

# Bancroft Convertible Fund, Inc.

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## Fourth Quarter Update - October 31, 2000 (unaudited)

### Financial Highlights

Market value 10/31/00	\$22.63
Net asset value (NAV) 10/31/00	\$27.09
Market discount to NAV	(16.48)%
12-Month income distribution	\$0.803
Yield on market price	3.55%
Capital gains distribution 12/28/99	\$2.897
Ratio of expenses to avg. net assets	1.12%
Ratio of net income to avg. net assets	3.83%
Portfolio turnover	92.60%
Shares outstanding	4,109,292

### Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (10/31/99)	\$27.35
Changes in NAV from Operations:	
Net Investment Income	1.04
Realized Gain	3.10
Increase in Unrealized Gain	(0.70)
Total Change from Operations	3.44
Distributions:	
Net Investment Income	(0.80)
Capital Gains	(2.90)
Total Change from Distributions	(3.70)
Total Change	(0.26)
Ending NAV (10/31/00)	\$27.09

### Major Industry Exposure as of 10/31/00

	% of Net Assets
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

### Performance through 10/31/00 *with dividends reinvested*

	Calendar			
	YTD	1 Year	5 Years	10 Years
Bancroft market value *	14.15%	20.63%	74.21%	357.94%
Bancroft net asset value †	6.36	13.62	102.36	310.96
Closed-end conv. fund avg. †	5.77	14.11	77.28	297.92
S&P 500 *	(1.81)	6.08	114.83	489.80
Russell 2000 *	(0.42)	17.61	54.20	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, October 31, 2000.

‡ 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 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

### Total Fund Investments as of 10/31/00

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 82,733	74.2
Convertible Preferred Stocks	21,434	19.3
Common Stock	1,286	1.2
Short-term Investments	7,995	7.2
Other Assets	(2,112)	(1.9)
Net Assets	\$111,336	100.0%

### Ten Largest Investment Holdings as of 10/31/00

	% of Net Assets
Telecom Corp. of New Zealand	2.60
MetLife, Inc.	2.37
Cable & Wireless Communications plc	2.01
American Express Company	1.98
Time Warner, Inc.	1.87
The Coastal Corp.	1.86
ACE Limited	1.81
Costco Companies, Inc.	1.78
General Electric Corp.	1.78
The Walt Disney Corp.	1.75

*The portfolio holdings and industry exposure are as of October 31, 2000 and subject to change without notice.*

*Detailed portfolio information is available to any shareholder. Visit our website (www.bancroftfund.com) to download the data, e-mail us at info@bcvecf.com or call us at (973) 631-1177.*

# Portfolio of Investments October 31, 2000

Principal Amount or Shares		Identified Cost	Value
	<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 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) . . . . .	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
1,450,000	Diamond Offshore Drilling, Inc. 3.75% 2007 cv. sub. notes (Baa1) (conv. into EOG Resources, Inc. common stock) . . . . .	1,489,875	1,467,219

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount or Shares		Identified Cost	Value
<b>ENERGY — continued</b>			
\$10,000 shs	Dominion Resources, Inc. 9.5% 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 cash value of The Walt Disney Corp. com-		
	mon 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
2,000,000	Imax Corp. 5.75% 2003 cv. sub. notes 144A (B1) . . . . .	1,000,000	458,750
	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 Delaware, L.L.C. 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
625,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes (BB+) . . . .	605,938	521,875
925,000	Penn Treaty American Corp. 6.25% 2003 cv. sub. notes 144A(BB+)	954,875	772,375
		<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 ADR's representing Elan Corp., plc common stock) . . . .	1,121,755	1,570,000
800,000	Human Genome Sciences, Inc. 5% 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	Sepracor, Inc. 7% 2005 cv. notes 144A (CCC+) . . . . .	1,000,000	1,243,750
250,000	Sepracor, 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 ADR's representing Teva Pharmaceutical		
	Industries Ltd. common stock) . . . . .	500,369	497,500
		<u>6,224,983</u>	<u>7,447,382</u>
<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

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount or Shares		Identified Cost	Value
<b>RETAIL — 3.5%</b>			
\$1,000,000	Costco Companies, Inc. 0% 2017 cv. sub. notes 144A (A3) . . . . .	\$ 570,247	\$ 883,125
1,250,000	Costco Companies, Inc. 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 exh. 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 exh. 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 exh. 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 cash equiv. 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 exh. notes 144A (AAA)(exch. for specific telephone and 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
448,000	The Goldman Sachs Group, Inc. 8% 2002 medium-term 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. exh. 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 ADR's 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 ADB 144A (Baa2) (exch. for ADR's 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>
<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

# Portfolio of Investments October 31, 2000 (continued)

Principal Amount		Identified Cost	Value
	<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 — 74.2%</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) Semi-Annual Report to Shareholders, dated April 30, 2000

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

† Collateral for a letter of credit

ACES	Automatically Convertible Equity Securities
ADB	American Depositary Bonds
ADR	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

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