

BANCROFT FUND LTD  
Form N-Q  
March 12, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

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: January 31, 2019

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q

Edgar Filing: BANCROFT FUND LTD - Form N-Q

unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the 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. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

**Bancroft Fund Ltd.****First Quarter Report January 31, 2019****(Y)our Portfolio Management Team****Thomas H. Dinsmore, CFA Jane D. O Keeffe James A.  
Dinsmore, CFA****To Our Shareholders,**

For the quarter ended January 31, 2019, the net asset value (NAV) total return of the Bancroft Fund Ltd. was 3.8%, compared with total returns of 3.3% and 3.4% 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 11.9%. The Fund's NAV per share was \$23.42, while the price of the publicly traded shares closed at \$20.98 on the NYSE American. See below for additional performance information.

Enclosed is the schedule of investments as of January 31, 2019.

**Comparative Results****Average Annual Returns through January 31, 2019 (a)(b) (Unaudited)**

|   | Quarter | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (04/20/71) |
|---|---------|--------|--------|--------|---------|----------------------------|
| <b>Bancroft Fund Ltd.</b>                                 |         |        |        |        |         |                            |
| <b>NAV Total Return (c)</b>                               | 3.82%   | 3.78%  | 12.00% | 7.09%  | 11.92%  | 8.85%                      |
| <b>Investment Total Return (d)</b>                        | 11.86   | 4.23   | 16.10  | 9.50   | 12.04   | 9.52                       |
| ICE Bank of America Merrill Lynch U.S. Convertibles Index | 3.33    | 3.99   | 12.78  | 7.04   | 12.96   | N/A(e)                     |
| Bloomberg Barclays Balanced U.S. Convertibles Index       | 3.37    | 3.70   | 8.40   | 3.87   | 9.60    | N/A(f)                     |
| Standard & Poor's (S&P) 500 Index                         | 0.26    | (2.31) | 14.02  | 10.96  | 15.00   | 10.28(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](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. 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.
- (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 are available.

**Bancroft Fund Ltd.****Schedule of Investments January 31, 2019 (Unaudited)**

| <b>Principal<br/>Amount</b> |   | <b>Market<br/>Value</b> |
|-----------------------------|---|-------------------------|
|                             | <b>CONVERTIBLE CORPORATE BONDS 73.7%</b>              |                         |
|                             | <b>Aerospace 2.1%</b>                                 |                         |
| \$ 2,000,000                | Aerojet Rocketdyne Holdings Inc.,<br>2.250%, 12/15/23 | \$ 3,252,778            |
|                             | <b>Automotive 1.1%</b>                                |                         |
| 685,000                     | NIO Inc.,<br>4.500%, 02/01/24                         | 673,013                 |
| 1,000,000                   | Tesla Inc.,<br>1.250%, 03/01/21                       | 1,079,872               |
|                             |   | 1,752,885               |
|                             | <b>Business Services 3.3%</b>                         |                         |
| 1,500,000                   | Perficient Inc.,<br>2.375%, 09/15/23(a)               | 1,406,700               |
| 400,000                     | Q2 Holdings Inc.,<br>0.750%, 02/15/23(a)              | 474,339                 |
| 1,040,000                   | RingCentral Inc.,<br>Zero Coupon, 03/15/23(a)         | 1,337,691               |
| 1,500,000                   | Square Inc.,<br>0.500%, 05/15/23(a)                   | 1,774,475               |
|                             |   | 4,993,205               |
|                             | <b>Communications Equipment 4.3%</b>                  |                         |
| 1,500,000                   | Harmonic Inc.,<br>4.000%, 12/01/20                    | 1,697,520               |
| 2,000,000                   | InterDigital, Inc.,<br>1.500%, 03/01/20               | 2,203,570               |
| 2,459,000                   | Lumentum Holdings Inc.,<br>0.250%, 03/15/24           | 2,646,068               |
|                             |   | 6,547,158               |
|                             | <b>Computer Software and Services 17.0%</b>           |                         |
| 1,725,000                   |   | 1,548,137               |

