

BLUE CHIP VALUE FUND INC

Form N-30B-2

November 29, 2007



## 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 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	\$0.0014	0.93%	\$ 0.0087	1.98%
Net Realized Short Term Capital Gains	\$0.0000	0.00%	\$ 0.0474	10.77%
Net Realized Long Term Capital Gains	\$0.0538	35.87%	\$ 0.1799	40.89%
Return of Capital	\$0.0948	63.20%	\$ 0.2040	46.36%
Total (per common share)	\$0.1500	100%	\$ 0.4400	100%
Average annual total return (in relation to NAV) for the 5 years ending September 30, 2007				15.62%
Annualized current distribution rate expressed as a percentage of NAV as of September 30, 2007				9.88%
Cumulative total return (in relation to NAV) for the fiscal year through September 30, 2007				8.84%
Cumulative fiscal year distributions as a percentage of NAV as of September 30, 2007				7.41%



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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 16, 2007

The Blue Chip Value Fund, Inc.'s net asset value rose 1.62% in the third quarter and was up 8.84% for the past three quarters of the year. The S&P 500 Index was up 2.03% and 9.13% for the same periods. The Fund's peer group as represented by the Lipper Large-Cap Core Index was up 1.85% for the quarter and 9.32% for the year to date. At the time this letter is being written, in early November, our year to date portfolio performance is behind that of the S&P 500 by approximately 2 percentage points. We are disappointed with these results.

This year our exposure to financial stocks has hurt our portfolio. Despite our research efforts, we underestimated the damage to earnings of banks, brokerage and insurance companies from the mortgage market turmoil. In response, we have reduced our exposure to these sectors of the market. It is not possible for us to forecast accurately the magnitude of the problem or the bottom point for these stocks. We believe, however, that at some point they should offer very good value.

In comparison to the financial stocks, the rest of our portfolio is performing much better. We have had especially good returns in capital goods, energy, commercial services and consumer staple stocks.

Individual stocks in our portfolio that have done well this year include Parker Hannifin, Nokia, Teva Pharmaceuticals, Transocean and Occidental Petroleum. Stocks that have done poorly year to date include, MBIA, Citigroup, Radian Group, Merrill Lynch, and Countrywide Financial. We have completely eliminated Radian and Countrywide from our portfolio.

Looking ahead we believe the next few months will be volatile as investors struggle to determine the magnitude of the mortgage problems to the economy. We do point out that there have been many crises in the past and we have navigated through them.

The U.S. and World economies are slowing and there is a meaningful debate about the likelihood of a recession in the U.S. There are powerful cross currents. For example the weak dollar has led to strong exports, but unemployment is beginning to grow.

We believe stocks are reasonably valued. Our economy is relatively stable because it is both diversified and service oriented. Therefore, we are cautiously optimistic about the year ahead. As always we are working hard to find good investments for the Fund.

**Sector Diversification in Comparison to  
S&P 500 as of September 30, 2007\***

	<b>Fund</b>	<b>S&amp;P 500</b>
Basic Materials	2.6%	2.8%
Capital Goods	12.0%	9.5%
Commercial Services	2.1%	2.0%
Communications	7.1%	7.8%
Consumer Cyclical	11.4%	11.2%
Consumer Staples	6.7%	9.2%
Energy	9.5%	11.2%
Interest Rate Sensitive	17.5%	17.7%
Medical/Healthcare	16.4%	11.0%
REITs	0.0%	1.2%
Technology	9.4%	11.1%
Transportation	1.8%	1.7%
Utilities	1.6%	3.6%
Short-Term Investments	1.9%	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, 2007**

<b>Return</b>	<b>3 Mos.</b>	<b>YTD</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
Blue Chip Value Fund □ NAV	1.62%	8.84%	17.71%	14.46%	15.62%	6.27%
Blue Chip Value Fund □ Market Price	0.65%	6.76%	11.30%	9.59%	15.30%	6.34%
S&P 500 Index	2.03%	9.13%	16.44%	13.14%	15.45%	6.57%

*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 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 1/1/97. 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.

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

2Reflects the actual NAV of one share.

3The graph above includes the distribution totals since January 1, 1997, which equals \$9.08 per share. For the nine months ended September 30, 2007 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 as follows:

<b>Year</b>	<b>Net Investment Income</b>	<b>Capital Gains</b>	<b>Return of Capital</b>	<b>Total Amount of Distribution</b>
1997	\$0.1000	\$1.4700	\$0.0000	\$1.57
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
YTD 2007 (estimated)	\$0.0072	\$0.1735	\$0.1093	\$0.29
<b>Totals</b>	<b>\$0.3992</b>	<b>\$6.3359</b>	<b>\$2.3449</b>	<b>\$9.08</b>
<b>% of Total Distribution</b>	<b>4.40%</b>	<b>69.78%</b>	<b>25.82%</b>	<b>100.00%</b>

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

The Fund's Dividend Reinvestment and Cash Purchase Plan offers stockholders the opportunity to reinvest dividends and capital gain distributions in additional shares of the Fund. A stockholder may also make additional cash investments under the Plan. There is no service charge for participation.

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 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.

Participating stockholders may also make additional cash investments (minimum \$50 and maximum \$10,000 per month) by check or money order (or by wire for a \$10 fee) 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.

A stockholder owning a minimum of 50 shares may join the Plan by sending an Enrollment Form to the Plan Agent at Mellon Investor Services, 480 Washington Blvd., Jersey City, NJ 07310.

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. Participants must own at least 50 shares at all times.

A stockholder may elect to withdraw from the Plan at any time on 15-days' 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.

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 Blue Chip Value Fund, Inc. by writing to 1225 17th Street, 26th Floor, Denver, CO 80202, by telephone at (800) 624-4190 or by visiting us at [www.blu.com](http://www.blu.com).

If your shares are registered with a broker, you may still be able to participate in the Fund's Dividend Reinvestment Plan. Please contact your broker about how to participate and to inquire if there are any fees which may be charged by the broker to your account.

## **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 <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).

### **Send Us Your E-mail Address**

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.

BLUE CHIP VALUE FUND,  
INC.

**STATEMENT OF INVESTMENTS**

September 30, 2007 (Unaudited)

	<b>Shares</b>		<b>Cost</b>		<b>Market Value</b>
<b>COMMON STOCKS □ 106.16%</b>					
<b>BASIC MATERIALS □ 2.81%</b>					
<b>Forestry &amp; Paper □ 2.81%</b>					
Ball Corp.	88,040	\$	4,634,498	\$	4,732,150
TOTAL BASIC MATERIALS			4,634,498		4,732,150
 <b>CAPITAL GOODS □ 13.02%</b>					
<b>Aerospace &amp; Defense □ 5.20%</b>					
General Dynamics Corp.	55,000		2,948,776		4,645,850
Raytheon Co.	64,400		2,444,777		4,110,008
			5,393,553		8,755,858
<b>Farm Equipment □ 2.78%</b>					
CNH Global N.V. - ADS (Netherlands)	77,200		3,181,618		4,689,128
 <b>Industrial Products □ 5.04%</b>					
ITT Corp.	49,400		2,701,957		3,355,742
Parker Hannifin Corp.	45,900		3,261,524		