

# Bancroft Fund Ltd.

~ successor to Bancroft Convertible Fund ~

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## Second Quarter Update - April 30, 2006 (unaudited)

### Financial Highlights

Market price 04/30/06	\$18.69
Net asset value (NAV) 04/30/06	\$22.20
Market discount to NAV	(15.81)%
12-Month income distribution	\$0.763
Yield on market price	4.08%
Ratio of expenses to avg. net assets	1.14%*
Ratio of net income to avg. net assets	3.77%*
Portfolio turnover	33.01%
Shares outstanding	5,625,134

\* Annualized

### Largest Investment Holdings as of 04/30/06

by underlying common stock	% of Net Assets
The Walt Disney Company	3.4
Teva Pharmaceutical Industries Ltd.	2.6
Nuveen Investments, Inc.	2.5
The St. Paul Travelers Companies, Inc.	2.4
Freeport-McMoRan Copper and Gold, Inc.	2.2
Washington Mutual, Inc.	2.2
Celanese Corp.	2.1
The TJX Companies, Inc.	2.0
U.S. Bancorp	2.0
Genworth Financial, Inc.	1.9

### Major Industry Exposure as of 04/30/06

	% of Net Assets
Financial and Insurance	15.1
Technology	13.7
Pharmaceuticals	9.9
Banking/Savings and Loan	8.7
Energy	8.7
Entertainment	5.0
Aerospace and Defense	4.5
Telecommunications	4.2
Retail	3.8
Health Care	3.7

### Performance through 04/30/06 with dividends reinvested

	Calendar		Cumulative	
	YTD	1 Year	5 Years	10 Years
Bancroft market price (a,b)	4.55%	15.01%	12.72%	129.73%
Bancroft net asset value (b,c,d)	5.62	15.52	21.08	109.74
Closed-end conv. fund avg. (d)	5.87	16.05	31.86	104.28
S&P 500 (a)	5.61	15.41	14.22	135.36
Merrill Lynch All Convertibles Index (a)	6.21	16.39	30.23	128.33
Lehman Aggregate Bond Total Return Index (d)	(0.83)	0.71	28.57	84.68

Performance data represent past results and do not reflect future performance.

(a) From Bloomberg L.P. pricing service.

(b) Performance is not adjusted for dilution due to the rights offering.

(c) Net asset value dilution resulting from the Fund's 2003 rights offering was 2.38%.

(d) From Lipper, Inc. Closed-End Fund Performance Analysis, April 30, 2006.

### Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Jul. 05	\$21.26	\$19.72	\$21.26	\$18.25	\$16.99	\$18.25
Oct. 05	21.75	20.79	21.05	18.55	17.52	17.77
Jan. 06	22.06	20.90	22.06	18.65	17.53	18.62
Apr. 06	22.23	21.69	22.20	18.90	18.41	18.69

### Total Fund Investments as of 04/30/06

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 69,651	55.7
Convertible Preferred Stocks	28,472	22.8
Mandatory Convertible Securities	18,347	14.7
Common Stock	564	0.5
Short-Term Securities	6,507	5.2
Other Assets	1,357	1.1
Net Assets	<u>\$124,898</u>	<u>100.0%</u>

### Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	Total
6/15/05	6/29/05	\$0.170	—	\$0.170
9/15/05	9/29/05	0.170	—	0.170
12/02/05	12/27/05	0.243	—	0.243
3/16/06	3/30/06	0.180	—	0.180
		<u>\$0.763</u>		<u>\$0.763</u>

The portfolio holdings and industry exposure are as of April 30, 2006 and subject to change without notice. Detailed portfolio information is available on our website (www.bancroftfund.com). Contact us by e-mail at info@bancroftfund.com or call us at (973) 631-1177.

