

BANCROFT FUND LTD
Form N-Q
February 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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)

65 Madison Avenue, Morristown, New Jersey 07960-7308

(Address of principal executive offices) (Zip code)

Jane D. O'Keeffe

Bancroft Fund Ltd.

65 Madison Avenue

Morristown, New Jersey 07960-7308

(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2016

Date of reporting period: January 31, 2016

ITEM 1. SCHEDULE OF INVESTMENTS.

Bancroft Fund Ltd. - Schedule of Investments - unaudited

January 31, 2016

| | Principal Amount | Market Value |
|--|---------------------|-----------------|
| Convertible Bonds and Notes - 65.6% | | |
| Air Freight & Logistics - 1.9% | | |
| Atlas Air Worldwide Holdings, Inc., 2.25%, 6/1/22 | \$ 1,250,000 | \$ 970,312 |
| Echo Global Logistics, Inc., 2.50%, 5/1/20 | 1,125,000 | 975,938 |
| | | 1,946,250 |
| Automobiles - 0.4% | | |
| Tesla Motors, Inc., 1.25%, 3/1/21 | 500,000 | 404,375 |
| Biotechnology - 3.9% | | |
| Array BioPharma Inc., 3.00%, 6/1/20 | 250,000 | 205,469 |
| Exelixis, Inc., 4.25%, 8/15/19 | 500,000 | 519,062 |
| Gilead Sciences, Inc., 1.625%, 5/1/16 | 300,000 | 1,106,064 |
| Incyte Corp., 1.25%, 11/15/20 | 500,000 | 762,188 |
| OPKO Health Inc., 3.00%, 2/1/33 | 200,000 | 276,250 |
| Regeneron Pharmaceuticals, Inc., 1.875%, 10/1/16 | 250,000 | 1,249,844 |
| | | 4,118,877 |
| Capital Markets - 1.5% | | |
| BlackRock Kelso Capital Corp., 5.50%, 2/15/18 | 1,500,000 | 1,544,062 |
| Communications Equipment - 5.7% | | |
| CalAmp Corp., 1.625%, 5/15/20 (a) | 1,550,000 | 1,419,219 |
| Harmonic Inc., 4.00%, 12/1/20 (a) | 1,000,000 | 836,250 |
| Infinera Corp., 1.75%, 6/1/18 | 1,000,000 | 1,363,125 |
| InterDigital, Inc., 1.50%, 3/1/20 (a) | 1,750,000 | 1,641,719 |
| Oclaro, Inc., 6.00%, 2/15/20 | 400,000 | 757,250 |
| | | 6,017,563 |
| Construction & Engineering - 0.9% | | |
| Dycom Industries, Inc., 0.75%, 9/15/21 (a) | 1,000,000 | 984,375 |
| Consumer Finance - 0.8% | | |
| Encore Capital Group, Inc., 3.00%, 7/1/20 | 1,250,000 | 826,562 |
| Diversified Consumer Services - 1.1% | | |
| Carriage Services, Inc., 2.75%, 3/15/21 | 1,000,000 | 1,118,125 |
| Diversified Telecommunication - 0.9% | | |
| Alaska Communications Systems Group, Inc., 6.25%, 5/1/18 | 1,000,000 | 980,000 |
| Electrical Equipment - 0.8% | | |

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| | | |
|---|-----------|-----------|
| SolarCity Corp., 2.75%, 11/1/18 | 1,000,000 | 818,125 |
| Energy Equipment & Services - 0.5% | | |
| Hornbeck Offshore Services, Inc., 1.50%, 9/1/19 | 1,000,000 | 535,625 |
| Health Care Equipment & Supplies - 0.8% | | |
| Quidel Corp., 3.25%, 12/15/20 | 500,000 | 444,375 |
| Trinity Biotech Investment Ltd., 4.00%, 4/1/45 | 500,000 | 430,625 |
| | | 875,000 |
| Health Care Providers & Services - 1.8% | | |
| Aceto Corp., 2.00%, 11/1/20 (a) | 500,000 | 464,375 |
| Molina Healthcare Inc., 1.125%, 1/15/20 | 1,000,000 | 1,450,000 |
| | | 1,914,375 |

