

BLUE CHIP VALUE FUND INC

Form N-30B-2

November 28, 2008

**Third Quarter Report  
to Stockholders**

**September 30, 2008**



## MANAGED DISTRIBUTION POLICY

The Blue Chip Value Fund, Inc. (the "Fund") has a Managed Distribution Policy. This policy is to make quarterly distributions of at least 2.5% of the Fund's net asset value ("NAV") to stockholders. This is the quarterly payment that Fund investors elect to receive in cash or reinvest in additional shares through the Fund's Dividend Reinvestment Plan. The Board of Directors believes this policy creates a predictable level of quarterly cash flow to Fund shareholders.

The table on the next page sets forth the estimated amounts of the most recent quarterly distribution and the cumulative distributions paid during this fiscal year to date from the following sources: net investment income; net realized short term capital gains; net realized long term capital gain; and return of capital.

You should not necessarily draw any conclusions about the Fund's investment performance from the amount of the distributions, as summarized in the table on the next page, or from the terms of the Fund's Managed Distribution Policy.

The Fund estimates that it has distributed more than its income and capital gains; therefore, a portion of the distributions, as summarized in the table on the next page, may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income." It is important to note that the Fund's investment adviser, Denver Investment Advisors LLC, seeks to minimize the amount of net realized capital gains, if consistent with the Fund's investment objective, to reduce the amount of income taxes incurred by our stockholders. This strategy can lead to greater levels of return of capital being paid out under the Managed Distribution Policy.

**The amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.**

The Fund's Managed Distribution Policy may be changed or terminated at the discretion of the Fund's Board of Directors without prior notice to stockholders. If, for example, the Fund's total distributions for the year result in taxable return of capital, the Fund's Board of Directors would consider that factor, among others, in determining whether to retain, alter or eliminate the Managed Distribution Policy. It is possible, that the Fund's market price may decrease if the Managed Distribution Policy is terminated. At this time, the Board has no intention of making any changes or terminating the Managed Distribution Policy.

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**ESTIMATED SOURCES OF DISTRIBUTIONS**

	Current Distribution (\$)	% Breakdown of the Current Distribution	Total Cumulative Distributions for the Fiscal Year to Date (\$)	% Breakdown of the Total Cumulative Distributions for the Fiscal Year to Date
Net Investment Income	\$0.0018	1.80%	\$0.0087	2.49%
Net Realized Short Term Capital Gains	\$0.0000	0.00%	\$0.0000	0.00%
Net Realized Long Term Capital Gains	\$0.0000	0.00%	\$0.0000	0.00%
Return of Capital	\$0.0982	98.20%	\$0.3413	97.51%
Total (per common share)	\$0.10	100%	\$0.35	100%
Average annual total return (in relation to NAV) for the 5 years ending September 30, 2008				5.20%
Annualized current distribution rate expressed as a percentage of NAV as of September 30, 2008				9.69%
Cumulative total return (in relation to NAV) for the fiscal year through September 30, 2008				(18.47%)
Cumulative fiscal year distributions as a percentage of NAV as of September 30, 2008				8.47%

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If you would like to receive monthly portfolio composition and characteristic updates, press releases and financial reports electronically as soon as they are available, please send an e-mail to [blu@denveria.com](mailto:blu@denveria.com) and include your name and e-mail address. You will still receive paper copies of any required communications and reports in the mail. This service is completely voluntary and you can cancel at any time by contacting us via e-mail at [blu@denveria.com](mailto:blu@denveria.com) or toll-free at 1-800-624-4190.

