

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

BANCROFT FUND LTD  
Form N-CSRS  
June 30, 2006

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: 811-2151  
-----

BANCROFT FUND LTD.

-----  
(Exact name of registrant as specified in charter)

65 Madison Avenue, Morristown, New Jersey 07960-7308  
-----

(Address of principal executive offices) (Zip code)

Thomas H. Dinsmore  
BANCROFT FUND LTD.  
65 Madison Avenue  
Morristown, New Jersey 07960-7308  
(Name and address of agent for service)

Copy to:  
Martha J. Hays, Esq.  
Ballard Spahr Andrews & Ingersoll, LLP  
1735 Market Street  
Philadelphia, PA 19103-7599

Registrant's telephone number, including area code: (973) 631-1177

Date of fiscal year end: October 31

Date of reporting period: April 30, 2006

ITEM 1. REPORTS TO STOCKHOLDERS.

BANCROFT FUND LTD.  
[LOGO]

2006 SEMI-ANNUAL REPORT  
APRIL 30, 2006

Bancroft Fund Ltd. (successor to Bancroft Convertible Fund, Inc.) operates as a closed-end, diversified management investment company and invests primarily in convertible securities, with the objectives of providing income and the potential for capital appreciation -- which objectives the Fund considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.

# Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

## HIGHLIGHTS

PERFORMANCE THROUGH APRIL 30, 2006 with dividends reinvested

	Calendar YTD	1 Year	Cumulative 5 Years	Cumulative 10 Years
Bancroft market price (a) .....	4.55%	15.01%	12.72%	129.73%
Bancroft net asset value (b) .....	5.62	15.52	21.08	109.74
Closed-end convertible fund average (b) .....	5.87	16.05	31.86	104.28
S&P 500 (a) .....	5.61	15.41	14.22	135.36
Merrill Lynch All Convertibles Index (a) .....	6.21	16.39	30.23	128.33
Lehman Aggregate Bond Total Return Index (b) ....	(0.83)	0.71	28.57	84.68

PERFORMANCE DATA REPRESENT PAST RESULTS AND DO NOT REFLECT FUTURE PERFORMANCE. BANCROFT'S PERFORMANCE IN THE TABLE ABOVE HAS NOT BEEN ADJUSTED FOR THE FISCAL 2004 RIGHTS OFFERING; NET ASSET VALUE DILUTION WAS 2.38%.

- (a) From Bloomberg L.P. pricing service.
- (b) From Lipper, Inc. Closed-End Fund Performance Analysis, dated April 30, 2006.

### QUARTERLY HISTORY OF NAV AND MARKET PRICE

Qtr. Ended	Net Asset Values			Market Prices (AMEX, symbol BCV)		
	High	Low	Close	High	Low	Close
Jul. 05	\$21.26	\$19.72	\$21.26	\$18.25	\$16.99	\$18.25
Oct. 05	21.75	20.79	21.05	18.55	17.52	17.77
Jan. 06	22.06	20.90	22.06	18.65	17.53	18.62
Apr. 06	22.23	21.69	22.20	18.90	18.41	18.69

### DIVIDEND DISTRIBUTIONS (12 MONTHS)

Record Date	Payment Date	Income	Capital Gains	Income
6/15/05	6/29/05	\$0.170	--	\$0.170
9/15/05	9/29/05	0.170	--	0.170
12/02/05	12/27/05	0.243	--	0.243
3/16/06	3/30/06	0.180	--	0.180
		\$0.763		
		=====		

TO OUR SHAREHOLDERS

June 12, 2006

This is our first shareholder report since the Fund reorganized as a

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

Delaware statutory trust, and changed its name to Bancroft Fund Ltd. As a Delaware statutory trust, the amount of state taxes that the Fund will pay annually will be reduced, and the Fund will enjoy a higher flexibility in governance. For example, from time to time, in between scheduled meetings of the Board, the trustees are asked to approve certain matters affecting the Fund. Formerly, all board members were required to sign a consent approving such matters. As a Delaware statutory trust, the trustees are permitted to act between regular meetings by a consent signed by at least 75% of the trustees. This will permit the Board to act in a timelier manner if a trustee is unavailable to approve such action.

The convertible market has undergone many major changes over the thirty-five years that Bancroft has existed. One of the most significant was the creation of mandatory conversion securities (a type of convertible that has a required conversion or redemption feature). These convertibles usually provide a much higher yield than their underlying common stock, but rather than the holder having the option of taking the shares or cash at maturity or redemption, the holder must convert even if conversion value is less than issue price. Issues of this type became a sizeable portion of the convertible market starting in the '90s. While these issues (sometimes known as DECS, PERCS, or ELKS) tend to be more volatile than traditional convertibles, they have performed well as a group. According to Citigroup, since December 1994 the mandatory portion of the convertible market has provided the best performance, followed by cash coupon convertible bonds, convertible preferreds and zero coupon bonds (which also tend to be the least volatile).

The convertible securities market also has undergone substantial changes over the last two years. According to Citigroup, the average premium-to-conversion value (the positive difference between the market price of a convertible security and the value of the underlying common stock) for May 2004 was 42.9%; by May 2005 it had fallen to 35.2% and this May it was 30.3%. Citigroup also measured a decline in current yield from 3.9% in 2004 and 2005 to 3.5% in May 2006. Much of this premium compression and current yield decline was due to rising equity prices. The higher premium and current yield levels in 2004 made for a convertible market that was less equity sensitive and more interest rate sensitive than it is now. The convertible market also appears to have ended its decline in total market value over the last three years. New issues and market appreciation were greater than redemptions as Merrill Lynch measured a rise in the market value from \$263 billion in 2005 to \$266 billion in May 2006.