Edgar Filing: BANCROFT FUND LTD - Form N-Q

|                             |   |                         |
|-----------------------------|---|-------------------------|
|                             | Boingo Wireless Inc.,<br>1.000%, 10/01/23(a)        |                         |
| 1,000,000                   | Coupa Software Inc.,<br>0.375%, 01/15/23(a)         | 2,005,986               |
| 2,500,000                   | CSG Systems International Inc.,<br>4.250%, 03/15/36 | 2,579,750               |
| 1,000,000                   | GDS Holdings Ltd.,<br>2.000%, 06/01/25(a)           | 803,236                 |
| 1,987,000                   | IAC FinanceCo. Inc.,<br>0.875%, 10/01/22(a)         | 2,948,694               |
| 1,500,000                   | MercadoLibre Inc.,<br>2.000%, 08/15/28(a)           | 1,560,888               |
| 1,776,000                   | New Relic Inc.,<br>0.500%, 05/01/23(a)              | 2,038,122               |
| 1,548,000                   | Nice Systems Inc.,<br>1.250%, 01/15/24              | 2,159,122               |
| 1,701,000                   | Nutanix Inc.,<br>Zero Coupon, 01/15/23(a)           | 2,121,263               |
| 800,000                     | Okta Inc.,<br>0.250%, 02/15/23(a)                   | 1,446,000               |
| <b>Principal<br/>Amount</b> |   | <b>Market<br/>Value</b> |
| \$ 1,500,000                | PROS Holdings Inc.,<br>2.000%, 06/01/47             | \$ 1,456,901            |
| 973,000                     | Pure Storage Inc.,<br>0.125%, 04/15/23(a)           | 951,522                 |
| 1,500,000                   | Splunk Inc.,<br>1.125%, 09/15/25(a)                 | 1,619,957               |
| 1,500,000                   | The Priceline Group Inc.,<br>0.350%, 06/15/20       | 2,138,659               |
| 514,000                     | Vocera Communications Inc.,<br>1.500%, 05/15/23(a)  | 714,139                 |
|                             |   | 26,092,376              |
|                             | <b>Consumer Services 2.5%</b>                       |                         |
| 2,000,000                   | Extra Space Storage LP,<br>3.125%, 10/01/35(a)      | 2,284,682               |
| 1,600,000                   | Quotient Technology Inc.,<br>1.750%, 12/01/22       | 1,484,000               |
|                             |   | 3,768,682               |
|                             | <b>Diversified Industrial 4.0%</b>                  |                         |
| 750,000                     | Chart Industries Inc.,<br>1.000%, 11/15/24(a)       | 1,035,413               |
| 1,749,000                   | Kaman Corp.,<br>3.250%, 05/01/24                    | 1,946,737               |
| 500,000                     | KBR Inc.,<br>2.500%, 11/01/23(a)                    | 478,125                 |

Edgar Filing: BANCROFT FUND LTD - Form N-Q

|           |  |           |
|-----------|--|-----------|
| 1,457,000 | Team Inc.,<br>5.000%, 08/01/23                       | 1,443,341 |
| 1,000,000 | TimkenSteel Corp.,<br>6.000%, 06/01/21               | 1,290,800 |
|           |  | 6,194,416 |
|           | <b>Energy and Utilities 4.1%</b>                     |           |
| 2,000,000 | Cheniere Energy Inc.,<br>4.250%, 03/15/45            | 1,497,500 |
| 1,500,000 | Chesapeake Energy Corp.,<br>5.500%, 09/15/26         | 1,337,383 |
| 917,000   | Newpark Resources Inc.,<br>4.000%, 12/01/21          | 1,055,519 |
| 3,000,000 | SunPower Corp.,<br>4.000%, 01/15/23                  | 2,370,000 |
|           |  | 6,260,402 |
|           | <b>Entertainment 2.8%</b>                            |           |
| 2,000,000 | DISH Network Corp.,<br>3.375%, 08/15/26              | 1,704,000 |
| 1,250,000 | Gannett Co. Inc.,<br>4.750%, 04/15/24(a)             | 1,378,141 |
| 1,625,000 | Global Eagle Entertainment Inc.,<br>2.750%, 02/15/35 | 1,156,335 |
|           |  | 4,238,476 |

See accompanying notes to schedule of investments.