# Portfolio of Investments April 30, 2006 (unaudited)

<u>Principal Amount</u>		<u>Value</u>
	<b>CONVERTIBLE BONDS AND NOTES — 55.7%</b>	
	<b>Aerospace and Defense — 3.5%</b>	
\$1,000,000	AAR Corp. 1.75% 2026 cv. sr. notes (BB-) (Acquired 01/26/06 - 01/27/06; Cost \$1,013,597) <sup>(1)</sup> .....	\$1,086,250
1,000,000	Ceradyne, Inc. 2.875% 2035 sr. sub. cv. notes (NR) <sup>(2)</sup> .....	1,162,500
2,000,000	DRS Technologies, Inc. 2% 2026 cv. sr. notes (B2) (Acquired 01/30/06; Cost \$2,026,875) <sup>(1,2)</sup> .....	<u>2,132,500</u>
		<u>4,381,250</u>
	<b>Banking/Savings and Loan — 2.0%</b>	
2,500,000	U.S. Bancorp floating rate 2035 cv. sr. deb. (Aa2) .....	<u>2,500,000</u>
	<b>Consumer Goods — 1.4%</b>	
1,375,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. (Ba2) .....	<u>1,777,188</u>
	<b>Energy — 4.9%</b>	
1,500,000	Maverick Tube Corp. 1.875% 2025 cv. sr. sub. notes (B) .....	2,214,375
1,500,000	Oil States International, Inc. 2.375% 2025 contingent cv. sr. notes (NR) .....	2,173,125
1,500,000	Rentech, Inc. 4% 2013 cv. sr. notes (NR) .....	<u>1,792,500</u>
		<u>6,180,000</u>
	<b>Entertainment — 5.0%</b>	
2,000,000	EchoStar Communications Corp. 5.75% 2008 cv. sub. notes (B2) .....	1,982,500
4,000,000	The Walt Disney Company 2.125% 2023 cv. sr. notes (A3) .....	<u>4,270,000</u>
		<u>6,252,500</u>
	<b>Financial and Insurance — 1.0%</b>	
1,125,000	FTI Consulting, Inc. 3.75% 2012 cv. sr. sub. notes (Ba3) .....	<u>1,307,813</u>
	<b>Financial Services — 1.8%</b>	
2,000,000	Euronet Worldwide, Inc. 3.50% 2025 cv. deb. (NR) <sup>(2)</sup> .....	<u>2,285,000</u>
	<b>Foods — 0.8%</b>	
1,000,000	Lehman Brothers Holdings, Inc. 3% 2012 medium-term notes (A1) (performance linked to General Mills, Inc. common stock) <sup>(2)</sup> .....	<u>963,600</u>
	<b>Health Care — 3.7%</b>	
2,000,000	Manor Care, Inc. 2.125% 2035 cv. sr. notes (Baa3) .....	2,165,000
1,000,000	Omnicare, Inc. 3.25% 2035 cv. sr. deb. (B1) <sup>(2)</sup> .....	986,250
1,500,000	St. Jude Medical, Inc. 2.8% 2035 cv. sr. deb. (BBB+) <sup>(2)</sup> .....	<u>1,485,000</u>
		<u>4,636,250</u>
	<b>Multi-Industry — 2.0%</b>	
1,500,000	LSB Industries, Inc 7% 2011 cv. sr. sub. deb. (NR) (Acquired 03/01/06; Cost \$1,500,000) <sup>(1)</sup> .....	1,593,750
1,000,000	Lehman Brothers Holdings, Inc. 1% 2011 medium-term notes (A1) (performance linked to Cendant Corp. common stock) <sup>(2)</sup> .....	<u>855,000</u>
		<u>2,448,750</u>

