

Bancroft Convertible Fund, Inc.

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Fourth Quarter Update - October 31, 2001 (unaudited)

Financial Highlights

Market value 10/31/01	\$18.75
Net asset value (NAV) 10/31/01	\$20.72
Market discount to NAV	(9.51)%
12-Month income distribution	\$1.109
Yield on market value	5.91%
Capital gains distribution 12/28/00 *	\$3.096
Ratio of expenses to avg. net assets	1.12%
Ratio of net income to avg. net assets	4.87%
Portfolio turnover	83.28%
Shares outstanding	4,625,918

* Includes \$1.80 short-term gains.

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (10/31/00)	\$27.09
Changes in NAV from Operations:	
Net Investment Income	1.07
Realized Loss	(0.50)
Decrease in Unrealized Gain	(2.73)
Total Change from Operations	(2.16)
Distributions:	
Net Investment Income	(1.11)
Capital Gains	(3.10)
Total Change from Distributions	(4.21)
Total Change	(6.37)
Ending NAV (10/31/01)	\$20.72

Major Industry Exposure as of 10/31/01

	% of Net Assets
Health Care & Drugs	14.1
Telecommunications	12.1
Energy	8.3
Cable	7.1
Retail	6.6
Technology	6.4
Banking	4.8
Financial & Insurance	4.5
Utilities	4.3
Aerospace	3.9

The portfolio holdings and industry exposure are as of October 31, 2001 and subject to change without notice.

Detailed portfolio information is available on our website (www.bancroftfund.com). Visit us there or contact us by e-mail at info@bancroftfund.com or call us at (973)631-1177.

Performance through 10/31/01 *with dividends reinvested*

	10 Months	1 Year	5 Years	10 Years
Bancroft market value (a)	1.62%	1.31%	76.98%	247.38%
Bancroft net asset value (b)	(5.02)	(8.68)	51.94	196.38
Closed-end conv. fund avg. (b)	(2.38)	(8.47)	34.61	165.51
S&P 500 (a)	(18.87)	(24.90)	61.36	232.05
Russell 2000 (a)	(10.32)	(12.57)	34.86	131.48(c)
Lehman Aggregate Bond Total Return Index (b)	10.66	14.56	47.13	113.17

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

(a) From Bloomberg L.P. pricing service.

(b) From Lipper, Inc. Closed-End Fund Performance Analysis, October 31, 2001.

(c) 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. 01	\$27.27	\$21.85	\$23.16	\$23.38	\$18.38	\$21.24
Apr. 01	23.14	20.72	22.25	21.99	19.10	20.45
Jul. 01	22.66	21.18	21.61	21.55	20.40	20.85
Oct. 01	21.76	19.84	20.72	22.35	18.70	18.75

Total Fund Investments as of 10/31/01

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 67,759	70.7
Convertible Preferred Stocks	17,965	18.7
Common Stock	9	0.0
Short-term Investments	8,497	8.9
Other Assets	1,634	1.7
Net Assets	\$ 95,864	100.0%

Largest Investment Holdings as of 10/31/01

<i>by underlying common stock</i>	% of Net Assets
Sunrise Assisted Living	2.8
L-3 Communications Holdings, Inc.	2.4
Lucent Technologies, Inc.	2.4
American Greetings Corp.	2.3
National Data Corp.	2.3
Washington Mutual Inc.	2.2
Masco Corp.	2.1
Telecom Corp. of New Zealand, Ltd.	2.1
American Express Company	2.0
School Specialty, Inc.	1.9

Portfolio of Investments October 31, 2001 (unaudited)