**Bancroft Fund Ltd.****Schedule of Investments (Continued) January 31, 2019 (Unaudited)**

| <b>Principal<br/>Amount</b>                    |   | <b>Market<br/>Value</b> |
|--|---|-------------------------|
| <b>CONVERTIBLE CORPORATE BONDS (Continued)</b> |   |                         |
| <b>Financial Services 3.5%</b>                 |   |                         |
| \$ 1,250,000                                   | Encore Capital Group Inc.,<br>3.000%, 07/01/20        | \$ 1,180,921            |
| 1,500,000                                      | GSV Capital Corp.,<br>4.750%, 03/28/23                | 1,344,965               |
| 1,000,000                                      | Heritage Insurance Holdings Inc.,<br>5.875%, 08/01/37 | 1,162,152               |
| 1,116,000                                      | LendingTree Inc.,<br>0.625%, 06/01/22                 | 1,709,515               |
|  |   | 5,397,553               |
| <b>Health Care 14.3%</b>                       |   |                         |
| 875,000  | ANI Pharmaceuticals Inc.,<br>3.000%, 12/01/19         | 892,332                 |
| 550,000  | Array BioPharma Inc.,<br>2.625%, 12/01/24(a)          | 791,945                 |
| 1,550,000                                      | BioMarin Pharmaceutical Inc.,<br>0.599%, 08/01/24     | 1,652,773               |
| 1,000,000                                      | CONMED Corp.,<br>2.625%, 02/01/24(a)                  | 1,023,962               |
| 535,000  | DexCom Inc.,<br>0.750%, 12/01/23(a)                   | 593,181                 |
| 1,500,000                                      | Evolent Health Inc.,<br>1.500%, 10/15/25(a)           | 1,319,400               |
| 1,350,000                                      | Exact Sciences Corp.,<br>1.000%, 01/15/25             | 1,874,989               |
| 250,000  | Horizon Pharma Investment Ltd.,<br>2.500%, 03/15/22   | 261,738                 |
| 1,566,000                                      | Insulet Corp.,<br>1.375%, 11/15/24(a)                 | 1,716,182               |
| 500,000  | Intercept Pharmaceuticals Inc.,<br>3.250%, 07/01/23   | 495,732                 |
| 500,000  | Invacare Corp.,<br>4.500%, 06/01/22                   | 355,749                 |
| 1,384,000                                      |   | 1,879,882               |

Edgar Filing: BANCROFT FUND LTD - Form N-Q

|           |   |            |
|-----------|---|------------|
|           | Neurocrine Biosciences Inc.,<br>2.250%, 05/15/24      |            |
| 1,000,000 | NuVasive Inc.,<br>2.250%, 03/15/21                    | 1,073,025  |
| 1,500,000 | Pacira Pharmaceuticals Inc.,<br>2.375%, 04/01/22.     | 1,491,563  |
| 2,000,000 | Paratek Pharmaceuticals Inc.,<br>4.750%, 05/01/24(a)  | 1,641,964  |
| 400,000   | Retrophin Inc.,<br>2.500%, 09/15/25                   | 354,998    |
| 1,500,000 | Supernus Pharmaceuticals Inc.,<br>0.625%, 04/01/23(a) | 1,487,813  |
| 1,200,000 | Teladoc Health Inc.,<br>3.000%, 12/15/22              | 1,967,250  |
| 1,000,000 | Theravance Biopharma Inc.,<br>3.250%, 11/01/23        | 1,044,594  |
|           |   | 21,919,072 |

**Principal  
Amount**

**Market  
Value**

|            |  |            |
|------------|--|------------|
|            | <b>Metals and Mining 0.7%</b>                    |            |
| \$ 500,000 | Arconic Inc.,<br>1.625%, 10/15/19                | \$ 493,500 |
| 600,000    | Royal Gold Inc.,<br>2.875%, 06/15/19             | 601,530    |
|            |  | 1,095,030  |
|            | <b>Semiconductors 9.4%</b>                       |            |
| 750,000    | Advanced Micro Devices Inc.,<br>2.125%, 09/01/26 | 2,347,615  |
| 1,500,000  | Cypress Semiconductor Corp.,<br>4.500%, 01/15/22 | 1,838,573  |
| 1,500,000  | Inphi Corp.,<br>1.125%, 12/01/20                 | 1,747,161  |
| 2,000,000  | Knowles Corp.,<br>3.250%, 11/01/21               | 2,213,816  |
| 500,000    | NXP Semiconductors NV,<br>1.000%, 12/01/19       | 516,358    |
| 2,386,000  | Rambus Inc.,<br>1.375%, 02/01/23                 | 2,136,839  |
| 1,309,000  | Silicon Laboratories Inc.,<br>1.375%, 03/01/22   | 1,395,750  |
| 1,750,000  | Teradyne Inc.,<br>1.250%, 12/15/23               | 2,283,400  |
|            |  | 14,479,512 |
|            | <b>Telecommunications 3.2%</b>                   |            |
| 2,000,000  |  | 1,510,996  |

