

BANCROFT FUND LTD
Form N-Q
March 31, 2009

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)

Thomas H. Dinsmore
Bancroft Fund Ltd.
65 Madison Avenue
Morristown, New Jersey 07960-7308
(Name and address of agent for service)

Copy to:
Steven B. King, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599

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

Date of fiscal year end: October 31, 2009

Date of reporting period: January 31, 2009

ITEM 1. SCHEDULE OF INVESTMENTS.

Bancroft Fund Ltd. Portfolio of Investments (unaudited)
January 31, 2009

	Principal Amount or Shares	Value (Note 1)
CONVERTIBLE BONDS AND NOTES - 75.5%		
Aerospace and Defense - 1.5%		
Alliant Techsystems Inc. 2.75%, due 2011 cv. sr. sub. notes (B1)	\$ 1,000,000	\$ 1,011,250
Computer Hardware - 7.0%		
Credit Suisse, New York Branch 12.90%, due 2008 equity-linked notes (NR) (exchangeable for Corning Inc. common stock)		
	2,000,000	1,168,000
EMC Corp. 1.75%, due 2011 cv. sr. notes (A-)	1,000,000	975,000
EMC Corp. 1.75%, due 2013 cv. sr. notes (A-)	1,000,000	945,000
NETAPP, Inc. 1.75%, due 2023 sr. cv. notes (NR) (Acquired 01/15/09; Cost \$768,750) (2)	1,000,000	793,750
Richardson Electronics, Ltd. 8%, due 2011 cv. sr. sub. notes (NR)	1,000,000	780,000
		4,661,750
Computer Software - 3.3%		
Blackboard Inc. 3.25%, due 2027 cv. sr. notes (BB-)	2,000,000	1,697,500
GSI Commerce, Inc. 2.5%, due 2027 cv. sr. notes (NR)	1,000,000	398,750
Lehman Brothers Holdings Inc. 1%, due 2009 medium-term notes (NR) (performance linked to Microsoft Corp. common stock) (3)	1,500,000	105,000
		2,201,250
Consumer Goods - 1.6%		
Chattem, Inc. 1.625%, due 2014 cv. sr. notes (NR)	1,683,000	1,090,395
Energy - 10.2%		
Chesapeake Energy Corp. 2.75%, due 2035 contingent cv. sr. notes (Ba3) (1)		
	1,910,000	1,315,513
Covanta Holding Corp. 1%, due 2027 sr. cv. deb. (B1) (1)	1,500,000	1,288,125
McMoRan Exploration Co. 5.25%, due 10/06/11 cv. sr. notes (NR)	1,287,000	1,085,906
Nabors Industries, Inc. 0.94%, due 2011 sr. exchangeable notes (BBB+)	1,000,000	867,500
Oil States International, Inc. 2.375%, due 2025 contingent cv. sr. notes (NR)	1,325,000	1,094,781
SunPower Corp. 1.25%, due 2027 sr. cv. deb. (NR)	1,000,000	761,250
Trina Solar Ltd. 4%, due 2013 cv. sr. notes (NR) (exchangeable for ADS representing common shares)	1,000,000	358,750
		6,771,825

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Financial Services - 2.2%

Euronet Worldwide, Inc. 3.50%, due 2025 cv. deb. (B+) (1)	2,250,000	1,440,000
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Foods - 3.3%

Central European Distribution Corp. 3%, due 2013 cv. sr. notes (B-)	500,000	229,375
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The Great Atlantic & Pacific Tea Company, Inc. 5.125%, due 2011 cv. sr. notes (Caa1)	500,000	281,250
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The Great Atlantic & Pacific Tea Company, Inc. 6.75%, due 2012 cv. sr. notes (Caa1)	1,500,000	830,625
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Tyson Foods, Inc. 3.25%, due 2013 cv. sr. notes (BB)	1,000,000	870,000
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2,211,250

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Bancroft Fund Ltd. Portfolio of Investments (continued)
January 31, 2009