The Fund's performance based on industry exposure has changed recently. While positive returns continue to come from the energy sector, we have also seen better performance in our aerospace and defense exposure. Underperforming industries have been health care and pharmaceuticals. We believe these underperforming industries lagged due to the perception that there will be greater government involvement in these businesses.

continued on the following page

Page 1

-----  
TO OUR SHAREHOLDERS (continued)-----

For the ten-year period ended April 30, 2006, Bancroft's net asset value (NAV) had outperformed the average NAV performance of the closed-end funds included

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

in the closed-end convertible fund category tracked by Lipper, Inc. and published in the Lipper Closed-End Performance Analysis. However, for the one-year, three-years and five-years ended April 30, 2006, the Fund underperformed the average NAV of the eleven funds in its category.

Visit our website, [www.bancroftfund.com](http://www.bancroftfund.com), for additional information on the Fund, such as a monthly portfolio summary which lists the Fund's largest holdings. Quarterly updates may be found in the Financial Reports section, and other financial data is often included in press releases.

The results of the 2006 annual meeting of shareholders are shown in the Miscellaneous Notes section of this report. We thank you for your support. At its May meeting, the Board of Trustees declared a dividend of \$0.18 per share. The dividend consists of undistributed net investment income and will be payable on June 29, 2006 to shareholders of record on June 15, 2006.

/s/ Thomas H. Dinsmore  
 Thomas H. Dinsmore  
 Chairman of the Board

-----  
 MAJOR PORTFOLIO CHANGES by underlying common stock-----

Six months ended April 30, 2006

ADDITIONS	REDUCTIONS
DRS Technologies, Inc.	Advanced Micro Devices, Inc.
E*TRADE Financial Corp.	Best Buy Co., Inc.
Equinix, Inc. (EXCHANGEABLE FROM CREDIT SUISSE FIRST BOSTON (USA), INC.)	Chesapeake Energy Corp.
Intel Corp.	Community Health Systems, Inc.
LSB Industries, Inc.	Comverse Technology, Inc.
Maverick Tube Corp.	L-3 Communications Holdings, Inc.
Microsoft Corp. (EXCHANGEABLE FROM LEHMAN BROTHERS HOLDINGS, INC.)	Lear Corp.
St. Jude Medical, Inc.	OMI Corp.
Texas Industries, Inc. (EXCHANGEABLE FROM TXI CAPITAL TRUST I)	Nortel Networks Corp.
	The Williams Companies, Inc.
	Valero Energy Corp.

Page 2

-----  
 LARGEST INVESTMENT HOLDINGS by underlying common stock -----

Value (Note 1)	% Total Net Assets
-------------------	-----------------------

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

The Walt Disney Company .....	\$ 4,270,000	3.4%
An entertainment company which conducts operations in media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing.		
Teva Pharmaceutical Industries Ltd. ....	3,236,875	2.6
Develops, manufactures and markets generic and branded human pharmaceuticals and active pharmaceutical ingredients. (exchangeable from Ivax Corp., Teva Pharmaceutical Finance Co. B.V. and Teva Pharmaceutical Finance Co., LLC)		
Nuveen Investments, Inc. ....	3,142,478	2.5
The company's principal activities are asset management and related research, and the development, marketing and distribution of investment products and services. (exchangeable from Merrill Lynch & Co., Inc. and Morgan Stanley, Inc.)		
The St. Paul Travelers Companies, Inc. ....	3,018,000	2.4
Provides a broad range of insurance products and services for the commercial and consumer markets.		
Washington Mutual, Inc. ....	2,803,500	2.3
A financial services company that provides a diversified line of products and services to consumers and small- to mid-sized businesses.		
Freeport-McMoRan Copper and Gold, Inc. ....	2,794,500	2.2
Is involved in mineral exploration and development, mining, and milling of copper, gold and silver. The company is also involved in smelting and refining copper concentrates.		
Celanese Corp. ....	2,624,375	2.1
A global industrial chemicals company that processes raw materials and natural products into chemicals and chemical-based products.		
U.S. Bancorp .....	2,500,000	2.0
A diversified financial services company that provides lending and depository services, cash management, foreign exchange, trust and investment management services.		
The TJX Companies, Inc. ....	2,482,500	2.0
Retailers off-price apparel and home fashions. The company currently operates T.J. Maxx, Marshalls, HomeGoods, A.J. Wright, Winners and T.K. Maxx stores.		
Genworth Financial, Inc. ....	2,432,250	2.0
Provides life insurance products, long-term care insurance and mortgage guarantee insurance coverage on residential mortgage loans. (exchangeable from Citigroup Funding, Inc.)		
Total .....	\$29,304,478	23.5%
	=====	=====

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

MAJOR INDUSTRY EXPOSURE

Aerospace and Defense	-----> 4.5%
Banking/Savings and Loan	-----> 8.7%
Energy	-----> 8.7%
Entertainment	-----> 5.0%
Financial and Insurance	-----> 15.1%
Health Care	-----> 3.7%
Pharmaceuticals	-----> 9.9%
Retail	-----> 3.8%
Technology	-----> 13.7%
Telecommunications	-----> 4.2%