Bancroft Fund Ltd. - Schedule of Investments - continued

January 31, 2016

| | Principal Amount | Market Value |
|--|---------------------|-----------------|
| Convertible Bonds and Notes - continued | | |
| Household Durables - 2.0% | | |
| Jarden Corp., 1.875%, 9/15/18 | \$750,000 | \$1,271,250 |
| Jarden Corp., 1.125%, 3/15/34 | 750,000 | 877,969 |
| | | 2,149,219 |
| Internet & Catalog Retail - 1.89% | | |
| The Priceline Group Inc., 1.00%, 3/15/18 | 1,500,000 | 1,906,875 |
| Internet Software & Services - 5.7% | | |
| Blucora, Inc., 4.25%, 4/1/19 | 1,500,000 | 1,193,438 |
| Equinix Inc., 4.75%, 6/15/16 | 500,000 | 2,025,312 |
| Monster Worldwide, Inc., 3.50%, 10/15/19 | 500,000 | 575,625 |
| Twitter, Inc., 1.00%, 9/15/21 | 1,000,000 | 815,625 |
| Web.com Group, Inc., 1.00%, 8/15/18 | 1,500,000 | 1,389,375 |
| | | 5,999,375 |
| IT Services - 1.5% | | |
| CSG Systems International, Inc., 3.00%, 3/1/17 | 1,000,000 | 1,546,250 |
| Leisure Products - 0.6% | | |
| JAKKS Pacific, Inc., 4.875%, 6/1/20 (a) | 616,000 | 575,575 |
| Media - 0.9% | | |
| Global Eagle Entertainment Inc., 2.75%, 2/15/35 | 1,125,000 | 955,547 |
| Metals & Mining - 1.0% | | |
| Royal Gold, Inc., 2.875%, 6/15/19 | 600,000 | 528,375 |
| RTI International Metals, Inc., 1.625%, 10/15/19 | 500,000 | 469,375 |
| | | 997,750 |
| Oil, Gas & Consumable Fuels - 0.9% | | |
| Cheniere Energy, Inc., 4.25%, 3/15/45 | 1,500,000 | 737,812 |
| Clean Energy Fuels Corp., 5.25%, 10/1/18 | 500,000 | 217,188 |
| Goodrich Petroleum Corp., 5.00%, 10/1/32 | 259,000 | 35,612 |
| | | 990,612 |
| Personal Products - 0.6% | | |
| Teligent, Inc., 3.75%, 12/15/19 | 750,000 | 663,750 |
| Pharmaceuticals - 3.3% | | |
| ANI Pharmaceuticals, Inc., 3.00%, 12/1/19 | 750,000 | 644,531 |
| Horizon Pharma Investment Ltd., 2.50%, 3/15/22 | | |

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| | | |
|---|-----------|-----------|
| cv. into Horizon Pharma plc ordinary shares (a) Jazz Investments I Ltd., 1.875%, 8/15/21 guaranteed by Jazz Pharmaceuticals plc and cv. into Jazz Pharmaceuticals plc ordinary shares) | 1,000,000 | 880,000 |
| The Medicines Co., 2.50%, 1/15/22 (a) | | 3,442,562 |
| Real Estate Investment Trusts - 3.3% | | |
| Colony Capital, Inc., 5.00%, 4/15/23 | 1,000,000 | 906,875 |
| Extra Space Storage LP, 3.125%, 10/1/35 (a) | 1,000,000 | 1,120,000 |
| IAS Operating Partnership LP, 5.00%, 3/15/18 exchangeable for Invesco Mortgage Capital Inc. common stock | 1,000,000 | 943,750 |
| Spirit Realty Capital, Inc., 3.75%, 5/15/21 | 500,000 | 484,690 |
| Real Estate Management & Development - 1.0% | | 3,455,315 |
| Forest City Enterprises, Inc., 3.625%, 8/15/20 | 1,000,000 | 1,018,125 |

