

BANCROFT FUND LTD
Form N-CSR
January 04, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-02151

Bancroft Fund Ltd.

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Jane D. O Keeffe

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: October 31

Date of reporting period: October 31, 2018

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

Bancroft Fund Ltd.**Annual Report October 31, 2018**

(Y)our Portfolio Management Team

To Our Shareholders,

For the fiscal year ended October 31, 2018, the net asset value (NAV) total return of the Bancroft Fund Ltd. was 4.6%, compared with total returns of 3.7% and 3.1% for the ICE Bank of America Merrill Lynch U.S. Convertibles Index and the Bloomberg Barclays Balanced U.S. Convertibles Index, respectively. The total return for the Fund's publicly traded shares was (1.8)%. The Fund's NAV per share was \$24.22, while the price of the publicly traded shares closed at \$20.41 on the NYSE American. See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of October 31, 2018.

Comparative Results**Average Annual Returns through October 31, 2018 (a)(b) (Unaudited)**

	1 Year	3 Year	5 Year	10 Year	Since Inception (04/20/71)
Bancroft Fund Ltd.					
NAV Total Return (c)	4.58%	7.75%	7.11%	11.08%	8.81%
Investment Total Return (d)	(1.77)	8.77	7.94	11.33	9.31
ICE Bank of America Merrill Lynch U.S. Convertibles Index	3.67	8.19	7.50	12.52	N/A(e)
Bloomberg Barclays Balanced U.S. Convertibles Index	3.07	4.60	3.39	9.95	N/A(f)
Standard & Poor's (S&P) 500 Index	11.28	9.43	12.83	14.85	9.46(g)

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. NAV returns would have been lower had Gabelli Funds, LLC (the Adviser) not reimbursed certain expenses of the Fund. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The ICE Bank of America Merrill Lynch U.S. Convertibles Index is a market value weighted index of all dollar denominated convertible securities that are exchangeable into U.S. equities that have a market value of more than \$50 million. The Bloomberg Barclays Balanced U.S. Convertibles Index is a market value weighted index that tracks the performance of publicly placed, dollar denominated convertible securities that are between 40% and 80% sensitive to movements in their underlying common stocks. The S&P 500 Index is an unmanaged indicator of stock market performance commonly used to represent the U.S. equity market. Dividends and interest income are considered reinvested. You cannot invest directly in an index.*

(b) The Fund's fiscal year ends on October 31.

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- (c) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date for the period beginning November 2015, and are net of expenses. For the period December 2008 through October 2015, distributions were reinvested on the payable date using market prices. For the period May 2006 through November 2008, distributions were reinvested on payable date using NAV. Total returns and average annual returns were adjusted for the 1987 tender offering (no adjustments were made for the 1982 and 2007 tender offers nor for the 1987 or 2003 rights offerings). Since inception return is based on an initial NAV of \$22.92.
- (d) Total returns and average annual returns reflect changes in closing market values on the NYSE American and reinvestment of distributions. Total returns and average annual returns were adjusted for the 1987 tender offering (no adjustments were made for the 1982 and 2007 tender offers nor for the 1987 or 2003 rights offerings). Since inception return is based on an initial offering price of \$25.00.
- (e) The ICE Bank of America Merrill Lynch U.S. Convertibles Index inception date is December 31, 1994.
- (f) The Bloomberg Barclays Balanced U.S. Convertibles Index inception date is January 1, 2003.
- (g) From April 30, 1971, the date closest to the Fund's inception for which data is available.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of October 31, 2018:

Bancroft Fund Ltd.