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*The Investment Adviser's Commentary included in this report contains certain forward-looking statements about the factors that may affect the performance of the Fund in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Fund, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Fund. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.*

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## INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

November 11, 2008

The stock market's decline in value year-to-date is one of the worst declines in history. Only the decline in 1931 was materially worse than this year. We, as fellow stockholders and the investment adviser of the Fund, understand and feel the financial pain associated with the decline in our portfolio and the price of Blue Chip Value Fund's common stock because of this bear market. During the third quarter there were few places to avoid negative returns as evidenced by the -8.4% return of large-cap stocks in the Fund's benchmark index, the S&P 500 Index and the -9.3% return of the Fund's peer group, the Lipper Large Core Index. Regretfully, our return of -11.7% underperformed both indexes during the quarter. The year-to-date net asset value of our portfolio at the end of October is down 35%, slightly underperforming the S&P 500 index's decline of 33%. The Fund's discount to net asset value has widened during the year because the market price has declined more than its net asset value.

Let me give you an overview of our strategy. We plan to stay fully invested. We expect the stock market to do better over the next several quarters. The stock market is a leading indicator and we believe its decline has discounted the current financial crises and the current state of the economy.

We will continue to have a well diversified portfolio of companies with strong free cash flow that, in our opinion, are selling at reasonable valuations and, in many cases, pay meaningful dividends. Examples of these types of companies in our current portfolio are Disney, Nike, Campbell Soup, and IBM.

Two of our larger holdings, Altera Corporation (programmable semiconductors) and IBM (diversified technology and services) were essentially flat during the quarter. We believe that Altera and IBM are examples of high-quality companies with strong balance sheets and business prospects that should lead to increased free-cash flow. It seems to us that expectations and valuations in the technology sector are meaningfully below what will be realized over time. For the sector, technology stocks in the S&P 500 were down 11% while Fund holdings were down 4%.

During the third quarter we added Best Buy Company, Inc., Dell, Inc., International Paper Company and Symantec Corporation to the portfolio. Many of us have shopped at Best Buy as it is the largest consumer electronics retail chain in the country. It is benefiting from the problems of its largest competitor, Circuit City. Dell, one of the world's largest computer manufacturers, has been undergoing a turnaround program for several years that we believe, is taking hold. International Paper is one of the world's largest paper manufacturers and, it seems to us, there is a good opportunity for pricing improvement due to less competition in this industry. Symantec sells approximately six billion dollars worth of security and maintenance software a year. It generates substantial amounts of cash and we believe, should be able to modestly take market share.



During the quarter we sold American International Group, Morgan Stanley, Parker Hannifin, Teva Pharmaceuticals and Wachovia. Fortunately, we sold AIG early in the quarter before its sharp decline. We were less fortunate with Wachovia because we underestimated the number of depositors who would withdraw their money from this bank. However, this led us to sell our holding of Morgan Stanley in a more timely manner. In the case of Parker Hannifin we forecasted a slowing of their business which we thought could impact the price of the stock. Lastly, our sale of Teva was to lower our healthcare exposure.

Some of the sectors we are currently overweight in are technology, consumer cyclical and basic materials. We are underweight in financial (interest rate sensitive), medical/healthcare, consumer staples and communication stocks among others. Business appears to be good for many technology and basic materials companies because they are improving productivity. Our research shows that consumer cyclical stocks tend to perform well coming out of a bear market. We believe financial companies are still struggling and will for some time. Although healthcare, consumer staples and telecommunication stocks have performed well, we believe there are better values elsewhere.

Bear markets are always unpleasant and this is certainly the case at the moment. It wasn't too long ago that we experienced the bear market of 2000-2002. Cisco, one of our current holdings, sold for \$10 a share at the bottom of that bear market. Although its price later rose to the mid thirties, today it is selling at approximately \$17. Cisco's price fluctuation shows that even a company with a strong balance sheet and a great business is subject to the pressures of bear markets. We believe our portfolio holds many companies with strong businesses that should benefit when the market recovers.

We thank you, our fellow stockholders, for your confidence and patience in this difficult investing environment.