Bancroft Fund Ltd. - Schedule of Investments - continued

January 31, 2016

| | Principal Amount | Market Value |
|---|---------------------|-----------------|
| Convertible Bonds and Notes - continued | | |
| Semiconductor Equipment - 7.4% | | |
| Inphi Corporation, 1.125%, 12/1/20 (a) | \$750,000 | \$726,094 |
| Micron Technology, Inc., 3.00%, 11/15/43 | 2,000,000 | 1,413,750 |
| NVIDIA Corp., 1.00%, 12/1/18 | 1,000,000 | 1,507,500 |
| NXP Semiconductors N.V., 1.00%, 12/1/19 | 1,500,000 | 1,588,125 |
| Spansion LLC, 2.00%, 9/1/20 | 200,000 | 307,250 |
| SunEdison, Inc., 2.75%, 1/1/21 | 500,000 | 155,000 |
| SunEdison, Inc., 0.25%, 1/15/20 (a) | 750,000 | 156,094 |
| SunPower Corp., 0.875%, 6/1/21 | 1,000,000 | 800,000 |
| SunPower Corp., 4.00%, 1/15/23 (a) | 1,000,000 | 1,076,875 |
| | | 7,730,688 |
| Software - 12.3% | | |
| Bottomline Technologies, Inc., 1.50%, 12/1/17 | 1,500,000 | 1,656,562 |
| EnerNOC, Inc., 2.25%, 8/15/19 | 850,000 | 576,406 |
| FireEye, Inc., 1.625%, 6/1/35 (a) | 1,500,000 | 1,152,188 |
| Mentor Graphics Corp., 4.00%, 4/1/31 | 1,500,000 | 1,546,875 |
| MercadoLibre, Inc., 2.25%, 7/1/19 | 500,000 | 515,312 |
| Nuance Communications, Inc., 1.50%, 11/1/35 | 1,000,000 | 1,015,625 |
| Proofpoint, Inc., 0.75%, 6/15/20 (a) | 1,250,000 | 1,175,781 |
| PROS Holdings, Inc., 2.00%, 12/1/19 | 1,000,000 | 786,250 |
| Red Hat, Inc., 0.25%, 10/1/19 | 725,000 | 863,203 |
| Synchronoss Technologies, Inc., 0.75%, 8/15/19 | 1,250,000 | 1,194,531 |
| Take-Two Interactive Software, Inc., 1.75%, 12/1/16 | 400,000 | 729,000 |
| TeleCommunication Systems, Inc., 7.75%, 6/30/18 | 500,000 | 510,000 |
| Verint Systems Inc., 1.50%, 6/1/21 | 1,250,000 | 1,146,875 |
| | | 12,868,608 |
| Technology, Hardware & Storage - 1.4% | | |
| SanDisk Corp., 1.50%, 8/15/17 | 1,000,000 | 1,508,750 |
| Trading Companies & Distributors - 0.9% | | |
| Kaman Corp., 3.25%, 11/15/17 | 750,000 | 948,750 |
| Total Convertible Bonds and Notes | | 68,841,065 |

Shares

Convertible Preferred Stocks - 10.7%

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| | | |
|---------------------------------------|--------|-----------|
| Capital Markets - 0.3% | | |
| Cowen Group, Inc., 5.625% | 500 | 279,188 |
| Commercial Banks - 3.3% | | |
| Huntington Bancshares, Inc., 8.50% | 1,250 | 1,725,000 |
| Wells Fargo & Co., 7.50% | 1,500 | 1,758,000 |
| | | 3,483,000 |
| Diversified Financial Services - 1.6% | | |
| Bank of America Corp., 7.25% | 1,500 | 1,645,620 |
| Food Products - 1.5% | | |
| Bunge Ltd., 4.875% | 10,000 | 886,161 |
| Post Holdings, Inc., 3.75% | 5,000 | 658,300 |
| | | 1,544,461 |
| Machinery - 1.0% | | |
| Stanley Black & Decker, Inc., 6.25% | 10,000 | 1,060,800 |