Computer Software and Services	18.9%
Health Care	14.5%
Financial Services	12.4%
Semiconductors	8.9%
Energy and Utilities	8.8%
U.S. Government Obligations	6.0%
Diversified Industrial	5.8%
Communications Equipment	4.4%
Telecommunications	3.4%
Business Services	3.1%
Entertainment	2.8%
Consumer Services	2.5%
Real Estate Investment Trusts	2.1%
Aerospace	1.9%
Transportation	1.4%
Food and Beverage	0.9%
Agriculture	0.8%
Automotive	0.7%
Metals and Mining	0.7%
	100.0%

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

Bancroft Fund Ltd.**Schedule of Investments October 31, 2018**

Principal Amount		Cost	Market Value
	CONVERTIBLE CORPORATE BONDS 71.0%		
	Aerospace 1.9%		
\$2,000,000	Aerojet Rocketdyne Holdings Inc., 2.250%, 12/15/23	\$ 2,044,065	\$ 2,943,538
	Automotive 0.7%		
1,000,000	Tesla Inc., 1.250%, 03/01/21	933,184	1,123,348
	Business Services 2.8%		
1,000,000	Perficient Inc., 2.375%, 09/15/23(a)	1,000,000	919,579
400,000	Q2 Holdings Inc., 0.750%, 02/15/23(a)	407,960	439,851
1,040,000	RingCentral Inc., Zero Coupon, 03/15/23(a)	1,039,922	1,180,192
1,500,000	Square Inc., 0.500%, 05/15/23(a)	1,681,999	1,800,503
		4,129,881	4,340,125
	Communications Equipment 4.4%		
1,500,000	Harmonic Inc., 4.000%, 12/01/20	1,538,518	1,743,567
2,000,000	InterDigital, Inc., 1.500%, 03/01/20	2,028,759	2,188,262
2,459,000	Lumentum Holdings Inc., 0.250%, 03/15/24	2,488,793	2,802,237
		6,056,070	6,734,066
	Computer Software and Services 17.0%		
1,972,000	Apptio Inc., 0.875%, 04/01/23(a)	1,968,296	1,892,154
225,000	Boingo Wireless Inc., 1.000%, 10/01/23(a)	225,000	227,010

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1,000,000	Coupa Software Inc., 0.375%, 01/15/23(a)	1,137,884	1,547,500
2,500,000	CSG Systems International Inc., 4.250%, 03/15/36	2,575,557	2,567,080
227,000	DocuSign Inc., 0.500%, 09/15/23(a)	227,000	213,947
500,000	GDS Holdings Ltd., 2.000%, 06/01/25(a)	450,703	367,281
1,987,000	IAC FinanceCo. Inc., 0.875%, 10/01/22(a)	2,234,239	2,781,252
850,000	MercadoLibre Inc., 2.250%, 07/01/19	929,891	2,190,809
1,133,000	2.000%, 08/15/28(a)	1,133,000	1,094,465
1,776,000	New Relic Inc., 0.500%, 05/01/23(a)	1,852,102	1,868,242
1,548,000	Nice Systems Inc., 1.250%, 01/15/24	1,610,245	2,096,573
1,701,000	Nutanix Inc., Zero Coupon, 01/15/23(a)	1,718,887	1,878,033
Principal Amount		Cost	Market Value
\$ 800,000	Okta Inc., 0.250%, 02/15/23(a)	\$ 822,850	\$ 1,092,273
1,500,000	PROS Holdings Inc., 2.000%, 06/01/47	1,329,257	1,426,722
973,000	Pure Storage Inc., 0.125%, 04/15/23(a)	973,000	997,299
1,135,000	Splunk Inc., 1.125%, 09/15/25(a)	1,135,000	1,077,199
1,500,000	The Priceline Group Inc., 0.350%, 06/15/20	1,847,812	2,169,627
514,000	Vocera Communications Inc., 1.500%, 05/15/23(a)	551,769	626,321
		22,722,492	26,113,787
	Consumer Services 2.5%		
2,000,000	Extra Space Storage LP, 3.125%, 10/01/35(a)	2,035,291	2,160,088
1,600,000	Quotient Technology Inc., 1.750%, 12/01/22(a)	1,585,786	1,636,514
		3,621,077	3,796,602
	Diversified Industrial 3.6%		
750,000	Chart Industries Inc., 1.000%, 11/15/24(a)	752,698	969,333
1,349,000	Kaman Corp., 3.250%, 05/01/24	1,346,541	1,540,874
1,457,000		1,431,013	1,709,623