DIVERSIFICATION OF ASSETS

	Value (Note 1)	% Total Net Assets	
		Six Months Ended April 30, 2006	Year Ended October 31, 2005
Aerospace and Defense .....	\$ 5,618,014	4.5%	2.6%
Automotive .....	--	--	2.2
Banking/Savings and Loan .....	10,893,578	8.7	9.6
Building Products .....	1,848,945	1.5	--
Chemicals .....	4,354,375	3.5	3.4
Consumer Goods .....	3,061,797	2.5	2.6
Energy .....	10,904,250	8.7	13.1
Entertainment .....	6,252,500	5.0	4.3
Financial and Insurance .....	18,881,677	15.1	15.4
Financial Services .....	2,285,000	1.8	0.8
Foods .....	2,018,600	1.6	2.6
Health Care .....	4,636,250	3.7	3.1
Mining .....	2,794,500	2.2	1.9
Multi-Industry .....	2,448,750	2.0	0.7
Pharmaceuticals .....	12,325,999	9.9	10.5
Retail .....	4,725,625	3.8	6.4
Technology .....	17,113,178	13.7	8.4
Telecommunications .....	5,226,466	4.2	5.2
Utilities .....	1,644,375	1.3	1.5
Short-Term Securities .....	6,507,469	5.2	4.1
<b>TOTAL INVESTMENTS .....</b>	<b>123,541,348</b>	<b>98.9</b>	<b>98.4</b>
Other Assets, Net of Liabilities .	1,356,745	1.1	1.6
<b>TOTAL NET ASSETS .....</b>	<b>\$124,898,093</b>	<b>100.0%</b>	<b>100.0%</b>

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

-----  
 PORTFOLIO OF INVESTMENTS APRIL 30, 2006 (UNAUDITED)-----

Principal Amount		Value (Note 1)
-----		
	CONVERTIBLE BONDS AND NOTES -- 55.7%	
	AEROSPACE AND DEFENSE -- 3.5%	
\$1,000,000	AAR Corp. 1.75% 2026 cv. sr. notes (BB-) (Acquired 01/26/06 - 01/27/06; Cost \$1,013,597) (1) .....	\$1,086,2
1,000,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) (2) .....	1,162,5
2,000,000	DRS Technologies, Inc. 2% 2026 cv. sr. notes (B2) (Acquired 01/30/06; Cost \$2,026,875) (1,2) .....	2,132,5
		----- 4,381,2
	BANKING/SAVINGS AND LOAN -- 2.0%	
2,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2) .....	2,500,0
		-----
	CONSUMER GOODS -- 1.4%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2) .....	1,777,1
		-----
	ENERGY -- 4.9%	
1,500,000	Maverick Tube Corp. 1.875% 2025 cv. sr. sub. notes (B) .....	2,214,3
1,500,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR) .....	2,173,1
1,500,000	Rentech, Inc. 4% 2013 cv. sr. notes (NR) .....	1,792,5
		----- 6,180,0
	ENTERTAINMENT -- 5.0%	
2,000,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2) .....	1,982,5
4,000,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (A3) .....	4,270,0
		----- 6,252,5
	FINANCIAL AND INSURANCE -- 1.0%	
1,125,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3) .....	1,307,8
		-----
	FINANCIAL SERVICES -- 1.8%	
2,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) (2) .....	2,285,0
		-----
	FOODS -- 0.8%	
1,000,000	Lehman Brothers Holdings, Inc. 3% 2012 medium-term notes (A1) (performance linked to General Mills, Inc. common stock) (2) .....	963,6
		-----
	HEALTH CARE -- 3.7%	
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3) .....	2,165,0
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) (2) .....	986,2
1,500,000	St. Jude Medical, Inc. 2.8% 2035 cv. sr. deb. (BBB+) (2) .....	1,485,0
		----- 4,636,2

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

	MULTI-INDUSTRY -- 2.0%	
1,500,000	LSB Industries, Inc. 7% 2011 cv. sr. sub. deb. (NR) (Acquired 03/01/06; Cost \$1,500,000) (1) .....	1,593,7
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) (2) .....	855,0
		----- 2,448,7 -----

PAGE 5

-----  
PORTFOLIO OF INVESTMENTS APRIL 30, 2006 (CONTINUED)-----

Principal Amount		Value (Note 1)
-----		-----
	CONVERTIBLE BONDS AND NOTES -- CONTINUED	
	PHARMACEUTICALS -- 8.0%	
\$2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock) .....	\$ 1,620,0
1,250,000	Amgen, Inc. 0.125% 2011 cv. sr. notes (A2) (Acquired 02/14/06 - 02/15/06; Cost \$1,253,607) (1) .....	1,196,8
500,000	Amgen, Inc. 0.375% 2013 cv. sr. notes (A2) (Acquired 02/14/06; Cost \$500,000) (1) .....	477,5
462,000	BioMarin Pharmaceutical, Inc. 2.5% 2013 cv. sr. sub. notes (NR) .....	463,7
1,000,000	Bristol-Myers Squibb Co. floating rate 2023 cv. sr. deb. (A1) .....	1,003,7
1,000,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-) .....	1,511,2
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) (exch. for Teva Pharmaceutical Industries Ltd. ADR and cash) .....	1,012,5
1,000,000	Teva Pharmaceutical Finance Co., LLC 0.25% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR) .....	1,002,5
1,750,000	Teva Pharmaceutical Finance Co. B.V. 1.75% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR) .....	1,728,1
		----- 10,016,2 -----
	RETAIL -- 3.8%	
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2) .....	952,5
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR) .....	1,290,6
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1) .....	2,482,5
		----- 4,725,6 -----
	TECHNOLOGY -- 12.3%	
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05; Cost \$1,000,000) (1) .....	1,182,5
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. for the cash equivalent of a basket of technology stocks) (2) ..	1,860,4
1,000,000	Coherent, Inc. 2.75% 2011 cv. sub. notes (NR) (Acquired 03/07/06 - 03/08/06; Cost \$1,012,181) (1) .....	1,161,2
1,000,000	Conexant Systems, Inc. 4% 2026 cv. sub. notes (NR) (Acquired 03/02/06; Cost \$987,838) (1) .....	1,047,5
1,500,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (A-) (2) .....	1,288,1
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2) .....	2,202,1



Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B) .....	1,610,6
1,500,000	Lehman Brothers Holdings, Inc. 1% 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) (2) .....	1,408,2
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05; Cost \$1,000,000) (1) .....	980,0
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) .....	1,528,1
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3) .....	1,037,5
		-----
		15,306,4
		-----
	TELECOMMUNICATIONS -- 4.2%	
750,000	Converse Technology, Inc. 0% 2023 ZYPS (BB-) (3) .....	1,003,1
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1) .....	1,021,2
2,000,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR) .....	2,027,5
1,057,000	Time Warner Telecom, Inc. 2.375% 2026 cv. sr. deb. (Caal) .....	1,174,5
		-----
		5,226,4
		-----

PAGE 6

-----  
 PORTFOLIO OF INVESTMENTS APRIL 30, 2006 (CONTINUED)-----

Principal Amount		Value (Note 1)
-----		-----
	CONVERTIBLE BONDS AND NOTES -- CONTINUED	
	UTILITIES -- 1.3%	
\$1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1) .....	1,644,3
		-----
	TOTAL CONVERTIBLE BONDS AND NOTES .....	\$69,651,5
		-----
	Shares	
-----	CONVERTIBLE PREFERRED STOCKS -- 22.8%	
	AEROSPACE AND DEFENSE -- 1.0%	
40,000	Ionatron, Inc. 6.5% series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$970,253) (1) .....	1,200,0
		-----
	BANKING/SAVINGS AND LOAN -- 6.7%	
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR) .....	1,855,6
45,000	New York Community Bancorp, Inc. 6% BONUS units (Baa2) .....	2,115,7
35,000	Sovereign Capital Trust IV 4.375% PIERS (Bal) (exch. for Sovereign Bancorp, Inc. common stock) (2) .....	1,618,7
50,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exch. for Washington Mutual, Inc. common stock) .....	2,803,5
		-----
		8,393,5
		-----

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

32,500	BUILDING PRODUCTS -- 1.5%	
	TXI Capital Trust I 5.5% SPuRS (B2)	
	(exch. for Texas Industries, Inc. common stock) .....	1,848,9
		-----
85,000	CHEMICALS -- 2.1%	
	Celanese Corp. 4.25% cv. perp. pfd. (NR) .....	2,624,3
		-----
20,000	ENERGY -- 2.8%	
9,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+) .....	1,900,0
	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-) .....	1,615,5
		-----
		3,515,5
		-----
75,000	FINANCIAL AND INSURANCE -- 6.5%	
	Citigroup Funding, Inc. variable rate exch. notes (Aa1)	
	(exch. for Genworth Financial, Inc. common stock) .....	2,432,2
15	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3)	
	(Acquired 12/30/04 - 01/11/05; Cost \$1,578,125) (1) .....	1,432,0
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2) .....	1,212,5
120,000	The St. Paul Travelers Companies, Inc. 4.5% 2032	
	cv. jr. sub. notes (Baa1) .....	3,018,0
		-----
		8,094,7
		-----
2,000	MINING -- 2.2%	
	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-) ...	2,794,5
		-----
	TOTAL CONVERTIBLE PREFERRED STOCKS .....	\$28,471,6
		-----

PAGE 7

-----  
 PORTFOLIO OF INVESTMENTS APRIL 30, 2006 (CONTINUED)-----

Shares		Value (Note 1)
-----		-----
	MANDATORY CONVERTIBLE SECURITIES -- 14.7% (4)	
40,000	CHEMICALS -- 1.4%	
	Huntsman Corp. 5% mandatory cv. pfd. 02/16/08 (NR) .....	\$ 1,730,0
		-----
35,000	CONSUMER GOODS -- 1.0%	
	Constellation Brands, Inc. dep. shs. representing 5.75%	
	series A mandatory cv. pfd. 09/01/06 (B) .....	1,284,6
		-----
10,000	ENERGY -- 1.0%	
	Amerada Hess Corp. 7% mandatory cv. pfd. ACES 12/01/06 (Ba3) .....	1,208,7

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

	FINANCIAL AND INSURANCE -- 7.2%	
25,000	The Chubb Corp. 7% equity units 08/16/06 (A2) (2) .....	906,2
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (B3) .....	1,402,8
30,000	Merrill Lynch & Co., Inc. 6.75% mandatory exch. securities 10/15/07 (Aa3) (exch. for Nuveen Investments, Inc. common stock) .....	1,293,0
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+) .....	2,260,0
42,500	Morgan Stanley, Inc. 5.875% mandatory exch. securities 10/15/08 (Aa3) (exch. for Nuveen Investments, Inc. common stock) .....	1,849,3
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3) .....	990,2
10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3) .....	250,2
		-----
		8,952,0
		-----
	FOODS -- 0.8%	
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exch. for General Mills, Inc. common stock) .....	1,055,0
		-----
	PHARMACEUTICALS -- 1.8%	
45,000	Schering-Plough Corp. 6% mandatory cv. pfd. 09/14/07 (Baa3) .....	2,309,7
		-----
	TECHNOLOGY -- 1.4%	
30,000	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exch. for Equinix, Inc. common stock) .....	1,806,6
		-----
	TOTAL MANDATORY CONVERTIBLE SECURITIES (4) .....	\$18,346,8
		-----
	COMMON STOCKS -- 0.5%	
	AEROSPACE AND DEFENSE -- 0.0%	
2,643	Ionatron, Inc. (Acquired 04/17/06; Cost \$29,747) (1,3) .....	36,7
		-----
	FINANCIAL AND INSURANCE -- 0.4%	
21,185	E*TRADE Financial Corp. (3) .....	527,0
		-----
	TOTAL COMMON STOCKS .....	\$ 563,8
		-----