Bancroft Fund Ltd. - Schedule of Investments - continued

January 31, 2016

| | Shares | Market Value |
|---|---------|-------------------|
| Convertible Preferred Stocks - continued | | |
| Oil, Gas & Consumable Fuels - 0.1% | | |
| Chesapeake Energy Corp., 5.75% | 1,050 | \$ 157,500 |
| Real Estate Investment Trusts - 1.1% | | |
| Welltower Inc., 6.50% | 20,000 | 1,135,200 |
| Specialty Retail - 0.7% | | |
| Amerivon Holdings LLC, 4.00%, (a,b,c) | 694,670 | 733,636 |
| Amerivon Holdings LLC, common equity units, (a,b,c) | 272,728 | 16,364 750,000 |
| Thrift & Mortgage Finance - 1.1% | | |
| New York Community Capital Trust V, 6.00% | 24,000 | 1,158,000 |
| Total Convertible Preferred Stocks | | 11,213,769 |
| Mandatory Convertible Securities - 23.5% (d) | | |
| Automobiles - 0.3% | | |
| Fiat Chrysler Automobiles N.V., 7.875%, 12/15/16 | 5,000 | 317,750 |
| Biotechnology - 1.8% | | |
| AmSurg Corp., 5.25%, 7/1/17 | 14,000 | 1,934,660 |
| Commercial Services & Supplies - 0.9% | | |
| Stericycle, Inc., 5.25%, 9/15/18 | 10,000 | 909,300 |
| Diversified Telecommunication Services - 0.9% | | |
| Frontier Communications Corp, 11.125%, 6/29/18 | 10,000 | 893,800 |
| Electric Utilities - 1.6% | | |
| NextEra Energy, Inc., 6.371%, 9/1/18 | 30,000 | 1,653,000 |
| Food Products - 1.4% | | |
| Tyson Foods, Inc., 4.75%, 7/15/17 | 25,000 | 1,501,000 |
| Health Care Providers & Services - 1.9% | | |
| Anthem, Inc., 5.25%, 5/1/18 | 30,000 | 1,322,700 |
| Kindred Healthcare, Inc., 7.50%, 11/19/17 | 1,250 | 691,562 |

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| | | |
|---|--------|-----------|
| | | 2,014,262 |
| Insurance - 0.9% | | |
| Maiden Holdings, Ltd., 7.25%, 9/15/16 | 20,000 | 957,400 |
| Multi-Utilities - 1.0% | | |
| Dominion Resources, Inc., 6.375%, 7/1/17 | 20,000 | 995,200 |
| Oil, Gas & Consumable Fuels - 1.8% | | |
| Anadarko Petroleum Corp, 7.50%, 6/7/18 | | |
| cv into Western Gas Equity Partners LP | 15,000 | 413,250 |
| Kinder Morgan, Inc., 9.75%, 10/26/18 | 35,000 | 1,510,250 |
| | | 1,923,500 |
| Pharmaceuticals - 3.8% | | |
| Allergan plc, 5.50%, 3/1/18 | 2,300 | 2,181,067 |
| Teva Pharmaceutical Industries, 7.00%, Due 12/15/18 | 1,882 | 1,838,413 |
| | | 4,019,480 |