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	Team Inc., 5.000%, 08/01/23		
1,000,000	TimkenSteel Corp., 6.000%, 06/01/21	1,026,044	1,221,404
		4,556,296	5,441,234
	Energy and Utilities 4.2%		
2,000,000	Cheniere Energy Inc., 4.250%, 03/15/45	1,295,385	1,540,234
1,500,000	Chesapeake Energy Corp., 5.500%, 09/15/26	1,508,271	1,413,939
259,000	Goodrich Petroleum Escrow Bond, Zero Coupon, 12/31/21 (a)(b)(c)(d)	0	0
917,000	Newpark Resources Inc., 4.000%, 12/01/21(a)	985,215	1,051,341
3,000,000	SunPower Corp., 4.000%, 01/15/23	2,489,913	2,461,500
		6,278,784	6,467,014
	Entertainment 2.8%		
2,000,000	DISH Network Corp., 3.375%, 08/15/26	1,876,139	1,786,900
1,250,000	Gannett Co. Inc., 4.750%, 04/15/24(a)	1,302,399	1,286,474

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Schedule of Investments (Continued) October 31, 2018**

Principal Amount		Cost	Market Value
	CONVERTIBLE CORPORATE BONDS (Continued)		
	Entertainment (Continued)		
\$ 1,625,000	Global Eagle Entertainment Inc., 2.750%, 02/15/35	\$ 1,368,245	\$ 1,243,125
		4,546,783	4,316,499
	Financial Services 3.3%		
1,250,000	Encore Capital Group Inc., 3.000%, 07/01/20	1,134,185	1,155,625
1,500,000	GSV Capital Corp., 4.750%, 03/28/23	1,500,000	1,465,103
1,000,000	Heritage Insurance Holdings Inc., 5.875%, 08/01/37	1,000,000	1,134,587
1,116,000	LendingTree Inc., 0.625%, 06/01/22	1,163,330	1,316,553
		4,797,515	5,071,868
	Health Care 13.4%		
875,000	ANI Pharmaceuticals Inc., 3.000%, 12/01/19	906,178	887,268
550,000	Array BioPharma Inc., 2.625%, 12/01/24(a)	634,631	725,047
1,550,000	BioMarin Pharmaceutical Inc., 0.599%, 08/01/24	1,524,299	1,612,902
1,000,000	Evolut Health Inc., 1.500%, 10/15/25(a)	1,012,459	967,000
1,350,000	Exact Sciences Corp., 1.000%, 01/15/25	1,418,406	1,580,175
250,000	Horizon Pharma Investment Ltd., 2.500%, 03/15/22	240,480	244,361
1,066,000	Insulet Corp., 1.375%, 11/15/24(a)	1,177,312	1,205,896
500,000	Intercept Pharmaceuticals Inc., 3.250%, 07/01/23	485,814	469,787
500,000		502,533	527,031

