

VALUE LINE FUND INC
Form N-Q
December 01, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file Number 811-02265

The Value Line Fund, Inc.
(Exact name of registrant as specified in charter)

220 East 42nd Street, New York, NY 10017

Mitchell E. Appel
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-907-1500

Date of fiscal year end: December 31, 2008

Date of reporting period: September 30, 2008

Item 1: Schedule of Investments.

A copy of Schedule of Investments for the period ended 9/30/08 is included with this Form.

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The Value Line Fund, Inc.

Schedule of Investments (unaudited)

September 30, 2008

| Shares | | Value |
|------------------------------|------------------------------------------------|--------------|
| COMMON STOCKS (97.1%) | | |
| | AEROSPACE/DEFENSE (0.8%) | |
| 217,000 | Bombardier, Inc. Class B | \$ 1,133,825 |
| | APPAREL (1.0%) | |
| 30,000 | Warnaco Group, Inc. (The) * | 1,358,700 |
| | BEVERAGE - ALCOHOLIC (1.0%) | |
| 30,000 | Central European Distribution Corp. * | 1,362,300 |
| | BIOTECHNOLOGY (2.1%) | |
| 43,000 | Martek Biosciences Corp. * | 1,351,060 |
| 20,000 | Techne Corp. * | 1,442,400 |
| | | 2,793,460 |
| | CABLE TV (1.0%) | |
| 70,000 | Comcast Corp. Class A | 1,380,400 |
| | CHEMICAL - BASIC (4.8%) | |
| 17,000 | Agrium, Inc. | 953,360 |
| 23,000 | Compass Minerals International, Inc. | 1,204,970 |
| 21,000 | FMC Corp. | 1,079,190 |
| 60,000 | Olin Corp. | 1,164,000 |
| 8,000 | Potash Corporation of Saskatchewan, Inc. | 1,056,080 |
| 33,000 | Terra Industries, Inc. | 970,200 |
| | | 6,427,800 |
| | CHEMICAL - SPECIALTY (1.8%) | |
| 26,000 | Airgas, Inc. | 1,290,900 |
| 12,000 | CF Industries Holdings, Inc. | 1,097,520 |
| | | 2,388,420 |
| | COAL (0.9%) | |
| 33,000 | Massey Energy Co. | 1,177,110 |
| | COMPUTER & PERIPHERALS (1.1%) | |
| 47,000 | Synaptics, Inc. * | 1,420,340 |
| | COMPUTER SOFTWARE & SERVICES (3.3%) | |
| 40,000 | Accenture Ltd. Class A | 1,520,000 |
| 26,000 | ManTech International Corp. Class A * | 1,541,540 |
| 24,000 | SAP AG ADR | 1,282,320 |
| | | 4,343,860 |
| | DIVERSIFIED COMPANIES (0.9%) | |
| 15,000 | Valmont Industries, Inc. | 1,240,350 |
| | DRUG (6.0%) | |
| 21,000 | Celgene Corp. * | 1,328,880 |
| 14,000 | Covance, Inc. * | 1,237,740 |

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| | | |
|---------|-----------------------------------------|-----------|
| 30,000 | Gilead Sciences, Inc. * | 1,367,400 |
| 28,000 | OSI Pharmaceuticals, Inc. * | 1,380,120 |
| 42,000 | PAREXEL International Corp. * | 1,203,720 |
| 38,000 | Perrigo Co. | 1,461,480 |
| | | 7,979,340 |
| | E-COMMERCE (0.9%) | |
| 169,000 | Sapient Corp. * | 1,255,670 |
| | EDUCATIONAL SERVICES (1.8%) | |
| 15,000 | ITT Educational Services, Inc. * | 1,213,650 |
| | | |
| 6,000 | Strayer Education, Inc. | 1,201,560 |
| | | 2,415,210 |
| | ELECTRICAL EQUIPMENT (1.1%) | |
| 37,000 | FLIR Systems, Inc. * | 1,421,540 |
| | ELECTRICAL UTILITY - WEST (1.0%) | |
| 48,000 | MDU Resources Group, Inc. | 1,392,000 |
| | ELECTRONICS (0.9%) | |
| 31,000 | Amphenol Corp. Class A | 1,244,340 |
| | ENTERTAINMENT TECHNOLOGY (1.0%) | |
| 44,000 | Netflix, Inc. * | 1,358,720 |
| | ENVIRONMENTAL (3.9%) | |
| 47,000 | American Ecology Corp. | 1,300,490 |
| 67,000 | Calgon Carbon Corp. * | 1,364,120 |
| 19,000 | Clean Harbors, Inc. * | 1,283,450 |
| 54,000 | Tetra Tech, Inc. * | 1,299,240 |
| | | 5,247,300 |
| | FINANCIAL SERVICES - DIVERSIFIED (2.0%) | |
| 77,000 | Crawford & Co. Class B * | 1,170,400 |
| 32,000 | Global Payments, Inc. | 1,435,520 |
| | | 2,605,920 |
| | HEALTH CARE INFORMATION SYSTEMS (1.0%) | |
| 46,000 | Computer Programs & Systems, Inc. | 1,331,700 |
| | HOUSEHOLD PRODUCTS (1.1%) | |
| 23,000 | Church & Dwight Company, Inc. | 1,428,070 |
| | HUMAN RESOURCES (1.9%) | |
| 153,000 | On Assignment, Inc. * | 1,205,640 |
| 61,000 | Resources Connection, Inc. * | 1,374,330 |
| | | 2,579,970 |
| | INDUSTRIAL SERVICES (3.0%) | |
| 50,000 | EMCOR Group, Inc. * | 1,316,000 |
| 20,000 | FTI Consulting, Inc. * | 1,444,800 |
| 30,000 | Unifirst Corp. | 1,292,700 |
| | | 4,053,500 |
| | INFORMATION SERVICES (1.9%) | |
| 14,000 | Dun & Bradstreet Corp. (The) | 1,321,040 |

