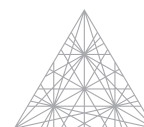


# BCV

## BANCROFT FUND LTD.

4<sup>th</sup> Quarter - December 31, 2018



GABELLI  
FUNDS

NYSE American: **BCV**  
CUSIP: 059695106

### INVESTMENT OBJECTIVE

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.

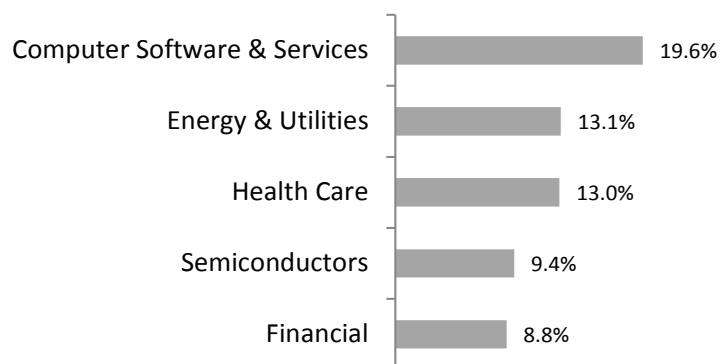
### PORTFOLIO HIGHLIGHTS - 12/31/18

Total Net Assets:	\$137 million
Number of Holdings:	112
Net Asset Value ("NAV") per share:	\$21.29
NYSE American Market Price:	\$18.63
Premium (Discount):	(12.5)%
Expense Ratio <sup>(a)</sup> <sup>(b)</sup> :	1.2%
Turnover <sup>(b)</sup> :	43.0%
Inception Date:	4/20/71
Cash & Equivalents:	2.8%

(a) Ratio of operating expenses to average net assets.

(b) As of 10/31/18

### TOP SECTORS OF PORTFOLIO



Information regarding the Fund's distribution policy and the most recent quarterly report, which contains a more extensive list of holdings, is available by calling 800-GABELLI (800-422-3554). The distribution rate is not representative of dividend yield or the total return of the Fund.

To participate in the Dividend Reinvestment Cash Purchase Plan please contact American Stock Transfer (877) 208-9514.

### CAPITAL STRUCTURE

5 Million Common Shares	\$107 Million (NAV)
5.375% Series A Cumulative Preferred Shares	\$30 Million

**Leverage Risk.** The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, through the issuance of preferred shares, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. The Fund's use of leverage in its investment operations subjects it to substantial risk of loss.

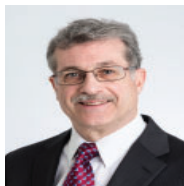
**Convertible Investment Risk.** Similarly to straight debt, a convertible bond contains the risk of the issuer not being able to repay the principal at maturity. Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. Interest rate risk also refers to the risk that bond prices generally fall as interest rates rise and vice versa. Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time and reporting the distribution for tax purposes may be required even though the income may not have been received. Further preferred securities may lose substantial value, due to the omission or deferment of dividend payments.

### TOP TEN HOLDINGS

- Alibaba Mandatory Exchangeable Trust, Cv., 5.75%, 06/01/2019
- Aerojet Rocketdyne Holdings Inc., 2.25%, 12/15/23
- Twilio Inc., 0.25%, 06/01/2023
- IAC Financeco Inc., 0.875%, 10/01/22
- Bank of America Corp. CVP
- CSG Systems International Inc., 4.25%, 03/15/2036
- Lumentum Holdings Inc., 0.25%, 03/15/2024
- Sunpower Corp., Cv., 4.00%, 01/15/23
- Apptio Inc., 0.875%, 04/01/23
- Extra Space Storage LP, 3.125%, 10/01/35

The top ten holdings and top sectors listed are not necessarily representative of the entire portfolio and are subject to change.

