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BANCROFT CONVERTIBLE FUND INC
Form N-Q
March 30, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-2151

Bancroft Fund Ltd.
(successor to Bancroft Convertible Fund, Inc.)

(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: January 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

BANCROFT FUND LTD.

PORTFOLIO OF INVESTMENTS January 31, 2006 (unaudited)-----

Principal Amount -----		Value -----
	CONVERTIBLE BONDS AND NOTES -- 51.7%	
	AEROSPACE AND DEFENSE -- 4.7%	
\$1,000,000	AAR Corp. 1.75% 2026 cv. sr. notes (BB-) (Acquired 01/26/06 - 01/27/06; Cost \$1,014,063) (1)	\$1,016,2

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1,000,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) (2)	1,218,7
2,000,000	DRS Technologies, Inc. 2% 2026 cv. sr. notes (B2) (Acquired 01/30/06; Cost \$2,000,000) (1,2)	2,012,5
1,500,000	L-3 Communications Holdings, Inc. 3% 2035 CODES (Ba3) (2)	1,548,7

		5,796,2

	AUTOMOTIVE -- 1.5%	
4,000,000	Lear Corp. 0% 2022 cv. sr. notes (Ba2)	1,810,0

	BANKING/SAVINGS AND LOAN -- 2.0%	
2,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2)	2,487,5

	CONSUMER GOODS -- 1.4%	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2)	1,789,2

	ENERGY -- 2.4%	
1,125,000	Maverick Tube Corp. 1.875% 2025 cv. sr. sub. notes (NR) (Acquired 11/09/05 - 11/11/05; Cost \$1,128,750) (1)	1,486,4
1,000,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR)	1,466,2

		2,952,6

	ENTERTAINMENT -- 4.5%	
1,500,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2)	1,477,5
4,000,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (Baa1)	4,110,0

		5,587,5

	FINANCIAL AND INSURANCE -- 2.2%	
500,000	E*TRADE Financial Corp. 6% 2007 cv. sub. notes (B-)	523,1
1,125,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3)	1,245,9
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds (A1) (conv. into Swiss Reinsurance Company common stock) (Acquired 11/15/01 - 12/05/01; Cost \$1,007,750) (1)	945,9

		2,715,0

	FINANCIAL SERVICES -- 0.9%	
1,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) (2)	1,057,5

	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)	981,7

	HEALTH CARE -- 3.6%	
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3)	2,045,0
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) (2)	933,7
1,500,000	St. Jude Medical, Inc. 2.8% 2035 cv. sr. deb. (BBB+) (2)	1,503,7

		4,482,5

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BANCROFT FUND LTD.

PORTFOLIO OF INVESTMENTS January 31, 2006 (continued)

Principal Amount		Value

	CONVERTIBLE BONDS AND NOTES -- CONTINUED	
	MULTI-INDUSTRY -- 0.7%	
\$1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) (2)	\$ 858,

	PHARMACEUTICALS -- 7.8%	
2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,590,
2,000,000	Amgen, Inc. 0% 2032 LYONs (A2) (2)	1,535,
1,000,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-)	1,621,
1,250,000	Encysive Pharmaceuticals, Inc. 2.5% 2012 cv. sr. notes (NR)	1,125,
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) (exch. for Teva Pharmaceutical Industries Ltd. ADR and cash)	1,023,
1,000,000	Teva Pharmaceutical Finance Co., LLC 0.25% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR)	1,025,
1,750,000	Teva Pharmaceutical Finance Co. B.V. 1.75% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR)	1,774,

		9,694,

	RETAIL -- 3.8%	
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2)	971,
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR)	1,171,
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1)	2,580,

		4,723,

	TECHNOLOGY -- 9.9%	
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05; Cost \$1,000,000) (1)	1,162,
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. for the cash equivalent of a basket of technology stocks) (2) ...	1,867,
1,500,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (NR) (Acquired 12/14/05 - 01/26/06; Cost \$1,461,700) (1,2)	1,370,
2,750,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2)	2,708,
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B)	1,524,
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05; Cost \$1,000,000) (1)	1,050,
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR)	1,531,
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3)	1,033,

		12,249,

	TELECOMMUNICATIONS -- 4.1%	
250,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) (3)	387,
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1)	1,008,
500,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (B1)	516,
1,250,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes (B3)	1,192,
2,000,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR)	2,037,

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		5,141,
	UTILITIES -- 1.4%	
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1)	1,764,
	TOTAL CONVERTIBLE BONDS AND NOTES	\$64,091,

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BANCROFT FUND LTD.

PORTFOLIO OF INVESTMENTS January 31, 2006 (continued)

Shares		Value
	CONVERTIBLE PREFERRED STOCKS -- 23.9%	
	AEROSPACE AND DEFENSE -- 1.2%	
60,000	Ionatron, Inc. 6.5% series A cv. pfd. (NR) (Acquired 10/27/05; Cost \$1,500,000) (1)	\$ 1,530,
	BANKING/SAVINGS AND LOAN -- 6.6%	
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,707,
45,000	New York Community Bancorp, Inc. 6% BONUSES units (Baa2)	2,120,
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) (2)	1,588,
50,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exch. for Washington Mutual, Inc. common stock)	2,690,
		8,106,
	BUILDING PRODUCTS -- 0.9%	
20,000	TXI Capital Trust I 5.5% SPuRS (B2) (exch. for Texas Industries, Inc. common stock)	1,095,
	CHEMICALS -- 2.0%	
85,000	Celanese Corp. 4.25% cv. perp. pfd. (NR)	2,518,
	ENERGY -- 4.1%	
4,000	Chesapeake Energy Corp. 5% cum. cv. pfd. (B)	603,
20,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B)	2,035,
13,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-)	2,398,
		5,037,