Bancroft Fund Ltd. - Schedule of Investments - continued

January 31, 2016

| | Shares | Market Value |
|--|--------|-----------------|
| Mandatory Convertible Securities - continued | | |
| Real Estate Investment Trusts - 5.1% | | |
| American Tower Corp., 5.50%, 2/15/18 | 20,000 | \$ 1,975,000 |
| Crown Castle International Corp., 4.50%, 11/1/16 | 20,000 | 2,119,800 |
| Weyerhaeuser Co., 6.375%, 7/1/16 | 30,000 | 1,374,900 |
| | | 5,469,700 |
| Wireless Telecommunication Services - 1.8% | | |
| T-Mobile US, Inc., 5.50%, 12/15/17 | 30,000 | 2,070,600 |
| Total Mandatory Convertible Securities (d) | | 24,659,652 |
| Common Stock - 0.2% | | |
| Automobiles - 0.2% | | |
| Ferrari N.V. | 3,868 | 153,830 |
| Convertible Bonds and Notes - 65.6% | | 68,841,065 |
| Convertible Preferred Stocks - 10.7% | | 11,213,769 |
| Mandatory Convertible Securities - 23.5% | | 24,659,652 |
| Common Stocks - 0.2% | | 153,830 |
| Total Investments - 100.0% | | 104,868,316 |
| Other Assets and Liabilities (Net) | | 2,659,601 |
| Net Assets | | |
| (5,247,989 common shares outstanding) | | \$ 107,527,917 |
| Net Asset Value Per Share | | |
| (\$107,527,917 ÷ 5,247,989 shares outstanding) | | \$ 20.49 |

(a) Security exempt from registration under Rule 144A or Regulation D 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, 2016, the market value of these unregistered securities amounted to \$14,151,045 or 13.5% of total investments.

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(b) Investment is valued at fair value as determined in good faith pursuant to procedures adopted by the Board of Trustees. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material. The fair value of these securities amounted to \$750,000 at January 31, 2016, which represented 0.72% of total investments.

(c) At January 31, 2016, the Fund held investments in restricted and illiquid securities amounting to \$750,000 or 0.72% of total investments, which were valued under methods approved by the Board of Trustees as follows:

| Issuer and Acquisition Date | Shares | Acquisition Cost | 1/31/16 Carrying Value Per Share |
|--|---------|------------------|---|
| Amerivon Holdings LLC, series A cv. pfd. - April 1, 2010 | 694,670 | \$1,500,000 | \$ 1.056 |
| Amerivon Holdings LLC, common equity units - April 1, 2010 | 272,728 | - | 0.060 |

(d) Mandatory Convertible Securities are required to be converted on the dates disclosed; they generally may be converted prior to these dates at the option of the holder.

Bancroft Fund Ltd. - Selected Notes to Financial Statements - unaudited

Bancroft Fund Ltd. (the “Fund”), is registered under the Investment Company Act of 1940, as amended, (the “Act”) as a diversified, closed-end management investment company.

Note 1 - Security Valuation - Investments in securities traded on a national securities exchange are valued at market using the last reported sales price, supplied by an independent pricing service, 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 the independent pricing service, or, if an evaluated quote is unavailable, such securities are valued using prices received from dealers, provided that if the dealer supplies both bid and asked prices, the price to be used is the mean of the bid and asked prices. 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. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith 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.

The Fund has adopted authoritative fair valuation accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion in changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted unadjusted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuation in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers, and those received from an independent pricing service.

