.46% - 6.63% maturing 11/1/00) .....	7,994,715	7,994,715
	<b>Total Convertible Bonds and Notes — 74.3%</b> .....	79,322,067	82,732,494
	<b>Total Convertible Preferred Stocks — 19.3%</b> .....	18,295,684	21,434,346
	<b>Total Common Stocks — 1.2%</b> .....	658,439	1,285,907
	<b>Total Corporate Short-Term Notes — 7.2%</b> .....	7,994,715	7,994,715
	<b>Total Investments — 101.9%</b> .....	<u>\$106,270,905</u>	<u>113,447,462</u>
	<b>Other assets and liabilities, net — (1.9%)</b> .....		(2,111,911)
	<b>Total Net Assets — 100.0%</b> .....		<u>\$111,335,551</u>

\* See Note 1(e).

\*\* Ticker symbols: CSCO, CMCSK, TWX, IBM, LMGa and WCOM.

† Collateral for a letter of credit.

ACES	Automatically Convertible Equity Securities.
ADBs	American Depositary Bonds.
ADRs	American Depositary Receipts.
BASES	Basket Adjusting Structured Equity Securities.
DECS	Debt Exchangeable for Common Stock.
FELINE	Family of Equity-Linked Income Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYON	Liquid Yield Option Note.
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.
YES	Yield-Enhanced 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 audited by PricewaterhouseCoopers LLP.

The cost of investments for federal income tax purposes is \$106,270,905 resulting in gross unrealized appreciation and depreciation of \$13,141,980 and \$5,965,423, respectively, or net unrealized appreciation of \$7,176,557 on a tax cost basis.

*See accompanying notes to financial statements.*

# Statement of Assets and Liabilities

	<u>October 31, 2000</u>
<b>Assets:</b>	
Investments at value (cost \$106,270,905) (Note 1) . . . . .	\$ 113,447,462
Cash . . . . .	99,807
Dividends and interest receivable . . . . .	645,962
Other assets . . . . .	21,232
Total assets . . . . .	<u>114,214,463</u>
<b>Liabilities:</b>	
Payable for securities purchased . . . . .	2,830,435
Accrued management fee (Note 2) . . . . .	9,603
Accrued expenses . . . . .	38,874
Total liabilities . . . . .	<u>2,878,912</u>
<b>Net Assets</b> . . . . .	<u>\$ 111,335,551</u>
<b>Net assets consist of:</b>	
Undistributed net investment income . . . . .	\$ 1,692,419
Undistributed net realized gain from investment transactions . . . . .	12,725,308
Unrealized appreciation on investments . . . . .	7,176,557
Capital shares (Note 3) . . . . .	41,093
Additional paid-in capital . . . . .	91,288,288
Treasury stock (Note 3) . . . . .	<u>(1,588,114)</u>
<b>Net Assets</b> . . . . .	<u>\$ 111,335,551</u>
Net asset value per share (\$111,335,551 ÷ 4,109,292 outstanding shares) . . . . .	<u>\$ 27.09</u>

# Statement of Operations

*For the Year Ended October 31, 2000*

<b>Investment Income (Note 1):</b>	
Interest . . . . .	\$ 4,017,596
Dividends . . . . .	1,482,294
Total Income . . . . .	<u>5,499,890</u>
<b>Expenses (Note 2):</b>	
Management fee . . . . .	817,341
Custodian . . . . .	40,616
Transfer agent . . . . .	49,071
Professional fees . . . . .	71,897
Directors' fees . . . . .	92,500
Reports to shareholders . . . . .	33,181
Treasurer's office . . . . .	25,000
Other . . . . .	110,414
Total Expenses . . . . .	<u>1,240,020</u>
<b>Net Investment Income</b> . . . . .	<u>4,259,870</u>
<b>Realized and Unrealized Gain on Investments:</b>	
Net realized gain from investment transactions . . . . .	12,738,109
Net decrease in unrealized appreciation of investments . . . . .	<u>(1,551,756)</u>
Net gain on investments . . . . .	11,186,353
<b>Net Increase in Net Assets Resulting from Operations</b> . . . . .	<u>\$ 15,446,223</u>