	Principal Amount or Shares	Value (Note 1)
CONVERTIBLE BONDS AND NOTES - continued		
Healthcare - 9.5%		
China Medical Technologies, Inc. 4%, due 2013 cv. sr. sub. notes (NR) (exchangeable for ADS representing common stock)	\$ 1,500,000	\$ 635,625
Greatbatch, Inc. 2.25%, due 2013 cv. sub. deb. (NR)(1)	1,250,000	989,063
Kinetic Concepts, Inc. 3.25%, due 2015 cv. sr. notes (B+) (Acquired 04/16/08 and 08/04/08; Cost \$1,965,162) (2)	2,000,000	1,347,500
Millipore Corp. 3.75%, due 2026 cv. sr. notes (BB-) (1)	1,500,000	1,372,500
Omnicare, Inc. 3.25%, due 2035 cv. sr. deb. (B3) (1)	1,650,000	1,138,500
SonoSite Inc. 3.75%, due 2014 cv. sr. notes (NR)	1,000,000	797,500
		6,280,688
Insurance - 2.2%		
Prudential Financial, Inc. floating rate, due 2037 cv. sr. notes (A3)	1,500,000	1,447,500
Media and Entertainment - 0.7%		
Virgin Media Inc. 6.5%, due 2016 cv. sr. notes (B-) (Acquired 04/10/08 and 04/11/08; Cost \$995,000) (2)	1,000,000	456,250
Multi-Industry - 3.2%		
Diversa Corp. 5.5%, due 2027 cv. sr. notes (NR) (exchangeable for Verenum Corp. common stock)	750,000	202,500
LSB Industries, Inc. 5.5%, due 2012 cv. sr. sub. deb. (NR)	3,000,000	1,931,250
		2,133,750
Pharmaceuticals - 13.3%		
Alza Corp. 0%, due 2020 cv. sub. deb. (Aa1) (exchangeable for Johnson & Johnson common stock)	2,000,000	1,797,500
Endo Pharmaceuticals Holdings, Inc. 1.75%, due 2015 cv. sr. sub. notes (NR) (Acquired 01/15/09; Cost \$869,897) (2)	1,000,000	897,500
Mylan Inc. 3.75%, due 2015 cash cv. notes (B+) (Acquired 09/16/08 - 12/17/08; Cost \$1,436,997) (2)	1,500,000	1,488,750
Teva Pharmaceutical Finance Co. B.V. 1.75%, due 2026 cv. sr. deb. (Baa2) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,500,000	1,605,000
Wyeth floating rate, due 2024 cv. sr. deb. (A3)	3,000,000	3,011,100
		8,799,850
Retail - 1.9%		
RadioShack Corp. 2.5%, due 2013 cv. sr. notes (BB) (Acquired 08/13/08; Cost \$1,261,250) (2)	1,500,000	1,275,000
Semiconductors - 4.6%		
Agere Systems Inc. 6.5%, due 2009 cv. sub. notes (BB)		

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(exchangeable for LSI Corp.)	1,500,000	1,485,000
Intel Corp. 2.95%, due 2035 jr. sub. cv. deb. (A-) (1)	2,000,000	1,542,500
		3,027,500

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Bancroft Fund Ltd. Portfolio of Investments (continued)
January 31, 2009

	Principal Amount or Shares	Value (Note 1)
CONVERTIBLE BONDS AND NOTES - continued		
Telecommunications - 9.5%		
ADC Telecommunications Inc. floating rate, due 2013 cv. sub. notes (NR)	\$ 1,350,000	\$ 710,438
Anixter International Inc. 1%, due 2013 sr. cv. notes (BB-)	1,250,000	864,063
Equinix, Inc. 2.5%, due 2012 cv. sub. notes (B-)	2,200,000	1,691,250
General Cable Corp. 1%, due 2012 sr. cv. notes (B1)	1,500,000	984,375
NII Holdings, Inc. 2.75%, due 2025 cv. notes (NR)	1,500,000	1,329,375
SAVVIS, Inc. 3%, due 2012 cv. sr. notes (NR)	1,250,000	679,688
		6,259,189
Transportation - 0.8%		
ExpressJet Holdings, Inc. 4.25%, due 2023 cv. notes (NR)	800,000	524,000
Travel and Leisure - 0.5%		
Morgans Hotel Group 2.375%, due 2014 sr. sub. cv notes (NR) (Acquired 10/11/07 - 10/12/07; Cost \$1,026,250) (2)	1,000,000	308,750
TOTAL CONVERTIBLE BONDS AND NOTES		49,900,197
CORPORATE BONDS AND NOTES - 1.1%		
Retail - 1.1%		
Amerivon Holdings LLC 4%, due 2010 units (NR) (Acquired 06/01/07; Cost \$1,500,000) (2,3,4)	1,500,000	750,000
CONVERTIBLE PREFERRED STOCKS - 7.5%		
Banking/Savings and Loan - 5.4%		
Bank of America Corp. 7.25% series L non-cum. perpetual cv. pfd. (A2)	2,000	1,009,000
Fifth Third Bancorp 8.5% perpetual cv. pfd., series G (Baa1)	10,000	355,000
New York Community Bancorp, Inc. 6% BONUSSES units (Baa1)	39,179	1,361,470
Sovereign Capital Trust IV 4.375% PIERS (Baa3) (exchangeable for Sovereign Bancorp, Inc. common stock) (1)	14,000	252,000
Webster Financial Corp. 8.5% perpetual cv. pfd (BB+)	1,500	575,625
		3,553,095
Chemicals - 0.9%		
Celanese Corp. 4.25% cv. perpetual pfd. (NR)	40,000	610,000
Minerals and Mining - 1.2%		
Freeport-McMoRan Copper & Gold Inc. 5.5% cv. perpetual pfd. (BB)	1,200	790,800