# Portfolio of Investments April 30, 2006 (continued)

Principal Amount		Value
<b>CONVERTIBLE BONDS AND NOTES — continued</b>		
<b>Pharmaceuticals — 8.0%</b>		
\$2,000,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock) .....	\$ 1,620,000
1,250,000	Amgen, Inc. 0.125% 2011 cv. sr. notes (A2) (Acquired 02/14/06 - 02/15/06; Cost \$1,253,607) <sup>(1)</sup> .....	1,196,875
500,000	Amgen, Inc. 0.375% 2013 cv. sr. notes (A2) (Acquired 02/14/06; Cost \$500,000) <sup>(1)</sup> .....	477,500
462,000	BioMarin Pharmaceutical, Inc. 2.5% 2013 cv. sr. sub. notes (NR) .....	463,733
1,000,000	Bristol-Myers Squibb Co. floating rate 2023 cv. sr. deb. (A1) .....	1,003,750
1,000,000	Cephalon, Inc. 2% 2015 cv. sr. sub. notes (B-) .....	1,511,250
1,000,000	Ivax Corp. 4.5% 2008 cv. sr. sub. notes (NR) (exch. for Teva Pharmaceutical Industries Ltd. ADR and cash) .....	1,012,500
1,000,000	Teva Pharmaceutical Finance Co., LLC 0.25% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR) .....	1,002,500
1,750,000	Teva Pharmaceutical Finance Co. B.V. 1.75% 2026 cv. sr. deb. (Baa2) (exch. for Teva Pharmaceutical Industries Ltd. ADR) .....	<u>1,728,125</u>
		<u>10,016,233</u>
<b>Retail — 3.8%</b>		
1,000,000	Amazon.com, Inc. 4.75% 2009 cv. sub. notes (B2) .....	952,500
1,250,000	Casual Male Retail Group, Inc. 5% 2024 cv. sr. sub. notes (NR) .....	1,290,625
3,000,000	The TJX Companies, Inc. 0% 2021 LYONs (Baa1) .....	<u>2,482,500</u>
		<u>4,725,625</u>
<b>Technology — 12.3%</b>		
1,000,000	C&D Technologies, Inc. 5.25% 2025 cv. sr. notes (NR) (Acquired 11/16/05; Cost \$1,000,000) <sup>(1)</sup> .....	1,182,500
2,000,000	Citigroup Funding, Inc. 1% 2010 medium-term notes (Aa1) (exch. for the cash equivalent of a basket of technology stocks) <sup>(2)</sup> .....	1,860,400
1,000,000	Coherent, Inc. 2.75% 2011 cv. sub. notes (NR) (Acquired 03/07/06 - 03/08/06; Cost \$1,012,181) <sup>(1)</sup> .....	1,161,250
1,000,000	Conexant Systems, Inc. 4% 2026 cv. sub. notes (NR) (Acquired 03/02/06; Cost \$987,838) <sup>(1)</sup> .....	1,047,500
1,500,000	Intel Corp. 2.95% 2035 jr. sub. cv. deb. (A-) <sup>(2)</sup> .....	1,288,125
2,250,000	International Rectifier Corp. 4.25% 2007 cv. sub. notes (B2) .....	2,202,188
1,500,000	LSI Logic Corp. 4% 2010 cv. sub. notes (B) .....	1,610,625
1,500,000	Lehman Brothers Holdings, Inc. 1% 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) <sup>(2)</sup> .....	1,408,275
1,000,000	Richardson Electronics, Ltd. 8% 2011 cv. sr. sub. notes (NR) (Acquired 11/21/05; Cost \$1,000,000) <sup>(1)</sup> .....	980,000
1,500,000	Sybase, Inc. 1.75% 2025 cv. sub. notes (NR) .....	1,528,125
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes (B3) .....	<u>1,037,500</u>
		<u>15,306,488</u>
<b>Telecommunications — 4.2%</b>		
750,000	Comverse Technology, Inc. 0% 2023 ZYPS (BB-) <sup>(3)</sup> .....	1,003,125
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (B1) .....	1,021,250
2,000,000	Tekelec, Inc. 2.25% 2008 sr. sub. cv. notes (NR) .....	2,027,500
1,057,000	Time Warner Telecom, Inc. 2.375% 2026 cv. sr. deb. (Caa1) .....	<u>1,174,591</u>
		<u>5,226,466</u>
<b>Utilities — 1.3%</b>		
1,500,000	CMS Energy Corp. 2.875% 2024 cv. sr. notes (B1) .....	<u>1,644,375</u>
	<b>TOTAL CONVERTIBLE BONDS AND NOTES</b> .....	<u>\$69,651,538</u>

# Portfolio of Investments April 30, 2006 (continued)

Shares		Value
<b>CONVERTIBLE PREFERRED STOCKS — 22.8%</b>		
<b>Aerospace and Defense — 1.0%</b>		
40,000	Ionatron, Inc. 6.5% series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$970,253) <sup>(1)</sup> .....	\$ 1,200,000
<b>Banking/Savings and Loan — 6.7%</b>		
40,000	National Australia Bank Ltd. 7.875% exch. capital units (NR) .....	1,855,625
45,000	New York Community Bancorp, Inc. 6% BONUSSES units (Baa2) .....	2,115,703
35,000	Sovereign Capital Trust IV 4.375% PIERS (Ba1) (exch. for Sovereign Bancorp, Inc. common stock) <sup>(2)</sup> .....	1,618,750
50,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exch. for Washington Mutual, Inc. common stock) .....	2,803,500
		<u>8,393,578</u>
<b>Building Products — 1.5%</b>		
32,500	TXI Capital Trust I 5.5% SPuRS (B2) (exch. for Texas Industries, Inc. common stock) .....	1,848,945
<b>Chemicals — 2.1%</b>		
85,000	Celanese Corp. 4.25% cv. perp. pfd. (NR) .....	2,624,375
<b>Energy — 2.8%</b>		
20,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+) .....	1,900,000
9,000	Semco Energy, Inc. 5% series B cv. cum. pfd. (B-) .....	1,615,500
		<u>3,515,500</u>
<b>Financial and Insurance — 6.5%</b>		
75,000	Citigroup Funding, Inc. variable rate exch. notes (Aa1) (exch. for Genworth Financial, Inc. common stock) .....	2,432,250
15	Fannie Mae 5.375% non-cumulative cv. pfd. (Aa3) (Acquired 12/30/04 - 01/11/05; Cost \$1,578,125) <sup>(1)</sup> .....	1,432,003
20,000	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2) .....	1,212,500
120,000	The St. Paul Travelers Companies, Inc. 4.5% 2032 cv. jr. sub. notes (Baa1) .....	3,018,000
		<u>8,094,753</u>
<b>Mining — 2.2%</b>		
2,000	Freeport-McMoRan Copper and Gold, Inc. 5.5% cv. perpetual pfd. (B-) .....	2,794,500
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> .....	<u>\$28,471,651</u>