Todger Anderson, CFA  
President, Blue Chip Value Fund, Inc.  
Chairman, Denver Investment Advisors LLC

**Sector Diversification in Comparison to  
S&P 500 as of September 30, 2008\***

	<b>Fund</b>	<b>S&amp;P 500</b>
Basic Materials	3.1%	2.9%
Capital Goods	6.1%	8.3%
Commercial Services	6.0%	2.0%
Communications	8.7%	7.1%
Consumer Cyclical	13.5%	11.5%
Consumer Staples	9.1%	11.7%
Energy	12.3%	12.7%
Interest Rate Sensitive	11.7%	12.8%
Medical/Healthcare	10.7%	12.4%
REITs	0.0%	1.3%
Technology	13.2%	11.3%
Transportation	3.2%	2.3%
Utilities	2.2%	3.7%
Short-Term Investments	0.2%	0.0%

\*Sector diversification percentages are based on the Fund's total investments at market value.

Sector diversification is subject to change and may not be representative of future investments.

**Average Annual Total Returns  
as of September 30, 2008**

<b>Return</b>	<b>Year-To</b>					
	<b>3 Mos.</b>	<b>Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
Blue Chip Value Fund □ NAV	(11.69%)	(18.47%)	(22.66%)	(0.30%)	5.20%	3.66%
Blue Chip Value Fund □ Market Price	(21.62%)	(29.86%)	(36.49%)	(11.02%)	(0.54%)	1.83%
S&P 500 Index	(8.37%)	(19.29%)	(21.98%)	0.22%	5.17%	3.06%

*Past performance is no guarantee of future results. Share prices will fluctuate, so that a share may be worth more or less than its original cost when sold. Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Rights offerings, if any, are assumed for purposes of this calculation to be fully subscribed under the terms of the rights offering. Please note that the Fund's total return shown above does not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the cost of sale of Fund shares. Current performance may be higher or lower than the total return shown above. Please visit our website at [www.blu.com](http://www.blu.com) to obtain the most recent month end returns. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on the net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.*



*Please Note: Performance calculations are as of the end of December each year and the current period end. Past performance is not indicative of future results. This chart assumes an investment of \$10,000 on 1/1/98. This chart does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

*S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. It is an unmanaged index.*

*Please see Average Annual Total Return information on page 6.*

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*Please Note: line graph points are as of the end of each calendar quarter.*

*Past performance is no guarantee of future results. Share prices will fluctuate, so that a share may be worth more or less than its original cost when sold.*

*1 Reflects the actual market price of one share as it has traded on the NYSE.*

*2 Reflects the actual NAV of one share.*

*3 The graph above includes the distribution totals since January 1, 1998, which equals \$8.05 per share. For the nine months ended September 30, 2008 two distributions have been paid. The NAV per share is reduced by the amount of the distribution on the ex-dividend date. The sources of these distributions are depicted in the chart on the next page.*

**HISTORICAL SOURCES OF DISTRIBUTIONS**

<b>Year</b>	<b>Net</b>			<b>Undesignated*</b>	<b>Total Amount of Distribution</b>
	<b>Investment Income</b>	<b>Capital Gains</b>	<b>Return of Capital</b>		
1998	\$0.0541	\$1.0759	\$0.0000		\$1.13
1999	\$0.0335	\$1.6465	\$0.0000		\$1.68
2000	\$0.0530	\$0.8370	\$0.0000		\$0.89
2001	\$0.0412	\$0.3625	\$0.3363		\$0.74
2002	\$0.0351	\$0.0000	\$0.5249		\$0.56
2003	\$0.0136	\$0.0000	\$0.4964		\$0.51
2004	\$0.0283	\$0.5317	\$0.0000		\$0.56
2005	\$0.0150	\$0.1128	\$0.4422		\$0.57
2006	\$0.0182	\$0.1260	\$0.4358		\$0.58
2007	\$0.0146	\$0.2118	\$0.2136	\$0.1400*	\$0.58
Year-To-Date 2008 (estimated)	\$0.0068	\$0.0000	\$0.2432		\$0.25
<b>Totals</b>	\$0.3134	\$4.9042	\$2.6924	\$0.1400*	\$8.05
<b>% of Total Distribution</b>	3.89%	60.92%	33.45%	1.74%	100%

*\*Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in 2008.*

## **DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

The Blue Chip Value Fund Inc.'s (the "Fund") Dividend Reinvestment and Cash Purchase Plan (the "Plan") offers stockholders the opportunity to reinvest the Fund's dividends and distributions in additional shares of the Fund. A stockholder may also make additional cash investments under the Plan.