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	Invacare Corp., 4.500%, 06/01/22		
250,000	K2M Group Holdings Inc., 3.000%, 06/30/25(a)	250,000	295,475
1,384,000	Neurocrine Biosciences Inc., 2.250%, 05/15/24	1,431,479	2,136,117
1,000,000	NuVasive Inc., 2.250%, 03/15/21	1,040,576	1,119,420
1,500,000	Pacira Pharmaceuticals Inc., 2.375%, 04/01/22	1,543,124	1,575,318
2,000,000	Paratek Pharmaceuticals Inc., 4.750%, 05/01/24(a)	1,945,458	1,725,800
400,000	Retrophin Inc., 2.500%, 09/15/25	407,212	389,433
1,000,000	Supernus Pharmaceuticals Inc., 0.625%, 04/01/23(a)	1,088,995	1,085,821
1,200,000	Teladoc Health Inc., 3.000%, 12/15/22	1,224,203	2,082,994
Principal Amount		Cost	Market Value
\$ 1,000,000	Teligent Inc., 3.750%, 12/15/19	\$ 1,001,000	\$ 957,500
1,000,000	Theravance Biopharma Inc., 3.250%, 11/01/23	1,000,000	1,006,150
		18,834,159	20,593,495
	Metals and Mining 0.7%		
500,000	Arconic Inc., 1.625%, 10/15/19	500,954	503,414
600,000	Royal Gold Inc., 2.875%, 06/15/19	598,465	606,308
		1,099,419	1,109,722
	Semiconductors 8.9%		
750,000	Advanced Micro Devices Inc., 2.125%, 09/01/26	787,889	1,787,633
1,500,000	Cypress Semiconductor Corp., 4.500%, 01/15/22	1,593,775	1,774,877
1,500,000	Inphi Corp., 1.125%, 12/01/20	1,560,007	1,575,000
2,000,000	Knowles Corp., 3.250%, 11/01/21	2,047,422	2,250,128
500,000	NXP Semiconductors NV, 1.000%, 12/01/19	541,024	506,830
2,386,000	Rambus Inc., 1.375%, 02/01/23(a)	2,389,512	2,098,043
1,309,000	Silicon Laboratories Inc., 1.375%, 03/01/22	1,360,810	1,415,676

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1,750,000	Teradyne Inc., 1.250%, 12/15/23	1,833,507	2,202,009
		12,113,946	13,610,196
	Telecommunications 3.4%		
1,000,000	Dycom Industries Inc., 0.750%, 09/15/21	1,002,113	1,012,317
1,700,000	Infinera Corp., 2.125%, 09/01/24	1,698,319	1,504,500
2,164,000	Twilio Inc., 0.250%, 06/01/23(a)	2,167,466	2,704,375
		4,867,898	5,221,192
	Transportation 1.4%		
2,000,000	Atlas Air Worldwide Holdings Inc., 2.250%, 06/01/22	1,961,200	2,087,500
	TOTAL CONVERTIBLE CORPORATE BONDS	98,562,769	108,970,186
Shares			
	CONVERTIBLE PREFERRED STOCKS 7.4%		
	Agriculture 0.8%		
12,500	Bunge Ltd., 4.875%	1,219,405	1,293,750

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Schedule of Investments (Continued) October 31, 2018**

Shares		Cost	Market Value
CONVERTIBLE PREFERRED STOCKS (Continued)			
Business Services 0.3%			
711,039	Amerivon Holdings LLC, 4.000% (b)	\$ 1,294,693	\$ 433,734
272,728	Amerivon Holdings LLC, common equity units (b)	0	16,364
		1,294,693	450,098
Financial Services 4.4%			
2,000	Bank of America Corp., 7.250%	1,972,540	2,542,600
40,000	Landmark Infrastructure Partners LP, 7.000%	1,000,000	895,600
15,000	QTS Realty Trust Inc., 6.500%	1,500,000	1,474,800
1,500	Wells Fargo & Co., 7.500%	1,007,239	1,907,985
		5,479,779	6,820,985
Food and Beverage 0.9%			
8,000	Post Holdings Inc., 2.500%	1,192,236	1,321,336
Real Estate Investment Trusts 1.0%			
24,000	Welltower Inc., 6.500%	1,309,210	1,478,400
	TOTAL CONVERTIBLE PREFERRED STOCKS	10,495,323	11,364,569
MANDATORY CONVERTIBLE SECURITIES (e) 14.4%			
Computer Software and Services 0.7%			
10,000	MTS Systems Corp., 8.750%, 07/01/19	1,048,578	1,088,660
Diversified Industrial 2.2%			
30,311	International Flavors & Fragrances Inc., 6.000%, 09/15/21	1,568,594	1,745,307
30,100	Rexnord Corp., 5.750%, 11/15/19	1,549,480	1,720,817

