

BANCROFT FUND LTD
Form N-CSRS
June 26, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-02151

BANCROFT FUND LTD.

(Exact name of registrant as specified in charter)

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

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(Name and address of agent for service)

Copy to:

Steven B. King, Esq.

Ballard Spahr 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, 2015

Date of reporting period: April 30, 2015

ITEM 1. REPORTS TO STOCKHOLDERS.

Bancroft Fund Ltd.

2015 Semi-Annual Report

April 30, 2015

*2015 Semi-Annual Report**April 30, 2015*

Bancroft Fund Ltd. 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.

*Highlights***Performance through April 30, 2015 with dividends reinvested**

	Calendar YTD	1 Year	Annualized 3 Years	5 Years	10 Years	10 Year Volatility *
Bancroft market price	7.26 %	11.48%	12.84%	9.59 %	7.99 %	14.31 %
Bancroft net asset value	3.77	7.75	11.81	9.25	7.09	12.57
Bank of America Merrill Lynch All U.S. Convertibles Index	3.78	8.95	14.43	10.85	8.38	12.41
Barclays Balanced US Convertibles Index	3.88	4.70	10.60	8.83	NA	NA
S&P 500® Index	1.92	12.95	16.71	14.30	8.31	15.03

Bank of America Merrill Lynch All U.S. Convertibles Index and S&P 500® Index performance in the table above are from the Bloomberg L.P. pricing service. Barclays Balanced U.S. Convertibles Index performance is from Barclays Capital.

Bancroft's net asset value performance in the table above has not been adjusted for expenses or for the 2008 tender offer (the anti-dilutive effect was 0.85%). Performance data represents past results and does not reflect future performance.

* Volatility is a measure of risk based on the standard deviation of the return. The greater the volatility, the greater the chance of a profit or risk of a loss.

Quarterly History of NAV and Market Price (NYSE MKT symbol: BCV)

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
7/31/14	\$24.19	\$23.07	\$23.48	\$20.34	\$19.70	\$20.00
10/31/14	24.21	22.08	23.59	20.59	18.28	20.09
1/31/15	23.95	23.05	23.44	20.32	19.77	19.95
4/30/15	24.75	23.52	24.29	21.56	19.92	21.26

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	Return of Capital	Total
6/13/14	6/27/14	\$0.120	—	—	\$0.120
9/11/14	9/25/14	0.120	—	—	0.120
11/28/14	12/29/14	0.142	—	—	0.142
3/12/15	3/26/15	0.198	—	\$ 0.052	0.250
		\$0.580	—	\$ 0.052	\$0.632

BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDERS

To Our Shareholders

June 15, 2015

Bancroft Fund Ltd. continues to perform very well. The Fund remains fully invested with convertible securities making up over 97% of its net assets. We continue to believe that the convertible securities market remains a strong source of investments in an equity strategy that takes advantage of the convertible optionality imbedded in debt or preferred shares. Historically this approach has provided higher yields and reduced volatility as compared to the purchase of the underlying equity securities, with a significant growth component.

The Fund's share repurchase program and minimum distribution plan referred to below were implemented to improve the trading of the Fund's shares. The Board of Trustees remains committed to these programs. As you can see from the performance table on the opposite page of this letter, the market price of the shares has shown better performance than the net asset value. We believe these actions contributed significantly to this difference in performance. Also, as can be seen from this table, the Fund's shares and NAV outperformed the Barclays Balanced U.S. Convertible Index for the one-, three- and five-year periods ended April 30, 2015.

Bancroft's net assets at April 30, 2015 consisted of 69.9% cash-pay convertible bonds and notes, 14.8% mandatory convertible issues, 13.0% convertible preferred stock, and 1.0% common stock. On that date, the bonds had an average current annual yield of 2.11%; the mandatory convertible securities, 5.26%; the preferred shares, 6.17%; and the common shares, 2.19%. The Fund's convertible securities holdings at April 30, 2015 had a median premium-to-conversion value of 20.3%. We calculate that equities and equity-sensitive convertible issues at that date made up 41% of the Fund's portfolio, with credit-sensitive issues accounting for 17% of the Fund's portfolio, and total-return convertible issues at 42%.