Participating stockholders will receive additional shares issued at a price equal to the net asset value per share as of the close of the New York Stock Exchange on the record date ("Net Asset Value"), unless at such time the Net Asset Value is higher than the market price of the Fund's common stock plus brokerage commission. In this case the Fund, through BNY Mellon Shareowner Services, (the "Plan Administrator") will attempt, generally over the next 10 business days (the "Trading Period"), to acquire shares of the Fund's common stock in the open market at a price plus brokerage commission which is less than the Net Asset Value. In the event that prior to the time such acquisition is completed, the market price of such common stock plus commission equals or exceeds the Net Asset Value, or in the event that such market purchases are unable to be completed by the end of the Trading Period, then the balance of the distribution shall be completed by issuing additional shares at Net Asset Value. The reinvestment price is then determined by the weighted average price per share, including trading fees, of the shares issued by the Fund and/or acquired by the Plan Administrator in connection with that transaction.

Participating stockholders may also make additional cash investments (minimum \$50 and maximum \$10,000 per month) to acquire additional shares of the Fund. Please note, however, that these additional shares will be purchased at market value plus brokerage commission (without regard to net asset value) per share. The transaction price of shares and fractional shares acquired on the open market for each participant's account in connection with the Plan shall be determined by the weighted average price per share, including trading fees, of the shares acquired by the Plan Administrator in connection with that transaction.

A registered stockholder may join the Plan by completing an Enrollment Form from the Plan Administrator. The Plan Administrator will hold the shares acquired through the Plan in book-entry form, unless you request share certificates. If your shares are registered with a broker, you may still be able to participate in the Fund's Dividend Reinvestment and Cash Purchase Plan. Please contact your broker about how to reregister your shares through the Direct Registration System ("DRS") and to inquire if there are any fees which may be charged by the broker to your account.

The automatic reinvestment of dividends and distributions will not relieve participants of any income taxes that may be payable (or required to be withheld) on dividends or distributions, even though the stockholder does not receive the cash.

A stockholder may elect to withdraw from the Plan at any time on prior written notice, and receive future dividends and distributions in cash. There is no penalty for withdrawal from the Plan and stockholders who have withdrawn from the Plan may rejoin in the future. In addition, you may request the Plan Administrator to sell all or a portion of your shares. When your shares are sold, you will receive the proceeds less a service charge of \$15.00 and trading fees of \$0.02 per share. The Plan Administrator will generally sell your shares on the day your request is received in good order, however the Plan Administrator reserves the right to take up to 5 business days to sell your shares. Shares will be aggregated by the Plan Administrator with the shares of other participants selling their shares that day and sold on the open market. A participant will receive the weighted average price minus trading fees and service charges of all liquidated shares sold by the Plan Administrator on the transaction date.

The Fund may amend the Plan at any time upon 30-days prior notice to participants.

Additional information about the Plan may be obtained from the Plan Administrator by writing to BNY Mellon Shareowner Services, 480 Washington Blvd., Jersey City, NJ 07310, by telephone at (800) 624-4190 (option #1) or by visiting the Plan Administrator at [www.bnymellon.com/shareowner](http://www.bnymellon.com/shareowner).

## **OTHER IMPORTANT INFORMATION**

### **How to Obtain a Copy of the Fund's Proxy Voting Policies and Records**

A description of the policies and procedures that are used by the Fund's investment adviser to vote proxies relating to the Fund's portfolio securities is available (1) without charge, upon request, by calling (800) 624-4190; (2) on the Fund's website at [www.blu.com](http://www.blu.com) and (3) on the Fund's Form N-CSR which is available on the U.S. Securities and Exchange Commission (SEC) website at [www.sec.gov](http://www.sec.gov).