PAGE 8

-----  
 PORTFOLIO OF INVESTMENTS APRIL 30, 2006 (CONTINUED)-----

Principal  
 Amount  
 -----

Value  
 (Note 1)  
 -----

SHORT-TERM SECURITIES -- 5.2%

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

\$6,500,000	COMMERCIAL PAPER -- 5.2%	
	American Express Credit Corp. 4.70% 05/01/06 (P1) .....	\$ 6,496,6
		-----
11,000	U.S. GOVERNMENT OBLIGATIONS -- 0.0%	
	U.S. Treasury notes 3.625% 04/30/07 (Aaa) (5) .....	10,8
		-----
	TOTAL SHORT-TERM SECURITIES .....	6,507,4
		-----
	TOTAL CONVERTIBLE BONDS AND NOTES -- 55.7% .....	69,651,5
	TOTAL CONVERTIBLE PREFERRED STOCKS -- 22.8% .....	28,471,6
	TOTAL MANDATORY CONVERTIBLE SECURITIES -- 14.7% .....	18,346,8
	TOTAL COMMON STOCKS -- 0.5% .....	563,8
	TOTAL SHORT-TERM SECURITIES -- 5.2% .....	6,507,4
		-----
	TOTAL INVESTMENTS -- 98.9% .....	123,541,3
		-----
	OTHER ASSETS AND LIABILITIES, NET -- 1.1% .....	1,356,7
		-----
	TOTAL NET ASSETS -- 100.0% .....	\$124,898,0
		=====

- (1) Security not registered under the Securities Act of 1933, as amended (e.g., the security was purchased in a Rule 144A or a Reg D transaction). The security may be resold only pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of these securities. The aggregate market value of these securities at April 30, 2006 was \$13,526,892 which represented 10.8% of the Fund's net assets.
- (2) Contingent payment debt instrument which accrues contingent interest. See Note 1(f).
- (3) Non-income producing security.
- (4) These 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.
- (5) Collateral for a letter of credit.

### INVESTMENT ABBREVIATIONS:

ACES	Automatic Convertible Equity Securities.
ADR	American Depositary Receipts.
BONUSES	Bifurcated Option Note Unit Securities.
LYONS	Liquid Yield Option Notes.
PIES	Premium Income Exchangeable Securities.
PIERS	Preferred Income Equity Redeemable Securities.
SAILS	Shared Appreciation Income Linked Securities.
SPuRS	Shared Preference Redeemable Securities.
ZYPS	Zero Yield Puttable Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's. NR is used whenever a rating is unavailable.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

-----  
 STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)-----

APRIL 30, 2006  
 -----

## ASSETS:

Investments at value (cost \$116,161,711) (Note 1) .....	\$123,541,345
Cash .....	75,237
Receivable for securities sold .....	561,107
Dividends and interest receivable .....	748,134
Other assets .....	47,554
 Total assets .....	 124,973,377

## LIABILITIES:

Accrued management fee (Note 2) .....	72,590
Other liabilities .....	2,694
 Total liabilities .....	 75,284

NET ASSETS .....

\$124,898,093  
 =====

## NET ASSETS CONSIST OF:

Undistributed net investment income .....	\$ 634,745
Accumulated net realized loss from investment transactions .....	(422,354)
Unrealized appreciation on investments .....	7,379,634
Capital shares (Note 3) .....	56,251
Additional paid-in capital .....	117,249,817

NET ASSETS .....

\$124,898,093  
 =====

Net asset value per share (\$124,898,093 / 5,625,134 outstanding shares) .....

\$ 22.20  
 =====

-----  
 STATEMENT OF OPERATIONS (UNAUDITED)-----  
 FOR THE SIX MONTHS ENDED APRIL 30, 2006

## INVESTMENT INCOME (NOTE 1):

Interest .....	\$ 1,733,501
Dividends .....	1,251,320
 Total Income .....	 2,984,821

## EXPENSES (NOTE 2):

Management fee .....	421,196
Custodian .....	8,144
Transfer agent .....	16,623
Professional fees .....	45,113

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

Trustees' fees .....	66,875
Reports to shareholders .....	42,500
Administrative services fees .....	12,500
Other .....	77,778
Total Expenses .....	690,729
NET INVESTMENT INCOME .....	2,294,092
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain from investment transactions .....	3,632,940
Net unrealized appreciation of investments .....	3,063,957
Net gain on investments .....	6,696,897
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	\$ 8,990,989

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

PAGE 10

STATEMENT OF CHANGES IN NET ASSETS

	SIX MONTHS ENDED APRIL 30, 2006(a)	YEAR ENDED OCTOBER 31, 2006
CHANGE IN NET ASSETS FROM OPERATIONS:		
Net investment income .....	\$ 2,294,092	\$ 3,568,764
Net realized gain from investment transactions .....	3,632,940	414,909
Net gain in appreciation of investments .....	3,063,957	3,577,352
Net increase in net assets resulting from operations ..	8,990,989	7,561,025
DIVIDENDS TO SHAREHOLDERS FROM:		
Net investment income .....	(2,370,518)	(3,894,853)
CAPITAL SHARE TRANSACTIONS (NOTE 3) .....	655,492	582,476
CHANGE IN NET ASSETS .....	7,275,963	4,248,648
Net assets at beginning of period .....	117,622,130	113,373,482
NET ASSETS AT END OF PERIOD .....	\$ 124,898,093	\$ 117,622,130
Undistributed net investment income at end of period .....	\$ 634,745	\$ 659,011

(a) Unaudited.