# Portfolio of Investments April 30, 2006 (continued)

Shares		Value
<b>MANDATORY CONVERTIBLE SECURITIES — 14.7% (4)</b>		
<b>Chemicals — 1.4%</b>		
40,000	Huntsman Corp. 5% mandatory cv. pfd. 02/16/08 (NR) .....	\$ 1,730,000
<b>Consumer Goods — 1.0%</b>		
35,000	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. 09/01/06 (B) .....	1,284,609
<b>Energy — 1.0%</b>		
10,000	Amerada Hess Corp. 7% mandatory cv. pfd. ACES 12/01/06 (Ba3) .....	1,208,750
<b>Financial and Insurance — 7.2%</b>		
25,000	The Chubb Corp. 7% equity units 08/16/06 (A2) <sup>(2)</sup> .....	906,250
43,500	E*TRADE Financial Corp. 6.125% equity units 11/18/08 (B3) .....	1,402,875
30,000	Merrill Lynch & Co., Inc. 6.75% mandatory exch. securities 10/15/07 (Aa3) (exch. for Nuveen Investments, Inc. common stock) .....	1,293,090
80,000	MetLife, Inc. 6.375% common equity units 08/15/08 (BBB+) .....	2,260,000
42,500	Morgan Stanley, Inc. 5.875% mandatory exch. securities 10/15/08 (Aa3) (exch. for Nuveen Investments, Inc. common stock) .....	1,849,388
45,000	XL Capital, Ltd. 6.5% equity security units 05/15/07 (A3) .....	990,225
10,000	XL Capital, Ltd. 7% equity security units 02/15/09 (A3) .....	250,200
		<u>8,952,028</u>
<b>Foods — 0.8%</b>		
40,000	Lehman Brothers Holdings, Inc. 6.25% PIES 10/15/07 (A1) (exch. for General Mills, Inc. common stock) .....	1,055,000
<b>Pharmaceuticals — 1.8%</b>		
45,000	Schering-Plough Corp. 6% mandatory cv. pfd. 09/14/07 (Baa3) .....	2,309,766
<b>Technology — 1.4%</b>		
30,000	Credit Suisse First Boston (USA), Inc. 5.5% SAILS 11/15/08 (Aa3) (exch. for Equinix, Inc. common stock) .....	1,806,690
	<b>TOTAL MANDATORY CONVERTIBLE SECURITIES (4) .....</b>	<b>\$18,346,843</b>
<b>COMMON STOCKS — 0.5%</b>		
<b>Aerospace and Defense — 0.0%</b>		
2,643	Ionatron, Inc. (Acquired 04/17/06; Cost \$29,747) <sup>(1,3)</sup> .....	36,764
<b>Financial and Insurance — 0.4%</b>		
21,185	E*TRADE Financial Corp. <sup>(3)</sup> .....	527,083
	<b>TOTAL COMMON STOCKS .....</b>	<b>\$ 563,847</b>

# Portfolio of Investments April 30, 2006 (continued)

Principal Amount		Value
	<b>SHORT-TERM SECURITIES — 5.2%</b>	
	<b>Commercial Paper — 5.2%</b>	
\$6,500,000	American Express Credit Corp. 4.70% 05/01/06 (P1) .....	\$ 6,496,606
	<b>U.S. Government Obligations — 0.0%</b>	
11,000	U.S. Treasury notes 3.625% 04/30/07 (Aaa) <sup>(5)</sup> .....	10,863
	<b>TOTAL SHORT-TERM SECURITIES</b> .....	<b>6,507,469</b>
	<b>Total Convertible Bonds and Notes — 55.7%</b> .....	69,651,538
	<b>Total Convertible Preferred Stocks — 22.8%</b> .....	28,471,651
	<b>Total Mandatory Convertible Securities — 14.7%</b> .....	18,346,843
	<b>Total Common Stocks — 0.5%</b> .....	563,847
	<b>Total Short-Term Securities — 5.2%</b> .....	6,507,469
	<b>Total Investments — 98.9%</b> .....	123,541,348
	<b>Other assets and liabilities, net — 1.1%</b> .....	1,356,745
	<b>Total Net Assets — 100.0%</b> .....	<b><u>\$ 124,898,093</u></b>

- (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 April 30, 2006 was \$13,526,892 which represented 10.8% 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.
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.