*See accompanying notes to financial statements.*

# Statement of Changes in Net Assets

For the Years Ended October 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<b>Increase in net assets from operations:</b>		
Net investment income . . . . .	\$ 4,259,870	\$ 2,964,542
Net realized gain from investment transactions . . . . .	12,738,109	10,993,709
Net change in unrealized appreciation of investments . . . . .	<u>(1,551,756)</u>	<u>2,228,213</u>
Net increase in net assets resulting from operations . . . . .	<u>15,446,223</u>	<u>16,186,464</u>
<b>Dividends to shareholders from:</b>		
Net investment income . . . . .	(3,249,653)	(2,912,846)
Net realized gain on investments . . . . .	<u>(10,993,470)</u>	<u>(10,224,306)</u>
Total dividends . . . . .	<u>(14,243,123)</u>	<u>(13,137,152)</u>
<b>Capital share transactions (Note 3):</b>		
Value of shares issued on reinvestment of distributions . . . . .	7,930,327	7,308,248
Cost of shares repurchased . . . . .	<u>(1,588,689)</u>	<u>—</u>
Change in net assets resulting from capital share transactions . . . . .	<u>6,341,638</u>	<u>7,308,248</u>
<b>Increase in net assets</b> . . . . .	7,544,738	10,357,560
Net assets at beginning of year . . . . .	<u>103,790,813</u>	<u>93,433,253</u>
<b>Net assets at end of year</b> (including undistributed net investment income of \$1,692,419 and \$682,203, respectively) . . . . .	<u><u>\$111,335,551</u></u>	<u><u>\$103,790,813</u></u>

## Financial Highlights

Selected data for a share of common stock outstanding:

	<b>Years Ended October 31,</b>				
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<b>Per Share Operating Performance:</b>					
Net asset value, beginning of year . . . . .	<u>\$27.35</u>	<u>\$26.89</u>	<u>\$30.48</u>	<u>\$28.23</u>	<u>\$24.84</u>
Net investment income . . . . .	1.04	.78	.87	.94	.96
Net realized and unrealized gain (loss) . . . . .	<u>2.29</u>	<u>3.40</u>	<u>(.01)</u>	<u>4.55</u>	<u>4.19</u>
Total from investment operations . . . . .	3.33	4.18	.86	5.49	5.15
Less Distributions:					
Dividends from net investment income . . . . .	(.80)	(.78)	(.88)	(.93)	(1.11)
Distributions from realized gains . . . . .	<u>(2.90)</u>	<u>(2.94)</u>	<u>(3.57)</u>	<u>(2.31)</u>	<u>(.65)</u>
Total distributions . . . . .	<u>(3.70)</u>	<u>(3.72)</u>	<u>(4.45)</u>	<u>(3.24)</u>	<u>(1.76)</u>
Capital share repurchases . . . . .	.11	—	—	—	—
Net asset value, end of year . . . . .	<u><u>\$27.09</u></u>	<u><u>\$27.35</u></u>	<u><u>\$26.89</u></u>	<u><u>\$30.48</u></u>	<u><u>\$28.23</u></u>
Market value, end of year . . . . .	\$22.63	\$22.25	\$26.75	\$26.81	\$23.88
Net assets, end of year (\$000's) . . . . .	111,336	103,791	93,433	96,187	83,302
Total Investment Return:					
Based on net asset value* . . . . .	13.62%	16.36%	3.16%	21.18%	21.55%
Based on market value† . . . . .	20.63%	(2.96)%	18.17%	28.19%	15.65%
Ratios/Supplemental Data:					
Ratio of expenses to average net assets . . . . .	1.1%	1.1%	1.1%	1.2%	1.2%
Ratio of net investment income to average net assets . . . . .	3.8%	3.0%	3.1%	3.3%	3.9%
Portfolio turnover rate . . . . .	93%	72%	55%	71%	70%

\* 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.

# 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.

### (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 \$18,565,411 at October 31, 2000, representing 16.7% 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 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 \$25,000 for the year ended October 31, 2000. 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, 2000 there were 4,109,292 shares of \$.01 par value common stock outstanding, (9,000,000 shares authorized). During the years ended October 31, 2000 and 1999, 390,415 shares and 319,486 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 and \$7,308,248 respectively. In 2000, 75,900 capital shares were purchased for \$1,588,689. The amount paid averaged 22% less than the net asset value of the shares.

A distribution of \$3.515 per share, derived from net investment income of 41.9 cents, and net realized gains on investments of \$3.096, was declared on November 13, 2000, payable December 28, 2000 to shareholders of record at the close of business November 23, 2000.

### 4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$96,835,352 and \$99,778,407, respectively, for the year ended October 31, 2000.

# Report of Independent Accountants

## **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, 2000, the results of its operations for the year then ended, and 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, 2000 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York  
December 6, 2000

## Miscellaneous Notes

### **Additional Services Available to Shareholders of Bancroft Convertible Fund, Inc.**

**AUTOMATIC DIVIDEND INVESTMENT PLAN.** You may wish to participate in our Automatic Dividend Investment Plan whereby all of the dividends and distributions on your Bancroft shares are automatically invested in additional shares of the Company's stock at the then current market price or net asset value, whichever is lower. When the market price is lower than net asset value, American Stock Transfer & Trust Company (AST) will take your dividends or distributions in cash, combine them with those of other Plan participants, and purchase shares in the market and thereby take advantage of the lower commissions on larger purchases. When the net asset value is lower than the market price, the participant will receive shares issued by the Company at net asset value. When the Company makes dividends and distributions payable in cash or at the option of all stockholders in common stock, a participant will receive shares of common stock issued by the Company. There is no other charge for this service. Further details regarding the Plan may be found on the Authorization Form on pages 15 and 16 of this report. To join the Plan, fill out and mail the form.