Edgar Filing: BANCROFT FUND LTD - Form N-Q

|           |  |                    |
|-----------|--|--------------------|
|           | Infinera Corp.,<br>2.125%, 09/01/24                    |                    |
| 2,000,000 | Twilio Inc.,<br>0.250%, 06/01/23(a)                    | 3,392,764          |
|           |  | 4,903,760          |
|           | <b>Transportation 1.4%</b>                             |                    |
| 2,000,000 | Atlas Air Worldwide Holdings Inc.,<br>2.250%, 06/01/22 | 2,087,500          |
|           | <b>TOTAL CONVERTIBLE CORPORATE BONDS</b>               | <b>112,982,805</b> |

See accompanying notes to schedule of investments.

**Bancroft Fund Ltd.****Schedule of Investments (Continued) January 31, 2019 (Unaudited)**

| Shares  |  | Market<br>Value   |
|---|--|-------------------|
| <b>CONVERTIBLE PREFERRED STOCKS 6.8%</b>          |  |                   |
| <b>Agriculture 0.8%</b>                           |  |                   |
| 12,500  | Bunge Ltd., 4.875%   | \$ 1,240,625      |
| <b>Business Services 0.3%</b>                     |  |                   |
| 711,039   | Amerivon Holdings LLC, 4.000% (b)                            | 436,009           |
| 272,728   | Amerivon Holdings LLC, common equity units (b)               | 16,364            |
|   |  | 452,373           |
| <b>Financial Services 4.6%</b>                    |  |                   |
| 2,000   | Bank of America Corp., 7.250%                                | 2,586,320         |
| 40,000  | Landmark Infrastructure Partners LP, 7.000%                  | 990,000           |
| 15,000  | QTS Realty Trust Inc., 6.500%                                | 1,564,650         |
| 1,500   | Wells Fargo & Co., 7.500%                                    | 1,923,300         |
|   |  | 7,064,270         |
| <b>Real Estate Investment Trusts 1.1%</b>         |  |                   |
| 24,000  | Welltower Inc., 6.500%                                       | 1,644,240         |
|   | <b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>                    | <b>10,401,508</b> |
| <b>MANDATORY CONVERTIBLE SECURITIES (c) 16.1%</b> |  |                   |
| <b>Computer Software and Services 0.7%</b>        |  |                   |
| 10,000  | MTS Systems Corp.,<br>8.750%, 07/01/19                       | 1,064,464         |
| <b>Diversified Industrial 3.3%</b>                |  |                   |
| 15,000  | Colfax Corp.,<br>5.750%, 01/15/22                            | 1,741,800         |
| 30,311  | International Flavors & Fragrances Inc.,<br>6.000%, 09/15/21 | 1,640,128         |
| 30,100  | Rexnord Corp.,<br>5.750%, 11/15/19                           | 1,671,152         |
|   |  | 5,053,080         |

|  |   |   |
|--|---|---|
| <b>Energy and Utilities 4.5%</b>           |   |   |
| 37,200                                     | CenterPoint Energy Inc.,<br>7.000%, 09/01/21              | 2,006,940                                     |
| 20,000                                     | Dominion Energy, Inc.,<br>6.750%, 08/15/19                | 961,000                                       |
| 18,600                                     | DTE Energy Co.,<br>6.500%, 10/01/19                       | 1,013,142                                     |
| 10,000                                     | NextEra Energy Inc.,<br>6.123%, 09/01/19                  | 593,100                                       |
| 5,369                                      | Sempra Energy,<br>6.000%, 01/15/21                        | 538,672                                       |
| 5,000                                      | 6.750%, 07/15/21  | 508,700                                       |
|  |   | <b>Market</b>                                 |
| <b>Shares</b>                              |   | <b>Value</b>                                  |
| 25,530                                     | South Jersey Industries Inc.,<br>7.250%, 04/15/21         | \$ 1,254,033                                  |
|  |   | 6,875,587                                     |
| <b>Financial Services 5.0%</b>             |   |   |
| 10,000                                     | 2017 Mandatory Exchangeable Trust,<br>5.188%, 12/01/20    | 1,291,000                                     |
| 20,000                                     | Alibaba Mandatory Exchange Trust,<br>5.750%, 06/01/19 (a) | 3,783,500                                     |
| 14,800                                     | Assurant Inc.,<br>6.500%, 03/15/21                        | 1,543,196                                     |
| 24,000                                     | New York Community Capital Trust V,<br>6.000%, 11/01/51   | 1,125,600                                     |
|  |   | 7,743,296                                     |
| <b>Health Care 1.1%</b>                    |   |   |
| 27,747                                     | Becton Dickinson and Co.,<br>6.125%, 05/01/20             | 1,706,441                                     |
| <b>Real Estate Investment Trusts 1.5%</b>  |   |   |
| 2,060                                      | Crown Castle International Corp.,<br>6.875%, 08/01/20     | 2,279,184                                     |
|  |   | <b>TOTAL MANDATORY CONVERTIBLE SECURITIES</b> |
|  |   | 24,722,052                                    |
| <b>COMMON STOCKS 2.5%</b>                  |   |   |
| <b>Computer Software and Services 1.4%</b> |   |   |
| 20,384                                     | Proofpoint Inc.   | 2,076,518                                     |
| <b>Energy and Utilities 1.1%</b>           |   |   |
| 133  | Goodrich Petroleum Corp.                                  | 1,819   |