-----  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)-----

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - Bancroft Fund Ltd. (successor to Bancroft Convertible Fund, Inc. (established in 1971)) (the "Fund"), is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. On March 17, 2006, the Fund was reorganized as a Delaware statutory trust from a Delaware corporation.

(b) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(c) Indemnification - Under the Fund's organizational documents, each trustee, officer or other agent of the Fund (including the Fund's investment adviser) is indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification is considered remote.

Page 11

-----  
NOTES TO FINANCIAL STATEMENTS (continued)-----

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Federal Income Taxes - The Fund's policy is to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary. At October 31, 2005, the Fund had a capital loss carryforward of \$4,596,296 available to the extent allowed by tax law to offset future net capital gains, if any. To the extent that the carryforward is used, no capital gains distributions will be made. \$4,045,634 of the total carryforward expires in 2010, \$424,570 expires in 2011 and \$126,092 expires in 2013.

(e) Security Valuation - Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Listed securities for which no sales were reported are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Unlisted securities traded in the over-the-counter market are valued using an evaluated quote provided by an independent pricing service. The independent pricing service derives an evaluated quote by obtaining dealer quotes, analyzing the listed markets, reviewing trade execution data and employing sensitivity analysis. Evaluated quotes may also reflect appropriate factors such as individual characteristics of the issue, communications with broker-dealers, and other market data.

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith by management pursuant to procedures approved by the Board of Trustees. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

(f) Securities Transactions and Related Investment Income - Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as "contingent payment debt instruments," Federal tax regulations require the Fund to record non-cash, "contingent" interest income in addition to interest income actually received. Contingent interest income amounted to 6 cents per share for the six months ended April 30, 2006. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At April 30, 2006 there were unrealized gains of approximately 1 cent per share on contingent payment debt instruments.

(g) Change in Method of Accounting - Effective November 1, 2004, the Fund began amortizing discounts and premiums on all debt securities. Prior to November 1, 2004, the Fund amortized discounts on original issue discount debt securities. The new method of amortization was adopted in accordance with the provisions of the AICPA Audit and Accounting Guide, Audits of Investment Companies and the financial highlights and statement of changes in net assets presented herein have been restated to reflect the new method retroactive to November 1, 2001. The effect of this accounting change is included in the financial highlights for the years ended October 31, 2002, 2003 and 2004. The cumulative effect of this accounting change had no impact on the total net assets of the Fund or on distributions for tax purposes, but resulted in a \$103,986 increase in the cost of securities held and a corresponding \$103,986 reduction in the net unrealized gains based on the securities held on November 1, 2001. These changes had no effect on previously reported total net assets or total returns.

Page 12

-----  
NOTES TO FINANCIAL STATEMENTS (continued)-----

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Distributions to Shareholders - Distributions to shareholders from net investment income are recorded by the Fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid annually. The amount and character of income and capital gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The tax character of distributions paid during the fiscal years ended October 31, 2005 and 2004 were \$3,894,853 and \$3,826,570, respectively, both from ordinary income.

NOTE 2 - MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund has entered into an investment advisory agreement with Davis-Dinsmore Management Company ("Davis-Dinsmore"). Pursuant to the investment advisory agreement, Davis-Dinsmore provides the Fund with investment advice, office space and facilities. Under the terms of the investment advisory agreement, the Fund pays Davis-Dinsmore on the last day of each month an



## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

advisory fee for such month computed at an annual rate of 0.75% of the first \$100,000,000 and 0.50% of the excess over \$100,000,000 of the Fund's net assets in such month.

The Fund, pursuant to an administrative services agreement with Davis-Dinsmore, has agreed to pay Davis-Dinsmore for certain accounting and other administrative services provided to the Fund. Under the administrative services agreement, the Fund pays Davis-Dinsmore compensation in the amount of \$25,000 per year, payable on a monthly basis.

Certain officers and trustees of the Fund are officers and directors of Davis-Dinsmore.

### NOTE 3 - PORTFOLIO ACTIVITY

At April 30, 2006 there were 5,625,134 shares of beneficial interest outstanding, with a par value of \$0.01 per share. During the six months ended April 30, 2006, 36,681 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$655,492.

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$37,881,705 and \$39,268,807, respectively, for the six months ended April 30, 2006.

A distribution of \$0.18 per share from net investment income was declared on May 16, 2006, payable June 29, 2006 to shareholders of record at the close of business June 15, 2006.