Performance for Bancroft's second fiscal quarter ended April 30, 2015 was enhanced by exposure to the Health Care and Consumer Discretionary sectors. Performance was held back, however, by the Fund's exposure to the Energy and Materials sectors. The Fund's largest sector exposures as of April 30, 2015 were in Information Technology (30.9%), Financials (19.1%), and Health Care (20.9%).

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Barclays has measured the convertible securities market as of April 30, 2015 at \$226 billion with 512 issues outstanding, consisting of 54% equity sensitive issues, 33% total return issues, 12% credit sensitive issues and 1% distressed issues by market capitalization. Investment grade issues made up 20% of the market with 35% rated below investment grade. The remaining issues were not rated. The top three sectors with convertible securities outstanding include Information Technology at 28.3%, Health Care at 19.9% and Financials at 17.2%.

As previously reported, the Board of Trustees of the Fund authorized a share repurchase program of up to 7% of the outstanding shares of the Fund as well as a 5% minimum distribution policy as a way to address what the Trustees believe to be an undervaluation of the Fund's shares. As of June 15, 2015, the Fund has purchased 138,280 shares (approximately 2.64% of the number of outstanding shares at the start of the program).

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BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDER
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To Our Shareholders (*continued*)

The results of the 2015 annual meeting of shareholders are shown in the Miscellaneous Notes section of this report. We thank you for your participation and support. At its May meeting, the Board of Trustees of the Fund declared a distribution of \$0.254 per share, consisting of net investment income of \$0.116 and a return of capital of \$0.138. The distribution is payable on June 25, 2015 to shareholders of record on June 11, 2015.

Portfolio Managers:

Thomas H. Dinsmore

Jane D. O'Keeffe

James A. Dinsmore

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BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDERS

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
<p>Gilead Sciences, Inc. Gilead Sciences is a research-based biopharmaceutical company that discovers, develops and commercializes medicines. Gilead's primary areas of focus include human immunodeficiency virus (HIV)/AIDS, liver diseases, and cardiovascular/metabolic and respiratory conditions.</p>	\$3,532,004	2.8 %
<p>Mylan Inc. Mylan and its subsidiaries comprise a global pharmaceutical company that develops, licenses, manufactures, markets and distributes generic, brand and branded generic pharmaceutical products and active pharmaceutical ingredients (API).</p>	2,707,188	2.2
<p>Micron Technology, Inc. Micron is a global manufacturer and marketer of semiconductor devices, principally NAND Flash, DRAM and NOR Flash memory, as well as other memory technologies, packaging solutions and semiconductor systems for use in computing, consumer, networking, automotive, industrial, embedded and mobile products.</p>	2,555,156	2.0
<p>Wells Fargo & TCo. Wells Fargo is a diversified financial services company, providing retail, commercial and corporate banking services through banking stores located in 39 states and the District of Columbia.</p>	2,437,500	2.0
<p>Equinix, Inc. Equinix provides core Internet exchange services to networks, Internet infrastructure companies, enterprises and content providers.</p>	2,376,094	1.9
<p>NextEra Energy, Inc. NextEra is an electric power company that has over 42,000 megawatts of generating capacity in 26 states in the United States and four provinces in Canada. It also purchases electric power for resale to its customers and provides risk management services related to power and gas consumption for a limited number of customers.</p>	2,275,600	1.8
<p>Hawaiian Holdings, Inc. Hawaiian Holdings is a holding company whose primary asset is the sole ownership of all issued and outstanding shares of common stock of Hawaiian Airlines, Inc., which is engaged in</p>	2,226,094	1.8

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the scheduled air transportation of passengers and cargo amongst the Hawaiian Islands, between the islands and certain cities in the United States, and between the islands and the South Pacific, Australia and Asia.