|                                  |  |                  |
|----------------------------------|--|------------------|
| 32,369                           | Hess Corp.   | 1,747,903        |
|                                  |  | 1,749,722        |
| <b>TOTAL COMMON STOCKS</b>       |  | <b>3,826,240</b> |
| <b>WARRANTS 0.0%</b>             |  |                  |
| <b>Energy and Utilities 0.0%</b> |  |                  |
| 1,135                            | Goodrich Petroleum Corp., expire 10/12/26 (b)                      | 0                |
| <b>Principal Amount</b>          | <b>U.S. GOVERNMENT OBLIGATIONS 0.9%</b>                            |                  |
| \$1,405,000                      | U.S. Treasury Bills,<br>2.316% to 2.375% ,<br>02/28/19 to 04/11/19 | 1,398,943        |
| <b>TOTAL INVESTMENTS 100.0%</b>  |  |                  |
| (Cost \$136,786,315)             |  | \$ 153,331,548   |

See accompanying notes to schedule of investments.

**Bancroft Fund Ltd.**

**Schedule of Investments (Continued) January 31, 2019 (Unaudited)**

- (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 January 31, 2019, the market value of Rule 144A securities amounted to \$43,678,221 or 28.49% of total investments.
- (b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
- (c) 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 schedule of investments.

**Bancroft Fund Ltd.**

**Notes to Schedule of Investments (Unaudited)**

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 schedule of investments. 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 schedule of investments.

**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).

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 Schedule of Investments (Unaudited) (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 January 31, 2019 is as follows:

|  | Valuation Inputs         |                              |   | Total Market Value<br>at 1/31/19 |
|--|--------------------------|------------------------------|---|----------------------------------|
|  | Level 1<br>Quoted Prices | Level 2<br>Observable Inputs | Other Significant<br>Level 3<br>Unobservable Inputs |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>      |                          |                              |   |                                  |
| <b>ASSETS (Market Value):</b>          |                          |                              |   |                                  |
| Convertible Corporate Bonds(a)         |                          | \$112,982,805                |   | \$112,982,805                    |
| Convertible Preferred Stocks:          |                          |                              |   |                                  |
| Business Services                      |                          |                              | \$452,373   | 452,373                          |
| Other Industries (a)                   | \$ 9,949,135             |                              |   | 9,949,135                        |
| Total Convertible Preferred Stocks     | 9,949,135                |                              | 452,373   | 10,401,508                       |
| Mandatory Convertible Securities:      |                          |                              |   |                                  |
| Computer Software and Services         |                          | 1,064,464                    |   | 1,064,464                        |
| Financial Services                     | 2,668,796                | 5,074,500                    |   | 7,743,296                        |
| Other Industries (a)                   | 15,914,292               |                              |   | 15,914,292                       |
| Total Mandatory Convertible Securities | 18,583,088               | 6,138,964                    |   | 24,722,052                       |
| Common Stocks (a)                      | 3,826,240                |                              |   | 3,826,240                        |
| Warrants (a)                           |                          |                              | 0   | 0                                |
| U.S. Government Obligations            |                          | 1,398,943                    |   | 1,398,943                        |
| <b>TOTAL INVESTMENTS IN SECURITIES</b> | <b>\$32,358,463</b>      | <b>\$120,520,712</b>         | <b>\$452,373</b>                                    | <b>\$153,331,548</b>             |

(a) Please refer to the Schedule of Investments (SOI) for the industry classifications of these portfolio holdings.