Principal Amount or Shares		Value (Note 1)
	ADVERTISING — 2.7%	
\$1,500,000	The Interpublic Group Cos., Inc. 1.87% 2006 cv. sub. notes 144A (Baa1)	\$ 1,141,875
1,600,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa1)	<u>1,489,424</u>
		<u>2,631,299</u>
	AEROSPACE — 3.9%	
1,000,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3) . .	1,280,000
1,000,000	L-3 Communications Holdings, Inc. 4% 2011 sr. sub. cv. CODES 144A (Ba3) .	1,015,000
20,000 shs	RC Trust I 8.25% equity security units **, ** (Ba2) (exch. for Raytheon Co. class B common stock)	1,140,313
705,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	<u>317,250</u>
		<u>3,752,563</u>
	BANKING — 4.8%	
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A2)	1,164,000
25,000 shs	Sovereign Capital Trust II 7.50% trust PIERS (B2) (exch. for Sovereign Bancorp, Inc. common stock)	1,500,391
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual Inc. common stock)	1,655,938
5,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual Inc. common stock)	<u>236,563</u>
		<u>4,556,892</u>
	CABLE — 7.1%	
2,500 shs	Adelphia Communications Corp. 5.50% series D cv. pfd. (Caa1)	202,656
800,000	Adelphia Communications Corp. 6% 2006 cv. sub. notes (B3)	567,992
2,000,000	Bell Atlantic Financial Services, Inc. 4.25% 2005 euro. sr. exch. notes * (A1) (exch. for cash equiv. of Cable & Wireless Communications plc & NTL, Inc. common stocks)	2,045,000
1,300,000	Comcast Corp. cv. deb. 0% 2020 (Baa3)	1,023,750
20,000 shs	Cox Communications, Inc. 7% FELINE PRIDES ** (Baa2)	1,040,000
750,000	Cox Communications, Inc. 0.348% 2021 cv. sr. notes 144A (Baa2)	528,510
30,000 shs	Equity Securities Trust I 6.50% equity trust securities ** (NR) (exch. for Cablevision NY Group Class A common stock)	1,055,156
500,000	NTL Communications Corp. 6.75% cv. sr. notes 144A (B3) (exch. for NTL, Inc. common stock)	225,000
7,165 shs	UnitedGlobalCom, Inc. common stock	9,315
19,000 shs	UnitedGlobalCom, Inc. dep. shs. representing 7% series D sr. cum. cv. pfd. (C)	<u>73,328</u>
		<u>6,770,707</u>
	CAPITAL GOODS — 2.3%	
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes * (A1) (exch. for General Electric Corp. common stock)	1,288,125
1,000,000	Hanover Compressor Co. 4.75% 2008 cv. sr. notes (Ba3)	<u>954,700</u>
		<u>2,242,825</u>
	DATA-PROCESSING SERVICES — 3.8%	
1,000,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	1,046,445
2,000,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3)	2,229,240
550,000	Online Resources & Communications Corp. 8% 2005 cv. sub. notes 144A (NR)	<u>371,250</u>
		<u>3,646,935</u>
	ENERGY — 8.3%	
40,800 shs	Apache Corp. \$2.015 dep. shs. representing ACES pfd. ** (Baa2)	1,773,525
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (BBB+) (conv. into Chevron Corp. common stock)	507,100
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (BBB+) (conv. into Chevron Corp. common stock)	1,018,950

Portfolio of Investments October 31, 2001 (continued)