Jarden Corp.	2,116,687	1.7
Jarden provides a broad range of consumer products through product segments that include Outdoor Solutions, Consumer Solutions and Branded Consumables. The company sells branded products through a variety of distribution channels, including club, department store, drug, grocery, mass merchant, sporting goods and specialty retailers, as well as direct to consumers.		
Total	\$20,226,323	16.2%

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BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDER
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Major Industry Exposure

	% Total Net Assets
Software	11.0 %
Biotechnology	10.1
Real Estate Investment Trusts	8.1
Semiconductors & Semiconductor Equipment	7.5
Pharmaceuticals	6.6
Internet Software & Services	5.9
Commercial Banks	3.3
Communications Equipment	3.3
Oil, Gas & Consumable Fuels	2.8
Food Products	2.7
Total	61.3 %

Major Portfolio Changes by underlying common stock

Six months ended April 30, 2015

Additions

Actavis plc

ANI Pharmaceuticals, Inc.

Blucora, Inc.

Cheniere Energy, Inc.

Global Eagle Entertainment Inc.

Horizon Pharma plc

IGI Laboratories, Inc.

inContact, Inc.

Reductions

Allscripts Healthcare Solutions, Inc.

American Realty Capital Properties, Inc.

Bristow Group Inc.

Cardtronics, Inc.

Chart Industries, Inc.

Chiquita Brands International

Cubist Pharmaceuticals, Inc.

FXCM Inc.

Isis Pharmaceuticals, Inc.	Genesee & Wyoming, Inc.
Jazz Pharmaceuticals plc	Kaiser Aluminum Corp.
Kindred Healthcare, Inc.	RTI International Metals, Inc.
Oclaro, Inc.	Salix Pharmaceuticals, Ltd.
PROS Holdings, Inc.	Ship Finance International Ltd.
Quidel Corp.	Take-Two Interactive Software, Inc.
The Medicines Co.	United Technologies Corp.
T-Mobile US, Inc.	Xilinx, Inc.

BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDERS

Portfolio of Investments April 30, 2015 (unaudited)

	Principal Amount	Value (Note 1)
Convertible Bonds and Notes - 69.9%		
Air Freight & Logistics - 0.1%		
Echo Global Logistics, Inc., 2.50%, Due 5/1/20	\$125,000	\$128,288
Airlines - 1.8%		
Hawaiian Holdings, Inc., 5.00%, Due 3/15/16	750,000	2,226,094
Automobiles - 0.4%		
Tesla Motors, Inc., 1.25%, Due 3/1/21	500,000	464,062
Biotechnology - 8.7%		
Array BioPharma Inc., 3.00%, Due 6/1/20	250,000	287,188
Cepheid, 1.25%, Due 2/1/21	800,000	886,000
Emergent BioSolutions Inc., 2.875%, Due 1/15/21	800,000	946,000
Exelixis, Inc., 4.25%, Due 8/15/19	500,000	387,188
Gilead Sciences, Inc., 1.625%, Due 5/1/16	800,000	3,532,004
Incyte Corp., 1.25%, Due 11/15/20	1,000,000	1,961,250
Isis Pharmaceuticals, Inc., 1.00%, Due 11/15/21 (1)	1,000,000	1,086,250
OPKO Health Inc., 3.00%, Due 2/1/33	200,000	407,500
Regeneron Pharmaceuticals, Inc., 1.875%, Due 10/1/16	250,000	1,359,844
		10,853,224
Capital Markets - 1.2%		
BlackRock Capital Investment Corp., 5.50%, Due 2/15/18	1,500,000	1,554,375
Communications Equipment - 3.3%		
Brocade Communications Systems, Inc., 1.375%, Due 1/1/20 (1)	500,000	519,062
Infinera Corp., 1.75%, Due 6/1/18	1,000,000	1,594,375
InterDigital, Inc., 2.50%, Due 3/15/16	1,250,000	1,385,156
Oclaro, Inc., 6.00%, Due 2/15/20 (1)	500,000	602,812
		4,101,405
Consumer Finance - 1.1%		
Encore Capital Group, Inc., 3.00%, Due 7/1/20	1,250,000	1,331,250