Information regarding how the Fund's investment adviser voted proxies relating to the Fund's portfolio securities during the most recent 12-month period ended June 30 is available, (1) without charge, upon request by calling (800) 624-4190; (2) on the Fund's website at [www.blu.com](http://www.blu.com) and (3) on the SEC website at [www.sec.gov](http://www.sec.gov).

### **Quarterly Portfolio Holdings**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. In addition, the Fund's complete schedule of portfolio holdings for the first and third quarters of each fiscal year is available on the Fund's website at [www.blu.com](http://www.blu.com).



## BLUE CHIP VALUE FUND, INC.

**STATEMENT OF INVESTMENTS**

September 30, 2008

(Unaudited)

	Shares		Cost		Market Value
<b>COMMON STOCKS</b> □					
<b>111.62%</b>					
<b>BASIC MATERIALS</b> □ <b>3.47%</b>					
<b>Forestry &amp; Paper</b> □ <b>3.47%</b>					
Ball Corp.	87,140	\$	4,576,516	\$	3,441,159
International Paper Co.	24,400		691,145		638,792
			5,267,661		4,079,951
TOTAL BASIC MATERIALS			5,267,661		4,079,951
<b>CAPITAL GOODS</b> □ <b>6.81%</b>					
<b>Aerospace &amp; Defense</b> □					
<b>3.34%</b>					
General Dynamics Corp.	19,300		988,500		1,420,866
Raytheon Co.	46,800		1,676,515		2,504,268
			2,665,015		3,925,134
<b>Farm Equipment</b> □ <b>1.15%</b>					
CNH Global N.V. - ADS (Netherlands)	61,300		2,402,223		1,351,052
<b>Industrial Products</b> □ <b>2.32%</b>					
ITT Corp.	49,000		2,669,572		2,724,890
TOTAL CAPITAL GOODS			7,736,810		8,001,076
<b>COMMERCIAL SERVICES</b> □					
<b>6.70%</b>					
<b>Business Products &amp; Services</b> □ <b>3.60%</b>					
Quanta Services Inc.**	156,500		4,891,799		4,227,065
<b>IT Services</b> □ <b>1.15%</b>					
Computer Sciences Corp.**	33,650		1,585,081		1,350,375
<b>Transaction Processing</b> □					
<b>1.95%</b>					
The Western Union Co.	92,900		1,710,955		2,291,843
TOTAL COMMERCIAL SERVICES			8,187,835		7,869,283
<b>COMMUNICATIONS</b> □					
<b>9.71%</b>					
<b>Networking</b> □ <b>5.01%</b>					
Cisco Systems Inc.**	260,900		6,458,175		5,885,904
<b>Telecomm Equipment &amp; Solutions</b> □ <b>4.70%</b>					
Nokia Corp. - ADR (Finland)	50,630		826,080		944,250

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QUALCOMM Inc.	106,400	4,527,012	4,572,008
		5,353,092	5,516,258
TOTAL COMMUNICATIONS		11,811,267	11,402,162
<b>CONSUMER CYCLICAL □</b>			
<b>15.09%</b>			
<b>Apparel &amp; Footwear Manufacturers □ 3.12%</b>			
Nike Inc.	54,750	3,437,994	3,662,774
<b>Clothing &amp; Accessories □</b>			
<b>2.11%</b>			
TJX Companies Inc.	81,300	1,871,890	2,481,276