			3,118,074	3,466,124
Energy and Utilities 4.6%				
7,200	CenterPoint Energy Inc., 7.000%, 09/01/21		360,000	357,264
20,000	Dominion Energy, Inc., 6.750%, 08/15/19		973,596	959,000
18,600	DTE Energy Co., 6.500%, 10/01/19		960,300	991,938
29,666	Hess Corp., 8.000%, 02/01/19		1,779,424	1,883,494
10,000	NextEra Energy Inc., 6.123%, 09/01/19		571,990	580,000
5,369	Sempra Energy, 6.000%, 01/15/21		546,900	532,390
5,000	6.750%, 07/15/21		508,670	498,550
Shares			Cost	Market Value
25,530	South Jersey Industries Inc., 7.250%, 04/15/21		\$ 1,339,640	\$ 1,283,648
			7,040,520	7,086,284
Financial Services 4.7%				
10,000	2017 Mandatory Exchangeable Trust, 5.188%, 12/01/20		1,000,000	1,258,500
20,000	Alibaba - Mandatory Exchange Trust, 5.750%, 06/01/19 (a)		2,225,000	3,229,100
14,800	Assurant Inc., 6.500%, 03/15/21		1,521,094	1,549,560
24,000	New York Community Capital Trust V, 6.000%, 11/01/51		995,213	1,140,000
			5,741,307	7,177,160
Health Care 1.1%				
27,747	Becton Dickinson and Co., 6.125%, 05/01/20		1,505,573	1,627,916
Real Estate Investment Trusts 1.1%				
1,560	Crown Castle International Corp., 6.875%, 08/01/20		1,614,660	1,630,200
			20,068,712	22,076,344

TOTAL MANDATORY CONVERTIBLE SECURITIES			
COMMON STOCKS 1.2%			
Computer Software and Services 1.2%			
20,384	Proofpoint Inc.	1,680,693	1,853,925
Energy and Utilities 0.0%			
92	Goodrich Petroleum Corp.	925	1,386
TOTAL COMMON STOCKS		1,681,618	1,855,311
WARRANTS 0.0%			
Energy and Utilities 0.0%			
784	Goodrich Petroleum Corp., expire 10/12/26 (b)	0	0
Principal Amount			
U.S. GOVERNMENT OBLIGATIONS 6.0%			
\$ 9,290,000	U.S. Treasury Bills, 2.135% to 2.301% , 12/20/18 to 01/24/19	9,245,653	9,246,124
TOTAL INVESTMENTS 100.0%		\$ 140,054,075	153,512,534

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Schedule of Investments (Continued) October 31, 2018**

	Market Value
Other Assets and Liabilities (Net)	\$ 413,300
PREFERRED STOCK (1,200,000 preferred shares outstanding)	(30,000,000)
NET ASSETS COMMON STOCK (5,116,834 common shares outstanding)	\$ 123,925,834
NET ASSET VALUE PER COMMON SHARE (\$123,925,834 ÷ 5,116,834 shares outstanding)	\$ 24.22

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At October 31, 2018, the market value of Rule 144A securities amounted to \$41,143,408 or 26.80% of total investments.
- (b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (c) At October 31, 2018, the Fund held investments in a restricted and illiquid security amounting to \$0 or 0.00% of total investments which was valued under methods approved by the Board of Trustees as follows:

			10/31/18		
Acquisition			Carrying		
Principal			Value		
Amount	Issuer		Acquisition Date	Acquisition Cost	Per Bond
\$259,000	Goodrich Petroleum Escrow Bond, Zero Coupon, 12/31/21		12/14/16	\$ 0	\$ 0.00

- (d) Security in default.
- (e) Mandatory convertible securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.
Non-income producing security.
Represents annualized yields at dates of purchase.