TOTAL CONVERTIBLE PREFERRED STOCKS			4,953,895
MANDATORY CONVERTIBLE SECURITIES - 11.9% (5)			
Consumer Goods - 1.3%			
Avery Dennison Corp. 7.875%, due 11/15/10 mandatory cv. pfd. (BB+)	30,000		870,000

Bancroft Fund Ltd. Portfolio of Investments
(continued)
January 31, 2009

	Principal Amount or Shares	Value (Note 1)
MANDATORY CONVERTIBLE SECURITIES - continued		
Energy - 2.6%		
Bristow Group Inc. 5.5%, due 09/15/09 mandatory cv. pfd. (B)	20,000	\$ 692,000
Merrill Lynch & Co., Inc. 5.4%, due 09/27/10 PRIDES (A+) (linked to the performance of ConocoPhillips common stock)	2,000	1,052,250
		1,744,250
Foods - 0.1%		
Lehman Brothers Holdings Inc. 6%, due 10/12/10 PIES (NR) (exchangeable for General Mills, Inc. common stock) (3)	50,000	87,500
Insurance - 0.1%		
XL Capital Ltd. 7%, due 02/15/09 equity security units due 02/15/09 (Baa1)	72,500	88,450
Media and Entertainment - 2.6%		
Deutsche Bank AG 4.9%, due 04/28/09 mandatory exchangeable notes (NR) (exchangeable for The Walt Disney Company common stock) (Acquired 04/16/08; Cost \$2,501,301) (2)	82,500	1,727,963
Minerals and Mining - 2.6%		
Freeport-McMoRan Copper & Gold Inc. 6.75%, due 05/01/10 mandatory cv. pfd. (BB)	10,000	466,000
Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (BBBH) (exchangeable for ADS representing Companhia Vale do Rio Doce common stock)	30,000	934,500
Vale Capital Ltd. 5.5%, due 06/15/10 mandatory convertible notes (BBBH) (exchangeable for ADS representing Companhia Vale do Rio Doce Preference A Shares)	10,000	314,600
		1,715,100

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Pharmaceuticals - 2.5%		
Schering-Plough Corp. 6%, due 08/13/10 mandatory cv. pfd. (Baa3)	9,500	1,653,095
TOTAL MANDATORY CONVERTIBLE SECURITIES (5)		
		7,886,358
COMMON STOCKS - 0.1%		
Aerospace and Defense - 0.1%		
Applied Energetics, Inc.	237,636	66,538
Total Convertible Bonds and Notes - 75.5%	\$	49,900,197
Total Corporate Bonds and Notes - 1.1%		750,000
Total Convertible Preferred Stocks - 7.5%		4,953,895
Total Mandatory Convertible Securities - 11.9%		7,886,358
Total Common Stocks - 0.1%		66,538
Total Investments - 96.1%		63,556,988
Other assets and liabilities, net - 3.9%		2,573,272
Total Net Assets - 100.0%	\$	66,130,260

Bancroft Fund Ltd. Portfolio of Investments (continued)
January 31, 2009

(1) Contingent payment debt instrument. See Note 2 on the following page.

(2) Security not registered under the Securities Act of 1933, as amended (e.g., the security was purchased in a Rule 144A or a Regulation D transaction). The security may be resold only pursuant to an exemption from registration under the Securities Act of 1933, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of such securities. The aggregate market value of these unregistered securities at January 31, 2009 was \$9,045,463, which represented 13.7% of the Fund's net assets.

(3) Investment is valued at fair value as determined in good faith in accordance with 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 market value of these securities amounted to \$942,500 at January 31, 2009, which represented 1.4% of the Fund's net assets.

(4) Restricted securities include securities that have not been registered under the Securities Act of 1933, as amended, and securities that are subject to restrictions on resale. The Fund may invest in restricted securities that are consistent with the Fund's investment objective and investment strategies. As of January 31, 2009, the Fund was invested in the following restricted securities:

Amerivon Holdings LLC 4% units containing a convertible promissory note and warrants due 2010, acquired June 1, 2007.

(5) 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.

Investment Abbreviations:

ADR - American Depositary Receipts.

ADS - American Depositary Shares.

BONUSES - Bifurcated Option Note Unit Securities.

PIES - Premium Income Exchangeable Securities.

PIERS - Preferred Income Equity Redeemable Securities.