**STATEMENT OF INVESTMENTS (cont'd.)**

	Shares		Cost		Market Value
<b>Hotels &amp; Gaming</b> □ <b>1.68%</b>					
Starwood Hotels & Resorts Worldwide Inc.	70,200	\$	2,964,536	\$	1,975,428
<b>Internet</b> □ <b>1.22%</b>					
Expedia Inc.**	94,700		2,665,192		1,430,917
<b>Publishing &amp; Media</b> □ <b>2.64%</b>					
Walt Disney Co.	101,100		2,533,941		3,102,759
<b>Restaurants</b> □ <b>2.74%</b>					
Darden Restaurants Inc.	112,240		3,111,435		3,213,431
<b>Specialty Retail</b> □ <b>1.58%</b>					
Best Buy Co. Inc.	49,300		2,122,036		1,848,750
TOTAL CONSUMER CYCLICAL			18,707,024		17,715,335
<b>CONSUMER STAPLES</b> □ <b>10.14%</b>					
<b>Consumer Products</b> □ <b>3.80%</b>					
Colgate Palmolive Co.	59,300		3,360,379		4,468,255
<b>Food &amp; Agricultural Products</b> □ <b>6.34%</b>					
Bunge Ltd.	18,900		816,104		1,194,102
Campbell Soup Co.	73,500		2,395,771		2,837,100
Unilever N.V. (Netherlands)	121,100		4,282,197		3,410,176
			7,494,072		7,441,378
TOTAL CONSUMER STAPLES			10,854,451		11,909,633
<b>ENERGY</b> □ <b>13.79%</b>					
<b>Exploration &amp; Production</b> □ <b>6.84%</b>					

Occidental Petroleum Corp.	64,080	1,824,272	4,514,436
XTO Energy Inc.	75,537	1,858,249	3,513,981
		3,682,521	8,028,417
<b>Integrated Oils</b>			
□ <b>2.93%</b>			
Marathon Oil Corp.	86,300	2,546,892	3,440,781
<b>Oil Services</b> □			
<b>4.02%</b>			
Transocean Inc.**	42,949	2,572,702	4,717,518
TOTAL ENERGY		8,802,115	16,186,716
<b>INTEREST RATE SENSITIVE</b> □			
<b>13.10%</b>			
<b>Insurance</b> □			
<b>1.66%</b>			
The Travelers Cos. Inc.	43,100	2,216,802	1,948,120
<b>Integrated Financial Services</b> □			
<b>2.73%</b>			
JPMorgan Chase & Co.	68,700	2,923,777	3,208,290
<b>Money Center Banks</b> □ <b>2.47%</b>			
Bank of America Corp.	82,900	3,102,554	2,901,500
<b>Property Casualty Insurance</b> □			
<b>1.56%</b>			
ACE Ltd. (Cayman Islands)	33,700	1,884,583	1,824,181

**STATEMENT OF INVESTMENTS (cont'd.)**

	<b>Shares</b>		<b>Cost</b>		<b>Market Value</b>
<b>Securities &amp; Asset Management □ 4.68%</b>					
Invesco Ltd.	115,800	\$	2,828,748	\$	2,429,484
Legg Mason Inc.	16,300		759,470		620,378
State Street Corp.	43,000		2,684,453		2,445,840
			6,272,671		5,495,702
TOTAL INTEREST RATE SENSITIVE			16,400,387		15,377,793
<b>MEDICAL &amp; HEALTHCARE □ 12.01%</b>					
<b>Medical Technology □ 3.67%</b>					
Zimmer Holdings Inc.**	66,800		4,680,017		4,312,608
<b>Pharmaceuticals □ 8.34%</b>					
Abbott Laboratories	109,300		4,588,642		6,293,494
Amgen Inc.**	59,000		3,382,769		3,496,930
			7,971,411		9,790,424
TOTAL MEDICAL & HEALTHCARE			12,651,428		14,103,032
<b>TECHNOLOGY □ 14.73%</b>					
<b>Computer Software □ 3.36%</b>					
Microsoft Corp.	123,600		3,288,432		3,298,884
Symantec Corp.**	32,800		623,469		642,224
			3,911,901		3,941,108
<b>PCs &amp; Servers □ 5.50%</b>					
Dell Inc.**	38,500		625,309		634,480
International Business Machines Corp.	49,800		4,015,749		5,824,608
			4,641,058		6,459,088
<b>Semiconductors □ 5.87%</b>					
Altera Corp.	166,400		3,218,827		3,441,152
Intel Corp.	184,600		3,627,242		3,457,558
			6,846,069		6,898,710