**Additional Information to Evaluate Qualitative Information.**

**General.** The Fund uses recognized industry pricing services approved by the Board and unaffiliated with the Adviser to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market

participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

**Fair Valuation.** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

---

**Bancroft Fund Ltd.****Notes to Schedule of Investments (Unaudited) (Continued)**

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Investments in Other Investment Companies.** The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. During the period ended January 31, 2019, the Fund held no investments in other investment companies.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Restricted Securities.** The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted securities held as of January 31, 2019, please refer to the Schedule of

Investments.

**Bancroft Fund Ltd.**

**Notes to Schedule of Investments (Unaudited) (Continued)**

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

**Bancroft Fund Ltd.**

**One Corporate Center**

**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Thomas H. Dinsmore, CFA**, joined Gabelli Funds, LLC in 2015. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Previously Mr. Dinsmore was Chairman and CEO of Dinsmore Capital Management; CEO and Portfolio Manager of Bancroft Fund Ltd; and CEO, Portfolio Manager, and co-founder of Ellsworth Growth and Income Fund Ltd. He received a BS in Economics from the Wharton School of Business and an MA degree in Economics from Fairleigh Dickinson University.

**Jane D. O Keeffe** joined Gabelli Funds, LLC in 2015. She currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Previously Ms. O Keeffe was President and Director of Dinsmore Capital Management where she was also a Portfolio Manager of Bancroft Fund Ltd. and Ellsworth Growth and Income Fund Ltd. Prior to joining Dinsmore Capital Management, Ms. O Keeffe held positions of increasing responsibilities at IDS Progressive Fund, Soros Fund Management Company, Simms Capital Management, and Fiduciary Trust International. She earned a BA from the University of New Hampshire and attended the Lubin Graduate School of Business at Pace University.

**James A. Dinsmore, CFA**, joined Gabelli Funds, LLC in 2015. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dinsmore received a BA in Economics from Cornell University and an MBA degree from Rutgers University.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading Convertible Securities Funds, in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading Convertible Securities Funds.

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

The NASDAQ symbol for the Net Asset Value is XBCVX.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may from time to time purchase its common shares in the open market when the Fund's shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

**BANCROFT FUND LTD.**

One Corporate Center

Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

**GABELLI.COM**

**TRUSTEES**

Mario J. Gabelli, CFA

Chairman and

Chief Executive Officer,

GAMCO Investors, Inc.

Executive Chairman,

Associated Capital Group Inc.

Kinchen C. Bizzell

Former Managing Director,

CAVU Securities

Elizabeth C. Bogan

Senior Lecturer, Economics

Princeton University

Anthonie C. van Ekris

Chairman,  
BALMAC International Inc.

**OFFICERS**

Jane D. O'Keefe

President

John C. Ball

Treasurer

Agnes Mullady

Vice President

Andrea R. Mango



Edgar Filing: BANCROFT FUND LTD - Form N-Q

Secretary & Vice President

James P. Conn

Former Managing Director &

Chief Investment Officer,

Financial Security Assurance

Holdings Ltd.

Richard J. Walz

Chief Compliance Officer

Laurissa M. Martire

Vice President & Ombudsman

Frank J. Fahrenkopf, Jr.

Former President &

Chief Executive Officer,

American Gaming Association

INVESTMENT ADVISER

Gabelli Funds, LLC

Daniel D. Harding

Managing General Director,

Global Equity Income Fund

CUSTODIAN

State Street Bank and Trust

Company

Michael J. Melarkey

Of Counsel,

McDonald Carano Wilson LLP

COUNSEL

Skadden, Arps, Slate, Meagher & Flom LLP

Kuni Nakamura

President,

Advanced Polymer, Inc.

TRANSFER AGENT AND REGISTRAR

American Stock Transfer and

Jane D. O'Keeffe

Portfolio Manager,

Trust Company

Gabelli Funds, LLC

Nicolas W. Platt

Former Managing Director,

FTI Consulting Inc.

[BCV Q1/2019](#)

**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Bancroft Fund Ltd.

By (Signature and Title)\* /s/ Jane D. O Keefe

Jane D. O Keefe, Principal Executive Officer

Date 3/12/19

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Jane D. O Keefe

Jane D. O Keefe, Principal Executive Officer

Date 3/12/19

By (Signature and Title)\* /s/ John C. Ball

John C. Ball, Principal Financial Officer and Treasurer

Date 3/12/19

\* Print the name and title of each signing officer under his or her signature.