Principal Amount or Shares		Value (Note 1)
	ENERGY — continued	
\$3,300,000	El Paso Corp. 0% cv. deb. 144A (Baa2)	\$ 1,379,813
1,000,000	Exchangeable Certificate Corp. 2% 2005 exch. certificates 144A (Aaa)(exch. for Exxon Mobil Corp. common stock)	985,000
1,050,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	1,228,521
30,000	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa2) (exch. for Devon Energy Corp. common stock)	<u>1,101,563</u>
		<u>7,994,472</u>
	ENTERTAINMENT — 2.5%	
1,750,000	AOL Time Warner, Inc. 0% 2019 cv. sub. notes (Baa2)	947,118
3,000,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Limited common stock)	<u>1,421,250</u>
		<u>2,368,368</u>
	FINANCIAL & INSURANCE — 4.5%	
15,000 shs	ACE Limited 8.25% FELINE PRIDES ** (Baa1)	1,096,641
5,000 shs	Anthem, Inc. 6% equity security units ***(Baa2)	284,125
2,150,000	Exchangeable Certificate Corp. 0.625% 2005 exch. certificates 144A (Aaa)(exch. for American Express Company common stock)	1,945,750
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1)	<u>959,063</u>
		<u>4,285,579</u>
	HEALTH CARE & DRUGS — 14.1%	
2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,642,500
1,000,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (Ba3)	1,439,900
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	986,250
1,000,000	Elan Finance Corporation Ltd. 0% 2018 LYONs 144A (Baa3) (exch. for ADRs representing Elan Corporation, plc common stock)	722,860
700,000	Elan Finance Corporation Ltd. 0% 2018 LYONs (Baa3) (exch. for ADRs representing Elan Corporation, plc common stock)	506,002
1,500,000	ICN Pharmaceuticals, Inc. 6.50% 2008 cv. sub. notes 144A (B+)	1,438,125
1,500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes 144A (NR)	1,244,063
1,000,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	920,000
1,315,000	Roche Holdings, Inc. 0% 2015 LYONs 144A (NR) (exch. for Genentech, Inc. common stock)	984,606
1,000,000	Sepracor, Inc. 7% 2005 cv. sub. deb. 144A (CCC+)	985,000
2,692,000	Sunrise Assisted Living, Inc. 5.50% 2002 cv. sub. notes (B1)	<u>2,685,270</u>
		<u>13,554,576</u>
	HOME BUILDING — 2.1%	
5,000,000	Masco Corp. 0% 2031 cv. sr. notes * (Baa1)	<u>2,002,950</u>
	MULTI-INDUSTRY — 1.9%	
2,000,000	Lehman Brothers Holdings, Inc. 0.25% 2006 BASES notes * (A2) (based on the value of the performance of the 10 Uncommon Values Index †)	<u>1,840,000</u>
	RETAIL — 6.6%	
1,750,000	American Greetings Corp. 7% 2006 cv. sub. notes 144A (BB+)	2,163,438
1,000,000	Brinker International, Inc. 0% 2021 cv. sr. deb. 144A (Baa2)	604,730
1,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	890,560
750,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	667,920
250,000	J.C. Penney Co., Inc. 5% 2008 cv. sub. notes 144A (Ba3)	247,656
1,500,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	<u>1,797,930</u>
		<u>6,372,234</u>

Portfolio of Investments October 31, 2001 (continued)