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	FINANCIAL AND INSURANCE -- 6.9%	
75,000	Citigroup Funding, Inc. variable rate exch. notes (Aa1) (exch. for Genworth Financial, Inc. common stock).....	2,369,
20	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/29/04 - 01/11/05; Cost \$2,078,125) (1)	1,929,
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	1,217,
120,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1)	3,096,
		----- 8,612, -----
	MINING -- 2.2%	
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-) ...	2,713, -----
	TOTAL CONVERTIBLE PREFERRED STOCKS	\$29,613, -----

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BANCROFT FUND LTD.

PORTFOLIO OF INVESTMENTS January 31, 2006 (continued)-----

Shares		Value
-----		-----
	MANDATORY CONVERTIBLE SECURITIES -- 17.7% (4)	
	CHEMICALS -- 1.5%	
40,000	Huntsman Corp. 5% mand. cv. pfd. 02/16/08 (NR)	\$ 1,855, -----
	CONSUMER GOODS -- 1.1%	
35,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mand. cv. pfd. 09/01/06 (B)	1,400, -----
	ENERGY -- 3.1%	
15,000	Amerada Hess Corp. 7% mand. cv. pfd. ACES 12/01/06 (Ba3)	1,963,
15,000	Valero Energy Corp. 2% mand. cv. pfd. 07/01/06 (BB)	1,860, ----- 3,823, -----
	FINANCIAL AND INSURANCE -- 8.0%	
25,000	The Chubb Corp. 7% equity units 08/16/06 (A2) (2)	839,
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (B3)	1,375,
30,000	Merrill Lynch & Co., Inc. 6.75% mandatory exch. securities 10/15/07 (Aa3) (exch. for Nuveen Investments, Inc. common stock)	1,291,
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+)	2,220,
42,500	Morgan Stanley, Inc. 5.875% mandatory exch. securities 10/15/08 (Aa3) (exch. for Nuveen Investments, Inc. common stock)	1,850,
40,000	The PMI Group, Inc. 5.875% HITS units 11/15/06 (A1) (2)	1,025,
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3)	1,022,
10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3)	256,

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		9,881,

	FOODS -- 0.8%	
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exch. for General Mills, Inc. common stock)	1,050,

	PHARMACEUTICALS -- 1.8%	
45,000	Schering-Plough Corp. 6% mand. cv. pfd. 09/14/07 (Baa3)	2,307,

	TECHNOLOGY -- 1.4%	
37,500	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exch. for Equinix, Inc. common stock)	1,706,

	TOTAL MANDATORY CONVERTIBLE SECURITIES (4)	\$22,023,

	COMMON STOCKS -- 1.0%	
	ENERGY -- 0.3%	
18,860	The Williams Companies, Inc.	449,

	HEALTH CARE -- 0.7%	
23,253	Community Health Systems, Inc. (3)	846,

	TOTAL COMMON STOCKS	\$ 1,295,

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BANCROFT FUND LTD.

PORTFOLIO OF INVESTMENTS January 31, 2006 (continued)

Principal Amount		Value
-----		-----
	SHORT-TERM SECURITIES -- 5.4%	
	COMMERCIAL PAPER -- 5.4%	
\$6,700,000	American Express Credit Corp. (P1) (4.30% maturing 02/01/06)	\$ 6,695,

	U.S. GOVERNMENT OBLIGATIONS -- 0.0%	
11,000	U.S. Treasury notes 2.25% 04/30/06 (Aaa) (5)	10,

	TOTAL SHORT-TERM SECURITIES	6,706,

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TOTAL CONVERTIBLE BONDS AND NOTES -- 51.7%	64,091,
TOTAL CONVERTIBLE PREFERRED STOCKS -- 23.9%	29,613,
TOTAL MANDATORY CONVERTIBLE SECURITIES -- 17.7%	22,023,
TOTAL COMMON STOCKS -- 1.0%	1,295,
TOTAL SHORT-TERM SECURITIES -- 5.4%	6,706,

TOTAL INVESTMENTS -- 99.7%	123,730,
OTHER ASSETS AND LIABILITIES, NET -- 0.3%	385,

TOTAL NET ASSETS -- 100.0%	\$124,115,
=====	

- (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 January 31, 2006 was \$12,504,196 which represented 10.1% of the Fund's net assets.
- (2) Contingent payment debt instrument which accrues contingent interest. See Note 1(b) Annual Report to Shareholders dated October 31, 2005.
- (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.

ACES	Automatic Convertible Equity Securities.
ADR	American Depositary Receipts.
BONUSES	Bifurcated Option Note Unit Securities.
CODES	Convertible Contingent Debt Securities.
HITS	Hybrid Income Term Security.
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.

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ITEM 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures

(a) The Registrant's principal executive officer and principal financial officer, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "Act"), (17 CFR 270.30a-3(c))) are effective as of February 22, 2006, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (and 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.15d-15(b))).

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(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 Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Separate certifications of the principal executive officer and the principal financial officer of the Registrant, as required by Rule 30a-2(a) under the Investment Company Act of 1940, 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/Thomas H. Dinsmore
Thomas H. Dinsmore
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

Date: March 28, 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: March 28, 2006

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

Date: March 28, 2006