**CASH PAYMENT PLAN.** Members of the Automatic Dividend Investment Plan may also wish to participate in our Cash Payment Plan which provides a convenient and economical means to increase your investment in the Company's shares. The Cash Payment Plan permits you to send cash payments of between \$25 to \$5,000 per month to AST, which will be aggregated with the funds of other participants, to purchase additional Bancroft shares. You pay only a service charge (\$1.25 per transaction) plus your proportionate share of the brokerage commission which is typically at a savings because your funds are combined with others to take advantage of the reduced commission on larger purchases.

For additional information regarding either of these plans please call American Stock Transfer & Trust Company at (800) 937-5449.

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### **Important Factors Regarding Forward-Looking Statements**

Information contained within the letter to Shareholders constitutes 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 and its management 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, changes in individuals' savings rates or investment choices, a decline in productivity, an increase in inflation or taxes, stable or increasing interest rates, changes to foreign and domestic markets and economies in general or changes to the market for convertible securities.

## Miscellaneous Notes (continued)

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

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Bancroft is a member of the Closed-End Fund Association (CEFA). Its website address is [www.cefa.com](http://www.cefa.com). CEFA is solely responsible for the content of its website.

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The Company amended its bylaws during fiscal 2000 to include provisions for nominations of directors and proposals by shareholders. For nominations or other business to be properly brought before a meeting of shareholders, a shareholder must provide written notice to the secretary of the Company not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting. If a shareholder proposes to nominate an individual for election as a director, such notice must include the business experience of the individual and any other information that may be relevant to the Nominating and Administration Committee's decision of whether to nominate the individual. If the shareholder proposes to bring any other business before the meeting, such notice shall set forth a brief description of the business desired to be brought before the meeting and the shareholder's reasons for proposing such business.

This provision does not affect a shareholder's rights to submit a proposal for consideration for inclusion in the Company's proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended.

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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.

**Bancroft Convertible Fund, Inc.**  
**Automatic Dividend Investment Plan**  
**Authorization Form**

c/o American Stock Transfer & Trust Company  
40 Wall Street, 46th Floor  
New York, NY 10005

Dear Sirs:

I hold stock certificates, registered in my name, for . . . . . shares of Common Stock of Bancroft Convertible Fund, Inc. (the "Company").

I wish to invest all the dividends and distributions paid by the Company on my shares automatically in additional shares from the date hereof until this arrangement is terminated as stated below.

**Authorization**

You are authorized to act as my agent as follows:

- A.** Establish an Account in my name.
- B.** Take into my Account all dividends and distributions paid by the Company on all its Common Stock held in my name now or in the future and on all additional shares of the Company (including fractions) held by you in my Account.
- C.** Whenever the Company declares a dividend or distribution payable in cash or, at the option of all its shareholders, in Common Stock of the Company at market price or net asset value, whichever is lower, take the dividend or distribution in Common Stock.
- D.** Whenever the Company declares a dividend or distribution payable in cash or, at the option of the shareholders for whom you act as agent under the Plan, in the Company's Common Stock at net asset value, take the dividend or distribution in Common Stock if the net asset value as determined by the Company as of the close of business on the last trading day preceding the date of payment is lower than (1) the asked price of the Company's Common Stock in the over-the-counter market, as reported by the National Quotation Bureau, if the Common Stock is not listed on a national securities exchange, or (2) the closing market price of the Common Stock on a national securities exchange, on that trading day, plus brokerage commissions, if the Company's Common Stock is listed on such exchange. If the market price is lower, take the dividend or distribution in cash and add it to my Account.
- E.** As soon as practicable after each cash payment is made to my Account, use the funds in my Account to buy in the over-the-counter market or on a national securities exchange, as the case may be, as many additional full shares of the Company's Common Stock as possible, plus a fractional interest in one share computed to three decimal places.
- F.** You may mingle the cash in my Account with similar funds of other shareholders of the Company for whom you act as agent under the Plan. The cost of the shares and fractional interest you buy for my Account in connection with a particular dividend or distribution shall be determined by the average cost per share, including brokerage commission, of all shares bought by you for all shareholders for whom you act under the Plan in connection with that dividend or distribution.
- G.** Whenever you receive or purchase shares or fractional interests for my Account, you will send me confirmation of the transaction as soon as practicable. You will hold such shares and fractional interests as my agent in your name or the name of your nominee. Do not send me stock certificates for full shares until I so request in writing or until my Account is terminated as stated below. You will vote any shares so held for me in accordance with any proxy returned to the Company by me in respect of the shares of which I am a record owner.
- H.** I understand that there is presently no service charge for your serving as my agent and maintaining my Account. You may, however, charge me for extra services performed at my request. I further understand that the Company reserves the right to amend the Plan in the future to impose a service charge. You will be liable only for willful misconduct or gross negligence in acting as my agent under the Plan.