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Diversified Consumer Services - 1.0%

Carriage Services, Inc., 2.75%, Due 3/15/21	1,000,000	1,196,255
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Diversified Telecommunication Services - 1.3%

Alaska Communications Systems Group Inc., 6.25%, Due 5/1/18	1,000,000	1,005,625
inContact, Inc., 2.50%, Due 4/1/22 (1)	575,000	580,750
		1,586,375

Electrical Equipment - 0.8%

SolarCity Corp., 2.75%, Due 11/1/18	500,000	577,812
SolarCity Corp., 1.625%, Due 11/1/19	500,000	491,875
		1,069,687

Electronic Equipment & Instruments - 1.2%

InvenSense, Inc., 1.75%, Due 11/1/18	1,500,000	1,453,125
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Energy Equipment & Services - 0.7%

Hornbeck Offshore Services, Inc., 1.50%, Due 9/1/19	1,000,000	846,300
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Health Care Equipment & Supplies - 0.8%

Quidel Corp., 3.25%, Due 12/15/20	500,000	515,625
Trinity Biotech Investment Ltd., 4.00%, Due 4/1/45 (1)	500,000	521,250
		1,036,875

Health Care Providers & Services - 1.5%

Molina Healthcare Inc., 1.125%, Due 1/15/20	1,250,000	1,917,188
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BANCROFT FUND LTD. 2015 SEMI-ANNUAL REPORT TO SHAREHOLDERS

Portfolio of Investments April 30, 2015 (continued)

	Principal Amount	Value (Note 1)
Convertible Bonds and Notes - continued		
Household Durables - 1.7%		
Jarden Corp., 1.875%, Due 9/15/18	\$750,000	\$1,247,812
Jarden Corp., 1.125%, Due 3/15/34	750,000	868,875
		2,116,687
Internet & Catalog Retail - 1.7%		
The Priceline Group Inc., 1.00%, Due 3/15/18	1,500,000	2,107,500
Internet Software & Services - 5.9%		
Blucora, Inc., 4.25%, Due 4/1/19 (1)	1,500,000	1,414,688
Equinix Inc., 4.75%, Due 6/15/16	750,000	2,376,094
Monster Worldwide, Inc., 3.50%, Due 10/15/19 (1)	625,000	811,719
Twitter, Inc., 1.00%, Due 9/15/21 (1)	1,000,000	911,250
Web.com Group, Inc., 1.00%, Due 8/15/18	1,375,000	1,267,578
Yahoo! Inc., Due 12/1/18 (2)	500,000	532,188
		7,313,517
IT Services - 1.3%		
CSG Systems International, Inc., 3.00%, Due 3/1/17	1,250,000	1,642,188
Life Sciences Tools & Services - 0.9%		
Illumina, Inc., 0.25%, Due 3/15/16	500,000	1,103,440
Media - 1.7%		
Global Eagle Entertainment Inc., 2.75%, Due 2/15/35	1,125,000	1,099,688
Liberty Media Corp., 1.375%, Due 10/15/23	1,000,000	1,006,250
		2,105,938
Metals & Mining - 1.2%		
A.M. Castle & Co., 7.00%, Due 12/15/17	400,000	284,000
Royal Gold, Inc., 2.875%, Due 6/15/19	600,000	627,750
RTI International Metals, Inc., 1.625%, Due 10/15/19	500,000	595,000
		1,506,750

Oil, Gas & Consumable Fuels - 1.6%

Cheniere Energy, Inc., 4.25%, Due 3/15/45	1,500,000	1,207,200
Clean Energy Fuels Corp., 5.25%, Due 10/1/18	500,000	437,500
Goodrich Petroleum Corp., 5.00%, Due 10/1/32	518,000	308,210
		1,952,910

Personal Products - 0.5%

IGI Laboratories, Inc., 3.75%, Due 12/15/19 (1)	750,000	631,406
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Pharmaceuticals - 5.0%

ANI Pharmaceuticals, Inc., 3.00%, Due 12/1/19	500,000	569,375
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