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|--------|-------------------------------------|-----------|
| 53,000 | Gartner, Inc. * | 1,202,040 |
| | | 2,523,080 |
| | MACHINERY (6.6%) | |
| 28,000 | Bucyrus International, Inc. Class A | 1,251,040 |
| 28,000 | Cummins, Inc. | 1,224,160 |
| 27,000 | Curtiss-Wright Corp. | 1,227,150 |
| 14,000 | Flowserve Corp. | 1,242,780 |
| 19,000 | Lincoln Electric Holdings, Inc. | 1,221,890 |
| 41,000 | Robbins & Myers, Inc. | 1,268,130 |
| 27,000 | Wabtec Corp. | 1,383,210 |
| | | 8,818,360 |

The Value Line Fund, Inc.

September 30, 2008

| Shares | | Value |
|--------|-------------------------------------------|--------------|
| | MARITIME (1.0%) | |
| 34,000 | Gorman-Rupp Co. (The) | \$ 1,282,480 |
| | MEDICAL SERVICES (2.1%) | |
| 28,000 | Amedisys, Inc. * | 1,362,760 |
| 82,000 | American Medical Systems Holdings, Inc. * | 1,456,320 |
| | | 2,819,080 |
| | MEDICAL SUPPLIES (8.1%) | |
| 9,000 | Alcon, Inc. | 1,453,590 |
| 96,000 | CryoLife, Inc. * | 1,259,520 |
| 34,000 | Illumina, Inc. * | 1,378,020 |
| 32,000 | St. Jude Medical, Inc. * | 1,391,680 |
| 38,000 | STERIS Corp. | 1,428,040 |
| 50,000 | Thoratec Corp. * | 1,312,500 |
| 23,000 | Varian Medical Systems, Inc. * | 1,313,990 |
| 38,000 | Zoll Medical Corp. * | 1,243,360 |
| | | 10,780,700 |
| | OILFIELD SERVICES/EQUIPMENT (1.8%) | |
| 22,000 | ENSCO International, Inc. | 1,267,860 |
| 26,000 | Helmerich & Payne, Inc. | 1,122,940 |
| | | 2,390,800 |
| | PACKAGING & CONTAINER (0.9%) | |
| 30,000 | Rock-Tenn Co. Class A | 1,199,400 |
| | PHARMACY SERVICES (0.9%) | |
| 47,000 | Catalyst Health Solutions, Inc. * | 1,227,640 |
| | POWER (0.8%) | |
| 19,000 | Energy Conversion Devices, Inc. * | 1,106,750 |
| | PRECISION INSTRUMENT (4.7%) | |
| 21,000 | Axsys Technologies, Inc. * | 1,237,740 |
| 94,000 | Bruker Corp. * | 1,253,020 |
| 34,000 | II-VI, Inc. * | 1,314,440 |
| 10,000 | K-Tron International, Inc. * | 1,288,300 |
| 33,000 | Woodward Governor Co. | 1,163,910 |
| | | 6,257,410 |
| | RAILROAD (4.9%) | |
| 24,000 | CSX Corp. | 1,309,680 |
| 31,000 | Genesee & Wyoming, Inc. Class A * | 1,163,120 |
| 30,000 | Kansas City Southern * | 1,330,800 |
| 21,000 | Norfolk Southern Corp. | 1,390,410 |
| 19,000 | Union Pacific Corp. | 1,352,040 |