At April 30, 2006 unrealized appreciation (depreciation) of investment securities on a tax basis were as follows:

Unrealized appreciation	\$ 10,067,850
Unrealized depreciation	(2,716,138)
	-----
Net unrealized appreciation	7,351,712

Cost for federal income tax purposes \$109,693,028

Page 13

-----  
**FINANCIAL HIGHLIGHTS**-----  
 -----  
**SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING:**

	SIX MONTHS					
	ENDED APRIL 30, 2006 (a)	2005	2004	YEARS ENDED OCTOBER 31,		
				2003	2002	2001
	-----					
<b>OPERATING PERFORMANCE:</b>						
Net asset value, beginning of period ..	\$21.05	\$20.40	\$20.84	\$18.55	\$20.72	\$27.0
Net investment income .....	0.41	0.64	0.70 (b)	0.71 (b)	0.79 (b)	1.0
Adjustment for change in						

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

amortization policy .....	--	--	(0.02)	(0.02)	--	--
Net investment income, as adjusted	0.41	0.64	0.68	0.69	0.79	1.0
Net realized and unrealized gain (loss)	1.16	0.71	0.08 (b)	2.31 (b)	(2.02) (b)	(3.2)
Adjustment for change in amortization policy .....	--	--	0.02	0.02	--	--
Net realized and unrealized gain (loss), as adjusted .....	1.16	0.71	0.10	2.33	(2.02)	(3.2)
Total from investment operations ...	1.57	1.35	0.78	3.02	(1.23)	(2.1)
LESS DISTRIBUTIONS:						
Dividends from net investment income ..	(0.42)	(0.70)	(0.72)	(0.73)	(0.94)	(1.1)
Distributions from realized gains .....	--	--	--	--	--	(3.1)
Total distributions .....	(0.42)	(0.70)	(0.72)	(0.73)	(0.94)	(4.2)
CAPITAL SHARE TRANSACTIONS:						
Effect of rights offering .....	--	--	(0.50)	--	--	--
Capital share repurchases .....	--	--	--	--	--	--
Total capital share transactions ...	--	--	(0.50)	--	--	--
Net asset value, end of period .....	\$22.20	\$21.05	\$20.40	\$20.84	\$18.55	\$20.7
Market value, end of period .....	\$18.69	\$17.77	\$18.23	\$19.70	\$17.54	\$18.7
Total Net Asset Value Return (%) (c) ...	7.5	6.7	1.3	16.7	(6.3)	(8.1)
Total Investment Return (%) (d) .....	7.6	1.3	(3.8)	16.7	(1.8)	1.1
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in thousands) .....	\$124,898	\$117,622	\$113,373	\$98,486	\$86,904	\$95,86
Ratio of expenses to average net assets (%) .....	1.1	1.2	1.1	1.2	1.2	1.1
Ratio of net investment income to average net assets (%) .....	3.8	3.1	3.3 (e)	3.6 (e)	4.0 (e)	4.1
Portfolio turnover rate (%) .....	33	86	66	87	78	8

(a) Unaudited.

(b) As previously reported. See Note 1(g).

(c) Assumes valuation of the Fund's shares, and reinvestment of dividends, at net asset values.

(d) Assumes valuation of the Fund's shares at market price and reinvestment of dividends at actual reinvestment price.

(e) Ratios for 2004, 2003 and 2002 reflect ratios adjusted for change in amortization policy. Ratios previously reported for 2004, 2003 and 2002 were 3.4%, 3.6% and 4.0%, respectively.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

Miscellaneous Notes-----

### Results of the 2006 Annual Shareholders Meeting

The Annual Meeting of Shareholders of the Fund was held on February 13, 2006. The results of the shareholder vote were:

1. All persons nominated were elected for terms expiring in 2009.

	Shares voted for	Shares withheld
	-----	-----
Elizabeth C. Bogan, Ph.D.	3,773,977	368,086
Robert J. McMullan	3,769,615	372,448

2. The proposal to approve a new Investment Advisory Agreement with Davis-Dinsmore Management Company passed, as 2,990,015 shares voted for, 461,649 shares voted against, 132,817 shares abstained, and 557,582 shares were broker non-votes.

3. The proposed Agreement of Merger which provides for the reorganization of the Fund as a Delaware statutory trust was approved at the reconvened annual meeting held on March 14, 2006, as 3,738,107 shares voted for, 258,139 shares voted against, 225,244 shares abstained, and 522,456 shares were broker non-votes.

5. The Audit Committee's appointment of Tait, Weller & Baker LLP as independent accountants was ratified, as 3,835,936 shares voted for, 146,035 shares voted against and 160,092 shares abstained.

-----  

### Notice of Privacy Policy

The Fund has adopted a privacy policy in order to protect the confidentiality of nonpublic personal information that we have about you. We receive personal information, such as your name, address and account balances, when transactions occur in Fund shares registered in your name.

We may disclose this information to companies that perform services for the Fund, such as the Fund's transfer agent or proxy solicitors. These companies may only use this information in connection with the services they provide to the Fund, and not for any other purpose. We will not otherwise disclose any nonpublic personal information about our shareholders or former shareholders to anyone else, except as required by law.

Access to nonpublic information about you is restricted to our employees and service providers who need that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

-----  

### Proxy Voting Policies and Procedures / Proxy Voting Record

The Fund's policies and procedures with respect to the voting of proxies relating to the Fund's portfolio securities is available at our website at [www.bancroftfund.com](http://www.bancroftfund.com), or without charge, upon request, by calling (973)631-1177. This information is also available on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, information on how the Fund voted such proxies relating to portfolio securities during the most recent twelve-month period ended June 30, is available without charge at the above sources.

Page 15

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

-----  
Miscellaneous Notes (continued)-----

### For More Information About Portfolio Holdings

In addition to the semi-annual and annual reports that Bancroft delivers to shareholders and makes available through the Fund's public website, the Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the Fund's first and third fiscal quarters on Form N-Q. Bancroft does not deliver the schedule of portfolio holdings for the first and third fiscal quarters to shareholders, however the schedule is posted to the Fund's public website, [www.bancroftfund.com](http://www.bancroftfund.com). You may obtain the Form N-Q filings by accessing the SEC's website at [www.sec.gov](http://www.sec.gov). You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330.