## PORTFOLIO MANAGEMENT



**Thomas Dinsmore, CFA**, joined Gabelli Funds LLC. in 2015. He currently serves as portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. From 1996 to 2015 Mr. Dinsmore was Chairman and CEO of Dinsmore Capital Management; CEO and Portfolio Manager of Bancroft Fund Ltd; and CEO, Portfolio Manager and co-founder of Ellsworth Fund Ltd.. He has a BS in Economics from the Wharton School of Business, and an MA in Economics from Fairleigh Dickinson University.



**James Dinsmore, CFA**, joined Gabelli Funds LLC. in 2015. He currently serves as portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dinsmore received a BA in Economics from Cornell University and an MBA from Rutgers University.



**Jane O'Keeffe** joined Gabelli in 2015. She currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. From 1996 to 2015 Ms. O'Keeffe was President and Director of Dinsmore Capital Management where she was also a Portfolio Manager of Bancroft Fund Ltd. and Ellsworth Fund Ltd. In 1980 Ms. O'Keeffe began as an assistant to the portfolio manager of IDS Progressive Fund. From 1983 through March 1986, she had research and portfolio management responsibilities at Soros Fund Management Company. In 1986, she was a portfolio manager and research analyst at Simms Capital Management until she joined Fiduciary Trust International in 1988 where she became a Vice President and Portfolio Manager for individuals, endowments and foundations. She has a BA from the University of New Hampshire and attended the Lubin Graduate School of Business at Pace University.

## PERFORMANCE

Total Returns through December 31, 2018 (a) (b)

Bancroft Fund Ltd.	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (04/20/71)
NAV Total Return (c)	(13.33)%	(2.91)%	6.26%	5.28%	10.79%	8.64%
Investment Total Return (d)	(11.47)	(3.62)	9.04	7.35	11.26	9.26
Bank of America Merrill Lynch All Convertibles All Qualities Index	(9.31)	0.15	7.93	5.95	12.21	N/A (e)
Bloomberg Balanced U.S. Convertibles Index	(7.16)	(0.81)	4.20	2.48	9.15	N/A (f)
S&P 500 Index	(13.52)	(4.38)	9.26	8.49	13.12	10.12 (g)

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*Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.*

*The Fund's NAV per share will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic, and business risks that cause their prices to fluctuate. Investors acquire shares of the Fund on a securities exchange at market value, which fluctuates according to the dynamics of supply and demand. When Fund shares are sold, they may be worth more or less than their original cost. Consequently, you can lose money by investing in the Fund.*

*(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. NAV total returns would have been lower had Gabelli Funds, LLC (the "Adviser") not reimbursed certain expenses of the Fund. The Bank of America Merrill Lynch All Convertibles All Qualities Index is a market value weighted index of all dollar denominated convertible securities that are exchangeable into US equities that have a market value of more than \$50 million. The Bloomberg Balanced U.S. Convertibles Index is a market value weighted index that tracks the performance of publicly placed, dollar denominated convertible securities that are between 40% and 80% sensitive to movements in their underlying common stocks. The S&P 500 Index is an unmanaged indicator of stock market performance. Dividends and interest income are considered reinvested. You cannot invest directly in an index.*

(b) The Fund's fiscal year ends on October 31.

(c) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date for the period beginning November 2015, and are net of expenses. For the period December 2008 through October 2015, distributions were reinvested on the payable date using market prices. For the period May 2006 through November 2008, distributions were reinvested on the payable date using NAV. Total returns and average annual returns were adjusted for the 1987 tender offering (no adjustments were made for the 1982 and 2007 tender offers nor for the 1987 or 2003 rights offerings). Since inception return is based on an initial NAV of \$22.92.

(d) Total returns and average annual returns reflect changes in closing market values on the NYSE American and reinvestment of distributions. Total returns and average annual returns were adjusted for the 1987 rights offering (no adjustments were made for the 1982 and 2007 tender offers nor for the 1987 or 2003 rights offerings). Since inception return is based on an initial offering price of \$25.00.

(e) The Bank of America Merrill Lynch All Convertibles All Qualities Index inception date is December 31, 1994.

(f) The Bloomberg Balanced U.S. Convertibles Index inception date is January 1, 2003.

(g) From April 30, 1971, the date closest to the Fund's inception for which data are available.