Principal Amount or Shares		Value (Note 1)
	TECHNOLOGY — 6.4%	
\$1,000,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa3)	\$ 1,221,000
1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (Baa1)	1,182,813
1,000,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	822,500
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes * (A1) (exch. for Microsoft Corp. common stock)	1,368,750
51,000 shs	CS First Boston, Inc. 10% 2002 medium-term notes ** (A1) (exch. for Sun Microsystems, Inc. common stock)	567,375
250,000	Kulicke & Soffa Industries, Inc. 5.25% 2006 cv. sub. notes 144A (B3)	253,438
1,150,000	Soletron Corp. 0% 2020 LYONs (Baa3)	468,625
250,000	Symantec Corp. 3% 2006 cv. sub. notes 144A (NR)	272,188
		<u>6,156,689</u>
	TELECOMMUNICATIONS — 12.1%	
700,000	American Tower Corp. 2.25% 2009 cv. notes (B3)	474,250
4,000,000	Anixter International, Inc. 0% 2020 LYONs 144A (Ba3)	1,075,000
1,700,000	Anixter International, Inc. 0% 2020 LYONs (Ba3)	456,875
2,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 sr. exch. notes 144A * (A1) (exch. for cash equiv. Telecom Corp. of New Zealand, Ltd. common stock)	2,040,000
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 exch. certificates 144A (Aaa)(exch. for specific telephone and cable common stocks ††)	882,500
750,000	Liberty Media Corp. 3.75% 2030 sr. exch. deb. 144A * (Baa3) (exch. for Sprint PCS Group common stock)	438,038
2,000 shs	Lucent Technologies, Inc. 8% redeemable cv. pfd. (B3)	2,314,546
25,000	MediaOne Group, Inc. 7% 2002 PIES ** (Baa2) (exch. for ADRs representing Vodafone AirTouch plc common stock)	628,125
17,500 shs	Motorola, Inc. 7% equity security units *,** (BBB+)	849,023
500,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes 144A (Baa2)	425,625
30,000 shs	Sprint Corp. 7.125% equity units *,** (Baa1) (exch. for Sprint PCS Group common stock)	703,500
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,316,625
		<u>11,604,107</u>
	TRANSPORTATION — 1.9%	
20,000 shs	Continental Airlines Finance Trust II 6% cv. pfd. TIDES 144A (Caa1) (exch. for Continental Airlines, Inc. common stock)	397,500
1,500,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	1,424,063
		<u>1,821,563</u>
	UTILITIES — 4.3%	
575,000	AES Corp. 4.50% 2005 cv. jr. sub. deb. (Ba2)	485,156
29,200 shs	Calpine Capital Trust II 5.50% HIGH TIDES (Ba1) (exch. for Calpine Corp. common stock)	1,722,800
1,250,000	Ogden Corp. 6% 2002 euro cv. sub. deb. (Baa3) (conv. into Covanta Energy Corp. common stock)	1,234,375
500,000	Ogden Corp. 5.75% 2002 euro cv. sub. deb. (Baa3) (conv. into Covanta Energy Corp. common stock)	490,000
3,750 shs	TXU Corp. equity units *,** (Baa3)	187,617
		<u>4,119,948</u>

Portfolio of Investments October 31, 2001 (continued)

Principal Amount		Value (Note 1)
	U.S. TREASURY NOTES — 0.0%	
\$ 11,000	6.50% 3/31/02 #	\$ 11,203
	CORPORATE SHORT-TERM NOTES — 5.2%	
8,500,000	American Express Credit Corp. (P1) (2.46% and 2.47% maturing 11/2/01 and 11/5/01)	8,497,237
	Total Convertible Bonds and Notes — 70.7%	67,758,598
	Total Convertible Preferred Stocks — 18.7%	17,964,997
	Total Common Stocks — 0.0%	9,315
	Total Corporate Short-Term Notes — 8.9%	8,497,237
	Total Investments — 98.3%	94,230,147
	Other assets and liabilities, net — 1.7%	1,633,464
	Total Net Assets — 100.0%	<u>\$ 95,863,611</u>

* Contingent payment debt instrument which accrues contingent interest income. See Note 1(b) Semi-Annual Report to Shareholders, dated April 30, 2001.

** Mandatory convertible. See Note 1(e) Semi-Annual Report to Shareholders, dated April 30, 2001.

† Ticker symbols: AA, BBBY, CEFT, CMCSK, CSCO, HDI, LMG/A, MIR, WM & WMI.

†† Ticker symbols: CSCO, CMCSK, AOL, IBM, LMGa and WCOM.

Collateral for a letter of credit.

ACES	Automatically Convertible Equity Securities.
ADBs	American Depositary Bonds.
ADRs	American Depositary Receipts.
ADSS	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
CODES	Contingent Debt Securities.
DECS	Debt Exchangeable for Common Stock.
FELINE	Family of Equity-Linked Income Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYONS	Liquid Yield Option Notes.
PIERS	Preferred Income Equity Redeemable Securities.
PIES	Premium Income Exchangeable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.
TIDES	Term Income Deferrable Equity Securities.