Level 3 - Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund’s own assumptions that market participants would use to price an asset or liability based on the best available information.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of the markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The following is a summary of the inputs used to value the investments of the Fund as of January 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|--|------------|----------------|------------|----------------|
| Investments in Securities: | | | | |
| Common Stock: | | | | |
| Consumer Discretionary | \$ 153,830 | \$— | \$— | \$ 153,830 |
| Convertible Bonds and Notes: | | | | |
| Consumer Discretionary | — | 7,109,716 | — | 7,109,716 |
| Consumer Staples | — | 663,750 | — | 663,750 |
| Energy | — | 1,526,237 | — | 1,526,237 |
| Financials | — | 6,844,064 | — | 6,844,064 |
| Health Care | — | 10,350,814 | — | 10,350,814 |
| Industrials | — | 4,697,500 | — | 4,697,500 |
| Information Technology | — | 35,671,234 | — | 35,671,234 |
| Materials | — | 997,750 | — | 997,750 |
| Telecommunication Services | — | 980,000 | — | 980,000 |
| Total Convertible Bonds and Notes | — | 68,841,065 | — | 68,841,065 |
| Convertible Preferred Stock: | | | | |
| Consumer Discretionary | — | — | 750,000 | 750,000 |
| Consumer Staples | — | 1,544,461 | — | 1,544,461 |
| Energy | — | 157,500 | — | 157,500 |
| Financials | — | 7,701,008 | — | 7,701,008 |
| Industrials | — | 1,060,800 | — | 1,060,800 |
| Total Convertible Preferred Stock | — | 10,463,769 | 750,000 | 11,213,769 |
| Mandatory Convertible Securities: | | | | |
| Consumer Discretionary | — | 317,750 | — | 317,750 |
| Consumer Staples | — | 1,501,000 | — | 1,501,000 |
| Energy | — | 1,923,500 | — | 1,923,500 |
| Financials | — | 6,427,100 | — | 6,427,100 |
| Health Care | — | 7,968,402 | — | 7,968,402 |
| Industrials | — | 909,300 | — | 909,300 |
| Telecommunication Services | — | 2,964,400 | — | 2,964,400 |
| Utilities | — | 2,648,200 | — | 2,648,200 |
| Total Mandatory Convertible Securities | — | 24,659,652 | — | 24,659,652 |
| Total Investments | \$ 153,830 | \$ 103,964,486 | \$ 750,000 | \$ 104,868,316 |

Refer to the Fund's Schedule of Investments for a detailed breakdown of Common Stock, Convertible Bonds and Notes, Convertible Preferred Stock and Mandatory Convertible Securities. Transfers between levels are recognized at January 31, 2016, the end of the reporting period. The Fund recognized no transfers to or from Level 1 to Level 2.

The following is a reconciliation of assets for which Level 3 inputs were used in determining value:

| Description | Investments in Securities |
|--|---------------------------------|
| Beginning balance as of October 31, 2015 | \$ 750,000 |
| Proceeds from sales | — |
| Gain/loss | — |
| Change in unrealized appreciation (depreciation) | — |
| Net transfers in/out of Level 3 | — |
| Balance as of January 31, 2016 | \$ 750,000 |

The following table presents additional information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of January 31, 2016:

| | Fair Value January 31, 2016 | Valuation Methodologies | Unobservable Input ⁽¹⁾ | Impact to Valuation from an Increase in Input ⁽²⁾ |
|---|--------------------------------|---|--------------------------------------|---|
| Amerivon Holdings LLC series A cv. pfd. and common equity units | \$ 750,000 | Market Comparables/ Sum of the Parts Valuation/ Dividend Analysis | Liquidity Discount | Increase |

⁽¹⁾ In determining certain of these inputs, management evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments.

⁽²⁾ This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect.

Note 2 - Securities Transactions and Related Investment Income - Securities transactions are accounted for on the trade date (the 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.

Note 3 - Federal Income Tax Cost - At January 31, 2016, the cost basis of investments for federal income tax purposes, as well as unrealized appreciation (depreciation) of investment securities on a tax basis were as follows:

| | |
|--------------------------------------|---------------|
| Unrealized appreciation | \$9,734,388 |
| Unrealized depreciation | (12,387,711) |
| Net unrealized appreciation | (2,653,323) |
| Cost for federal income tax purposes | \$107,521,639 |

ITEM 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures.

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))) are effective as of February 29, 2016 based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 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 17 CFR 240.15d-15(b)).

(b) There have been no changes in the Fund'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 Fund's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications of the principal executive officer and the principal financial officer of the Fund, as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), are filed herewith.

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.

Bancroft Fund Ltd.

By: /s/ Jane D. O'Keeffe
Jane D. O'Keeffe
President and
Chief Executive Officer
(Principal Executive Officer)

Date: February 29, 2016

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: /s/ Jane D. O'Keeffe
Jane D. O'Keeffe
President and
Chief Executive Officer
(Principal Executive Officer)

Date: February 29, 2016

By: /s/ Agnes Mullady
Agnes Mullady
Treasurer
(Principal Financial Officer)

Date: February 29, 2016