TOTAL TECHNOLOGY		15,399,028	17,298,906
<b>TRANSPORTATION</b>			
□ <b>3.62%</b>			
<b>Railroads</b> □ <b>3.62%</b>			
Norfolk Southern Corp.	64,200	2,277,054	4,250,682
TOTAL TRANSPORTATION		2,277,054	4,250,682
<b>UTILITIES</b> □ <b>2.45%</b>			
<b>Regulated Electric</b> □ <b>2.45%</b>			
PPL Corp.	77,650	3,643,581	2,874,603
TOTAL UTILITIES		3,643,581	2,874,603
TOTAL COMMON STOCKS		121,738,641	131,069,172

**STATEMENT OF INVESTMENTS (cont'd.)**

	Shares		Cost		Market Value
<b>SHORT TERM INVESTMENTS □ 0.28%</b>					
Fidelity Institutional Money Market Government Portfolio - Class I (7 Day Yield 2.00%)	326,610	\$	326,610	\$	326,610
<b>TOTAL SHORT TERM INVESTMENTS</b>			326,610		326,610
<b>TOTAL INVESTMENTS</b>	111.90%	\$	122,065,251	\$	131,395,782
Liabilities in Excess of Other Assets	(11.90)%				(13,976,816)
<b>NET ASSETS</b>	100.00%			\$	117,418,966

*\*\*Non-income producing  
security  
ADR - American  
Depositary Receipt  
ADS - American  
Depositary Shares*

**COUNTRY BREAKDOWN**

As of September 30, 2008 (Unaudited)

<b>Country</b>		<b>Market Value</b>	<b>%</b>
United States	\$	123,866,123	105.49%
Netherlands		4,761,228	4.06%
Cayman Islands		1,824,181	1.55%
Finland		944,250	0.80%
Total Investments	\$	131,395,782	111.90%
Liabilities in Excess of Other Assets		(13,976.816)	(11.90%)
Net Assets	\$	117,418,966	100.00%

*Please note the country classification is based on the company headquarters. All of the Fund's investments are traded on U.S. exchanges.*

*See accompanying notes to financial statements.*

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## BLUE CHIP VALUE FUND, INC.

**STATEMENT OF ASSETS AND LIABILITIES**

September 30, 2008 (Unaudited)

## ASSETS

Investments at market value (cost \$122,065,251)	1\$1,395,782
Receivable for securities sold	1,897,429
Dividends and interest receivable	107,409
Other assets	7,124
TOTAL ASSETS	133,407,744

## LIABILITIES

Loan payable to bank (Note 5)	13,125,000
Interest due on loan payable to bank	25,596
Payable for investment securities purchased	2,707,260
Advisory fee payable	64,335
Administration fee payable	8,781
Accrued Compliance Officer fees	3,864
Accrued expenses and other liabilities	53,942
TOTAL LIABILITIES	15,988,778
NET ASSETS	1\$7,418,966

## COMPOSITION OF NET ASSETS

Capital stock, at par	\$ 284,639
Paid-in-capital	121,254,919
Undistributed net investment income	247,048
Accumulated net realized loss	(6,585,161)
Net unrealized appreciation on investments	9,330,531
Undesignated distributions (Note 1)	(7,113,010)
NET ASSETS	1\$7,418,966

## SHARES OF COMMON STOCK OUTSTANDING

(100,000,000 shares authorized at \$0.01 par value)	28,463,912
Net asset value per share	\$ 4.13

*See accompanying notes to financial statements.*



## BLUE CHIP VALUE FUND, INC.

**STATEMENT OF OPERATIONS**

For the Nine Months Ended September 30, 2008 (Unaudited)

## INCOME

Dividends (net of foreign withholding taxes of \$29,824)	\$ 1,621,388	
Interest	12,091	
<b>TOTAL INCOME</b>		<b>\$ 1,633,479</b>