See accompanying notes to financial statements.

Bancroft Fund Ltd.
Statement of Assets and Liabilities**October 31, 2018****Assets:**

Investments, at value (cost \$140,054,075)	\$ 153,512,534
Cash	4,073
Dividends and interest receivable	779,860
Deferred offering expense	71,161
Prepaid expenses	353

Total Assets	154,367,981
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Liabilities:

Distributions payable	161,250
Payable for Fund shares repurchased	76,497
Payable for investment advisory fees	94,389
Payable for payroll expenses	30,350
Payable for accounting fees	7,500
Payable for legal and audit fees	31,186
Payable for shareholder communications expenses	23,220
Other accrued expenses	17,755

Total Liabilities	442,147
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Preferred Shares:

Series A Cumulative Preferred Shares (5.375%, \$25 liquidation value, \$0.01 par value, unlimited shares authorized with 1,200,000 shares issued and outstanding)	30,000,000
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Net Assets Attributable to Common Shareholders	\$ 123,925,834
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Net Assets Attributable to Common Shareholders Consist of:

Paid-in capital	\$ 103,078,221
Total distributable earnings(a)	20,847,613

Net Assets	\$ 123,925,834
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Net Asset Value per Common Share:

(\$123,925,834 ÷ 5,116,834 shares outstanding at \$0.01 par value; unlimited number of shares authorized)	\$24.22
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(a)

Effective October 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.

Statement of Operations

For the Year Ended October 31, 2018

Investment Income:	
Dividends	\$ 1,479,644
Interest	1,678,953
Total Investment Income	3,158,597
Expenses:	
Investment advisory fees	1,139,667
Trustees fees	122,000
Shareholder communications expenses	79,680
Payroll expenses	67,537
Legal and audit fees	53,497
Accounting fees	45,000
Shareholder services fees	30,903
Custodian fees	13,414
Interest expense	143
Miscellaneous expenses	58,801
Total Expenses	1,610,642
Less:	
Expenses paid indirectly by broker (See Note 3)	(1,404)
Net Expenses	1,609,238
Net Investment Income	1,549,359
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized gain on investments	13,969,337
Net change in unrealized appreciation on investments	(8,224,852)
Net Realized and Unrealized Gain/(Loss) on Investments	5,744,485
Net Increase in Net Assets Resulting from Operations	7,293,844
Total Distributions to Preferred Shareholders	(1,612,500)
	\$ 5,681,344

Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Statement of Changes in Net Assets Attributable to Common Shareholders**

	Year Ended October 31, 2018	Year Ended October 31, 2017
Operations:		
Net investment income	\$ 1,549,359	\$ 2,557,141
Net realized gain on investments	13,969,337	4,328,918
Net change in unrealized appreciation on investments	(8,224,852)	13,220,829
Net Increase in Net Assets Resulting from Operations	7,293,844	20,106,888
Distributions to Preferred Shareholders(a)	(1,612,500)	(1,612,500)*
Net Increase in Net Asset Attributable to Common Shareholders Resulting from Operations	5,681,344	18,494,388
Distributions to Common Shareholders(a)	(6,091,072)	(6,630,817)**
Fund Share Transactions:		
Net increase in net assets from common shares issued upon reinvestment of distributions	1,080,809	1,425,677
Net decrease from repurchase of common shares (includes transaction costs)	(3,999,171)	
Net decrease from costs charged for issuance of preferred shares		(75,574)
Net Increase/(Decrease) in Net Assets from Fund Share Transactions	(2,918,362)	1,350,103
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders	(3,328,090)	13,213,674
Net Assets Attributable to Common Shareholders:		
Beginning of year	127,253,924	114,040,250
End of year	\$ 123,925,834	\$ 127,253,924

(a) Effective October 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

* For the year ended October 31, 2017, the distributions to Preferred Shareholders from net investment income and net realized gain were \$362,097 and \$1,250,403, respectively.