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

### Disclosure of Portfolio Holdings to Broker-Dealers

From time to time, brokers with whom the Fund's Adviser, Davis-Dinsmore Management Company, has a pre-existing relationship may request that Davis-Dinsmore disclose Fund portfolio holdings to such broker in advance of the public disclosure of such portfolio holdings. Davis-Dinsmore may make such disclosure under the following conditions: (i) the specific purpose of the disclosure is to assist Davis-Dinsmore in identifying potential investment opportunities for the Fund; (ii) prior to the receipt of nonpublic portfolio holdings, the broker, by means of email or other written communication, shall agree to keep the nonpublic portfolio holdings confidential and not to use the information for the broker's own benefit, except in connection with the above described purpose for which it was disclosed; (iii) Davis-Dinsmore shall keep written records of its agreement with each broker to which it distributes nonpublic portfolio holdings; and (iv) Davis-Dinsmore will secure a new agreement with a broker any time the broker directs the nonpublic portfolio holdings to be sent to a new recipient.

-----  
Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future purchase its own shares from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares.

Page 16

BOARD OF TRUSTEES  
GORDON F. AHALT  
ELIZABETH C. BOGAN Ph.D.  
THOMAS H. DINSMORE, C.F.A.

INTERNET  
[www.bancroftfund.com](http://www.bancroftfund.com)  
email: [info@bancroftfund.com](mailto:info@bancroftfund.com)

Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

DONALD M. HALSTED, JR.  
DUNCAN O. MCKEE  
ROBERT J. MCMULLAN  
JANE D. O'KEEFFE  
NICOLAS W. PLATT

INVESTMENT ADVISER  
Davis-Dinsmore Management Company  
65 Madison Avenue, Suite 550  
Morristown, NJ 07960  
(973) 631-1177

OFFICERS  
THOMAS H. DINSMORE, C.F.A.  
Chairman of the Board  
and Chief Executive Officer

SHAREHOLDER SERVICES AND TRANSFER AGENT  
American Stock Transfer & Trust Company  
59 Maiden Lane  
New York, NY 10038  
(800) 937-5449  
www.amstock.com

JANE D. O'KEEFFE  
President

BENEFICIAL SHARE LISTING  
American Stock Exchange Symbol: BCV

GARY I. LEVINE  
Executive Vice President, Chief Financial Officer  
and Secretary

LEGAL COUNSEL  
Ballard Spahr Andrews & Ingersoll, LLP

H. TUCKER LAKE, JR.  
Vice President

INDEPENDENT ACCOUNTANTS  
Tait, Weller & Baker LLP

GERMAINE M. ORTIZ  
Vice President

MERCEDES A. PIERRE  
Vice President and Chief Compliance Officer

JOSHUA P. LAKE, C.T.P.  
Treasurer and Assistant Secretary

JESSICA K. LAKE  
Assistant Vice President

JOANN VENEZIA  
Assistant Vice President and Assistant Secretary

BANCROFT FUND LTD.  
65 MADISON AVENUE, SUITE 550  
MORRISTOWN, NEW JERSEY 07960  
www.bancroftfund.com

[LOGO]  
AMERICAN  
STOCK EXCHANGE  
-----  
LISTED  
-----  
BCV(TM)

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

Not applicable.

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

### ITEM 6. SCHEDULE OF INVESTMENTS.

The Schedule of Investments in securities of unaffiliated issuers is included as part of the report to shareholders, filed under Item 1 of this Form.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

### ITEM 9. PURCHASE OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

During the period covered by this report, there were no purchases made by or on behalf of Bancroft Fund Ltd. or any "affiliated purchaser," as defined in Rule 10b-18(a) (3) under the Exchange Act (17 CFR 240.10b-18(a) (3)), of shares or other units of any class of the registrant's equity securities that is registered by the registrant pursuant to Section 12 of the Exchange Act (15 U.S.C. 781).

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no changes to the procedures by which shareholders may recommend nominees to the registrant's board of trustees, after the registrant last provided disclosure in response to the requirements of this item.

### ITEM 11. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures

(a) As of May 17, 2006 an evaluation was performed under the supervision and with the participation of the officers of Bancroft Fund Ltd. (the "Registrant"), including the Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), to assess the effectiveness of the Registrant's disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act"), as amended. Based on that evaluation, the Registrant's officers, including the PEO and PFO, concluded that, as of May 17, 2006, the Registrant's disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the

## Edgar Filing: BANCROFT FUND LTD - Form N-CSRS

period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

### ITEM 12. EXHIBITS

(a) (1) The code of ethics disclosure required by Item 2 is not applicable to this semi-annual report.

(a) (2) Certifications of the principal executive officer and the principal financial officer pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, are attached hereto.

(a) (3) There were no written solicitations to purchase securities under Rule 23c-1 under the Investment Company Act of 1940 during the period covered by the report.

(b) Certifications of the principal executive officer and the principal financial officer, as required by Rule 30a-2(b) under the Investment Company Act of 1940, are attached hereto.

### SIGNATURES

Pursuant to the requirements of the Securities and 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.

Bancroft Fund Ltd.

By: /s/Thomas H. Dinsmore  
Thomas H. Dinsmore  
Chairman of the Board and  
Chief Executive Officer  
(Principal Executive Officer)

Date: June 30, 2006

Pursuant to the requirements of the Securities and 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: /s/Thomas H. Dinsmore  
Thomas H. Dinsmore  
Chairman of the Board and  
Chief Executive Officer  
(Principal Executive Officer)

Date: June 30, 2006

By: /s/Gary I. Levine  
Gary I. Levine  
Chief Financial Officer  
(Principal Financial Officer)

Date: June 30, 2006