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| | | |
|---------|-------------------------------------------------------------------------------------------|----------------|
| | | 6,546,050 |
| | RESTAURANT (3.0%) | |
| 37,000 | Buffalo Wild Wings, Inc. * | 1,488,880 |
| 22,000 | McDonald's Corp. | 1,357,400 |
| 24,000 | Panera Bread Co. Class A * | 1,221,600 |
| | | 4,067,880 |
| | RETAIL - AUTOMOTIVE (2.0%) | |
| 36,000 | Advance Auto Parts, Inc. | 1,427,760 |
| 32,000 | Copart, Inc. * | 1,216,000 |
| | | 2,643,760 |
| | RETAIL - SPECIAL LINES (4.1%) | |
| 45,000 | Aeropostale, Inc. * | 1,444,950 |
| 23,000 | Buckle, Inc. (The) | 1,277,420 |
| 38,000 | Ross Stores, Inc. | 1,398,780 |
| 44,000 | Urban Outfitters, Inc. * | 1,402,280 |
| | | 5,523,430 |
| | RETAIL BUILDING SUPPLY (1.0%) | |
| 27,000 | Fastenal Co. | 1,333,530 |
| | RETAIL STORE (2.1%) | |
| 47,000 | Big Lots, Inc. * | 1,308,010 |
| 24,000 | Wal-Mart Stores, Inc. | 1,437,360 |
| | | 2,745,370 |
| | SEMICONDUCTOR (2.0%) | |
| 69,000 | Altera Corp. | 1,426,920 |
| 162,000 | PMC - Sierra, Inc. * | 1,202,040 |
| | | 2,628,960 |
| | STEEL - GENERAL (0.9%) | |
| 22,000 | Cleveland-Cliffs, Inc. | 1,164,680 |
| | TELECOMMUNICATION SERVICES (0.9%) | |
| 33,000 | NII Holdings, Inc. * | 1,251,360 |
| | THRIFT (1.1%) | |
| 76,000 | Hudson City Bancorp, Inc. | 1,402,200 |
| | TRUCKING (1.0%) | |
| 21,000 | Ryder System, Inc. | 1,302,000 |
| | WIRELESS NETWORKING (1.0%) | |
| 15,000 | Itron, Inc. * | 1,327,950 |
| | TOTAL COMMON STOCKS AND TOTAL INVESTMENT SECURITIES (97.1%) (Cost \$139,675,628) | 129,682,715 |
| | CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES (2.9%) | 3,916,276 |
| | NET ASSETS (100%) | \$ 133,598,991 |

NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE

(\$133,598,991 ÷ 14,823,483 shares outstanding) \$ 9.01

* Non-income producing.
ADR American Depositary Receipt.

| Total Cost | Appreciation | Depreciation | Total Net Unrealized Depreciation |
|---------------|--------------|----------------|-----------------------------------------|
| \$139,675,628 | \$4,388,501 | \$(14,381,414) | \$(9,992,913) |

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The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value during the nine months ended September 30, 2008 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value techniques: multi-dimensional relational pricing model, option adjusted spread pricing and estimated the price that would have prevailed in a liquid market for an international equity given information available at the time of evaluation.

The following is a summary of the inputs used as of September 30, 2008 in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities | Other Financial Instruments* |
|-----------------------------------------------|---------------------------|------------------------------|
| Level 1 - Quoted Prices | \$ 129,682,715 | - |
| Level 2 - Other Significant Observable Inputs | - | - |
| Level 3 - Significant Unobservable Inputs | - | - |
| Total | \$ 129,682,715 | - |

*Other financial instruments include futures, forwards and swap contracts.

For the period ended 9/30/08, there were no Level 2 or 3 investments.

Item 2. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-2(c) under the Act (17 CFR 270.30a-2(c)) based on their evaluation of these controls and procedures as of the date within 90 days of filing date of this report, are approximately designed to ensure that material information relating to the registrant is made known to such officers and are operating effectively.
- (b) The registrant's principal executive officer and principal financial officer have determined that there have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including corrective actions with regard to significant deficiencies and material weaknesses.

Item 3. Exhibits:

- (a) Certifications of principal executive officer and principal financial officer of the registrant.

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.

By /s/ Mitchell E. Appel
Mitchell E. Appel, President

Date: November 24, 2008

Pursuant to the requirements of the Securities 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/ Mitchell E. Appel
Mitchell E. Appel, President, Principal
Executive Officer

By /s/ Emily D. Washington
Emily D. Washington, Treasurer,
Principal Financial Officer

Date: November 24, 2008