** For the year ended October 31, 2017, the distributions to Common Shareholders from net investment income and net realized gain were \$1,488,992 and \$5,141,825, respectively.

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Financial Highlights**

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended October 31,				
	2018	2017	2016	2015	2014
Operating Performance:					
Net asset value, beginning of year	\$ 24.24	\$ 22.02	\$ 23.19	\$ 23.59	\$ 22.13
Net investment income	0.25	0.51	0.44	0.17	0.19
Net realized and unrealized gain on investments	1.11	3.33	0.50	0.23	1.74
Total from investment operations	1.36	3.84	0.94	0.40	1.93
Distributions to Preferred Shareholders:					
(a)					
Net investment income	(0.19)	(0.07)	(0.03)		
Net realized gain	(0.12)	(0.24)	(0.04)		
Total distributions to preferred shareholders	(0.31)	(0.31)	(0.07)		
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations					
	1.05	3.53	0.87	0.40	1.93
Distributions to Common					

Shareholders:					
Net investment income	(0.71)	(0.29)	(0.85)	(0.39)	(0.56)
Net realized gain	(0.45)	(0.98)	(0.92)	(0.51)	
Total distributions to common shareholders	(1.16)	(1.27)	(1.77)	(0.90)	(0.56)
Fund Share Transactions:					
Increase in net asset value from repurchase of common shares	0.11		0.04	0.10	0.11
Decrease in net asset value from common shares issued upon reinvestment of distributions	(0.02)	(0.03)	(0.10)	(0.00)(b)	(0.02)
Offering costs for preferred shares charged to paid-in capital	(0.00)	(0.01)	(0.21)		
Total Fund share transactions	0.09	(0.04)	(0.27)	0.10	0.09
Net Asset Value Attributable to Common Shareholders, End of Year	\$ 24.22	\$ 24.24	\$ 22.02	\$ 23.19	\$ 23.59
NAV total return	4.58%	16.29%	2.85%	2.71%	9.71%
Market value, end of year	\$ 20.41	\$ 21.90	\$ 20.81	\$ 19.50	\$ 20.09
Investment total return	(1.77)%	11.75%	17.23%	1.42%	12.25%

See accompanying notes to financial statements.

Bancroft Fund Ltd.**Financial Highlights (Continued)**

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended October 31,				
	2018	2017	2016	2015	2014
Ratio to Average Net Assets and Supplemental Data:					
Total assets including liquidation value of preferred shares, end of year (in 000 \$)	\$ 153,926	\$ 157,254	\$ 144,040		
Assets attributable to common shares, end of year (in 000 \$)	\$ 123,926	\$ 127,254	\$ 114,040	\$ 118,435	\$ 123,660
Ratio of net investment income to average net assets attributable to common shares before preferred distributions	1.17%	2.09%	1.98%	0.80%	1.0%
Ratio of operating expenses to average net assets attributable to common shares	1.22%(c)(d)	1.28%(c)(d)	1.15%(c)(d)	1.10%	1.1%
Turnover rate	43.0%	33.0%	50.0%	48.0%	43.0%

Cumulative			
Preferred			
Series			
5% Series			
Preferred			
Liquidation			
Value, end of			
(in 000 s)			
	\$ 30,000	\$ 30,000	\$ 30,000
Outstanding shares			
(in			
s)			
	1,200	1,200	1,200
Liquidation			
Preference per			
share			
	\$ 25.00	\$ 25.00	\$ 25.00
Average			
Market value			
	\$ 25.24	\$ 25.11	\$ 25.49
Net coverage			
per share			
	\$ 128.27	\$ 131.04	\$ 120.03
Net			
Coverage			
	513%	524%	480%

Based on net asset value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan. Prior to November 1, 2015, reinvestments of distributions were at market prices on the payable date.

Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

- (a) Calculated based on average common shares outstanding on the record dates throughout the years.
- (b) Amount represents less than \$0.005 per share.
- (c) Ratios of operating expenses to average net assets including liquidation value of preferred shares for the years ended October 31, 2018, 2017, and 2016 were 0.99%, 1.03%, and 1.08%, respectively.
- (d) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended October 31, 2018, 2017, and 2016, there was no impact on the expense ratios.
- (e) Based on weekly prices.

See accompanying notes to financial statements.

Bancroft Fund Ltd.

Notes to Financial Statements

1. Organization. Bancroft Fund Ltd. currently operates as a diversified closed-end management investment company organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the 1940 Act). Investment operations commenced in April 1971.

The Fund's primary investment objective is to provide income and the potential for capital appreciation, which objectives the Fund considers to be relatively equal over the long term due to the nature of the securities in which it invests. The Fund invests primarily in convertible and equity securities.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended October 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the October 31, 2017 Statement of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Bancroft Fund Ltd.

Notes to Financial Statements (Continued)

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Board's determinations as to the fair value of investments).

Bancroft Fund Ltd.**Notes to Financial Statements (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of October 31, 2018 is as follows:

	Valuation Inputs			
	Level 1	Level 2 Other Significant	Level 3 Significant	Total Market Value
	Quoted Prices	Observable Inputs	Unobservable Inputs	at 10/31/18
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Convertible Corporate Bonds				
Energy and Utilities	\$	6,467,014	\$	0
Other Industries (a)		102,503,172		102,503,172
Total Convertible Corporate Bonds		108,970,186		0
Convertible Preferred Stocks:				
Business Services			450,098	450,098
Food and Beverage		1,321,336		1,321,336
Other Industries (a)	\$	9,593,135		9,593,135
Total Convertible Preferred Stocks	9,593,135	1,321,336	450,098	11,364,569
Mandatory Convertible Securities:				
Financial Services		2,689,560		4,487,600
Other Industries (a)		14,899,184		14,899,184
Total Mandatory Convertible Securities		17,588,744		4,487,600
Common Stocks (a)		1,855,311		1,855,311
Warrants (a)			0	0
U.S. Government Obligations		9,246,124		9,246,124
TOTAL INVESTMENTS IN SECURITIES	\$ 29,037,190	\$ 124,025,246	\$ 450,098	\$ 153,512,534

(a) Please refer to the Schedule of Investments (SOI) for the industry classifications of these portfolio holdings. During the fiscal year ended October 31, 2018, the Fund did not have transfers into or out of Level 3. The following table reconciles Level 3 investments for the Fund for which significant unobservable inputs were used to determine fair value

	Balance as of 10/31/17	Accrued discounts/ (premiums)	Realized gain/ depreciation	Change in unrealized appreciation/ depreciation	Transfers into Level 3	Transfers out of Level 3	Balance as of 10/31/18	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments still held at 10/31/18
INVESTMENTS IN SECURITIES:								
ASSETS (Market Value):								
Convertible Corporate Bonds(a)	\$ 0						\$ 0	
Convertible Preferred Stocks(a)	450,098						450,098	
Warrants(a)	0						0	
TOTAL INVESTMENTS IN SECURITIES	\$450,098						\$450,098	

Net change in unrealized appreciation/depreciation on investments is included in the Statement of Operations.
(a) Please refer to the SOI for the industry classifications of these portfolio holdings.

Bancroft Fund Ltd.**Notes to Financial Statements (Continued)**

The following tables summarize the valuation techniques used and unobservable inputs utilized to determine the value of certain of the Fund's Level 3 investments as of October 31, 2018.

Description	Balance at 10/31/18	Valuation Technique	Unobservable Input	Range
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Convertible Corporate Bonds (a)	\$ 0	Bankruptcy	Discount Range	0%
Convertible Preferred Stock (a)	450,098	Acquisition price/cash flow analysis	Discount Range	&