(over)

**Name and Address**

My name as shown on my Common Stock certificate or certificates (including all names if more than one) and my address, are as follows:

**Please Print:**

NAME OR NAMES .....

NUMBER AND STREET .....

CITY, STATE AND ZIP CODE .....

**Stock Certificates**

I understand that if I hold more than one Common Stock certificate registered in similar but not identical names or if more than one address is shown for me on the Company’s Common Stock records, all my shares of Common Stock must be put into the same name and address prior to signing this authorization if all of them are to be covered by one Account. I understand that additional shares subsequently acquired by me otherwise than through the Plan will be covered by my Account if and when they are registered in the same name and address as the shares in my Account.

**Income Tax**

I understand that participation in the Plan for automatic investment of dividends and distributions does not relieve me of any income tax which may be payable by me on such dividends and distributions.

**Amendments and Change of Agent**

I understand that the Company may amend the terms of the Plan and reserves the right to change the agent which acts for all participants in the Plan at any time by giving written notice thereof to each participant at his address as shown on your records. Any such change shall be effective as to all dividends and distributions payable to shareholders of record on any date more than 30 days after mailing of such notice. Further, I understand that the Company in connection with any dividend or distribution will change the price at which shares of its Common Stock are issued to participants in the Plan if the net asset value of the shares is less than 95% of the fair market value of such shares on the last trading day preceding the payment date of any distribution of net investment income or net capital gain, unless the Board obtains a legal opinion from independent counsel that the purchase of shares at net asset value under these circumstances will not have a material adverse effect upon the federal income tax liability of the Company. The Board may not authorize issuance of shares offered to Plan participants only, if such issuance is at a price less than net asset value, without the prior specific approval of the Company’s stockholders or of the Securities and Exchange Commission.

**Termination**

I may terminate this authorization and my Account at any time by delivering written notice to you, such termination to be effective as to all dividends and distributions payable to shareholders of record on any date more than 15 days after receipt of such notice by you. I understand that you or the Company may terminate all authorizations for any reason at any time by sending written notice addressed to participants at their addresses as shown on your records, such termination to be effective as to all dividends and distributions payable to shareholders of record on any date more than 30 days after mailing of such notice. I understand you will terminate my Account if you are informed of the transfer of all shares of the Company’s Common Stock registered in my name. Following the date of termination, you shall send me at my address shown on your records a stock certificate or certificates for the full shares held by you in my Account and a check for the value of any fractional interest in my Account based on the market price of the Company’s Common Stock on that date.

Signature(s) ..... Date .....

Note: If shares are in more than one name, all must sign.

### ***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>
DONALD M. HALSTED, JR.	<i>Investor</i>
GEORGE R. LIEBERMAN	<i>Retired Advertising Executive</i>
DUNCAN O. MCKEE	<i>Retired Attorney</i>
JANE D. O'KEEFFE	<i>President of Bancroft</i>
NICOLAS W. PLATT	<i>Public Relations Executive</i>

### ***Officers***

THOMAS H. DINSMORE	<i>Chairman of the Board</i>
JANE D. O'KEEFFE	<i>President</i>
SIGMUND LEVINE	<i>Senior Vice President and Secretary</i>
H. TUCKER LAKE	<i>Vice President, Trading</i>
GERMAINE M. ORTIZ	<i>Vice President</i>
GARY I. LEVINE	<i>Treasurer and Assistant Secretary</i>
MERCEDES A. PIERRE	<i>Assistant Treasurer</i>

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### ***Internet***

<http://www.bancroftfund.com>  
email: [info@bcvecf.com](mailto:info@bcvecf.com)

### ***Investment Adviser***

Davis-Dinsmore Management Company  
65 Madison Avenue, Morristown, NJ 07960-7308  
(973) 631-1177


### ***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](http://www.amstock.com)

### ***Common Stock Listing***

American Stock Exchange Symbol: BCV

BANCROFT CONVERTIBLE FUND, INC.  
65 MADISON AVENUE  
MORRISTOWN, NEW JERSEY 07960  
[www.bancroftfund.com](http://www.bancroftfund.com)

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