## EXPENSES

Investment advisory fee (Note 4)	632,388	
Administrative services fee (Note 4)	78,817	
Interest on outstanding loan payable to bank	313,139	
Stockholder reporting	113,602	
Directors' fees	63,600	
Legal fees	62,141	
Transfer agent fees	36,577	
Audit and tax preparation fees	21,860	
NYSE listing fees	20,843	
Insurance and fidelity bond	16,146	
Chief Compliance Officer fees	16,114	
Custodian fees	7,191	
Other	4,013	
<b>TOTAL EXPENSES</b>		<b>1,386,431</b>
<b>NET INVESTMENT INCOME</b>		<b>247,048</b>

## REALIZED AND UNREALIZED

<b>LOSS ON INVESTMENTS</b>		
Net realized loss on investments		(4,990,133)
Change in net unrealized appreciation or depreciation of investments		(22,958,848)
<b>NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS</b>		<b>(27,948,981)</b>
<b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		<b>\$ (27,701,933)</b>

*See accompanying notes to financial statements.*

BLUE CHIP VALUE  
FUND, INC

## STATEMENTS OF CHANGES IN NET ASSETS

	For the Nine Months Ended September 30, 2008*	For the Year Ended December 31, 2007
<b>Increase/(decrease) in net assets from operations:</b>		
Net investment income	\$ 247,048	\$ 411,499
Net realized gain/(loss) on investments	(4,990,133)	5,229,902
Change in net unrealized appreciation or depreciation of investments	(22,958,848)	(222,134)
	(27,701,933)	5,419,267
<b>Decrease in net assets from distributions to stockholders from:</b>		
Net investment income	□	(411,499)
Net realized gain on investments	□	(5,980,234)
Return of capital	□	(10,012,387)
Undesignated (Note 1)	(7,113,010)	□
	(7,113,010)	(16,404,120)
<b>Increase in net assets from common stock transactions:</b>		
Net asset value of common stock issued to stockholders from reinvestment of dividends (29,014 and 412,794 shares issued, respectively)	142,459	2,412,947
	142,459	2,412,947
<b>NET DECREASE IN NET ASSETS</b>	<b>(34,672,484)</b>	<b>(8,571,906)</b>
<b>NET ASSETS</b>		
Beginning of year	152,091,450	160,663,356
End of year (including undistributed net investment income of \$247,048 and \$0,		



## BLUE CHIP VALUE FUND, INC.

**STATEMENT OF CASH FLOWS**

For the Nine Months Ended September 30, 2008 (Unaudited)

**Cash Flows from Operating Activities**

Net decrease in net assets from operations	\$(27,701,933)
Adjustments to reconcile net decrease in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(30,991,446)
Proceeds from disposition of investment securities	37,608,933
Net purchase of short-term investment securities	(74,212)
Proceeds from class-action litigation settlements	45,583
Net realized loss from securities investments	4,990,133
Net change in unrealized appreciation on investments	22,958,848
Decrease in receivable for securities sold	537,050
Decrease in dividends and interest receivable	160,137
Decrease in other assets	3,321
Increase in payable for securities purchased	2,707,260
Decrease in advisory fee payable	(18,255)
Decrease in administrative fee payable	(1,216)
Decrease in accrued Compliance Officer fees	(594)
Decrease in other accrued expenses and payables	(42,172)
<b>Net cash provided by operating activities</b>	<b>10,181,437</b>

**Cash Flows from Financing Activities**

Proceeds from bank borrowing	5,645,000
Repayment of bank borrowing	(4,875,000)
Cash distributions paid	(10,951,437)
<b>Net cash used in financing activities</b>	<b>(10,181,437)</b>

<b>Net increase in cash</b>	<b>0</b>
<b>Cash, beginning balance</b>	<b>0</b>
<b>Cash, ending balance</b>	<b>0</b>

**Supplemental disclosure of cash flow information:**

Cash paid during the period for interest from bank borrowing: \$330,852.