

BLUE CHIP VALUE FUND INC

Form N-30B-2

May 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 amounts of the most recent quarterly distribution and the cumulative distributions paid during the 2007 fiscal year 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 distributed more than its income and capital gains during 2007; therefore, a portion of the distributions, as summarized in the table on the next page, is 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 not being provided for tax reporting purposes. 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 terminate the Managed Distribution Policy.

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	\$0.00	0.00%	\$0.00	0.00%
Net Realized Short Term Capital Gains	\$0.00	0.00%	\$0.00	0.00%
Net Realized Long Term Capital Gains	\$0.00	0.00%	\$0.00	0.00%
Return of Capital	\$0.13	100.00%	\$0.13	100.00%
Total (per common share)	\$0.13	100%	\$0.13	100%
Average annual total return (in relation to NAV) for the 5 years ending March 31, 2008				11.92%
Annualized current distribution rate expressed as a percentage of NAV as of March 31, 2008				10.40%
Cumulative total return (in relation to NAV) for the fiscal year through March 31, 2008				(6.54%)
Cumulative fiscal year distributions as a percentage of NAV as of March 31, 2008				2.60%

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 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 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.

INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

May
6,
2008

The net asset value of the Blue Chip Value Fund, Inc. was down 6.54% at the end of the first quarter of 2008. For the quarter, our Fund outperformed both its benchmark the S&P 500 Index and the Lipper Large-Cap Core Index which were down 9.44% and 9.49%, respectively. In short, our good relative performance came from good stock selection in the healthcare, consumer cyclical, communications, technology, and energy sectors.

In the healthcare sector, Zimmer Holdings, one of the world's leading manufacturers of artificial knees and hips, was our best performing stock in the sector—up 17%—because of strong earnings performance. Also, the generic drug manufacturer, TEVA Pharmaceuticals, and pharmaceutical manufacturer, Abbott Laboratories, performed well in the quarter.

Consumer spending patterns are changing because of higher energy and food costs in combination with weakening home prices and growing unemployment. We did a good job navigating through this change in the first quarter and had above-average performance from TJX Companies, Starwood Hotels & Resorts Worldwide, and Darden Restaurants. In our opinion, TJX Companies is one of the best—if not the best—retailer of off-price apparel through its T.J. Maxx stores. Likewise, we believe Starwood Hotels is one of the largest and best managers of hotels under such brand names as Westin, W Hotels, Sheraton, and St. Regis. Darden Restaurants operates two major restaurant chains—Olive Garden and Red Lobster.

We own three communication equipment providers—Cisco Systems, Nokia, and QUALCOMM. Cisco and Nokia both declined during the quarter, but QUALCOMM was up modestly which was very helpful to our portfolio. QUALCOMM, among other things, licenses intellectual property to semiconductor companies that make chips for cell phones.

International Business Machines also performed well in the first quarter. IBM's international business appears to be very strong, and we expect this to continue.

XTO Energy was our best performing stock for the quarter. This oil and gas exploration and production company is based in Fort Worth, Texas, and we believe does an excellent job of finding oil and gas. The stock was up 20% for the quarter. On the other hand, our holding of Marathon Oil was down 24% for the quarter because a large portion of the company's earnings came from the refining business, which declined sharply in profitability. We expect profitability to improve over the next several quarters.

The two sectors which hurt us the most during the quarter were capital goods and interest-rate sensitive. In capital goods, CNH Global, N.V., a manufacturer of agricultural tractors, declined 21%. Ironically, product demand resulted in increased costs in its manufacturing process and in January the company reported earnings below expectations. We expect that this should be corrected in the next few quarters.

Our stock selection process in the interest-rate sensitive sector resulted in an underweight position relative to the S&P 500. Twelve percent of the Fund is exposed to these stocks compared to 16% of the S&P 500. We were hurt most by our investment in the money management firm, Invesco, Ltd. which was down 20% for the quarter. It appears that the company had no specific problems, but its revenues were impacted by a declining stock market. We believe Invesco's decline in revenues is temporary.

There is little clarity about the length or the magnitude of the economic slowdown. In this environment, we look for stocks with strong profitability, free cash flows and high returns on invested capital. Examples are companies with a high proportion of international sales such as Nike or IBM. We also expect oil prices to remain high in the months ahead because new supply is slow getting to the market place, and demand is staying strong in spite of the slowing economy. It seems to us that this should translate to increasing profitability for most oil companies.

We believe the stock market should begin to move up once investors see the end of the economic slowdown. Election years are frequently positive years in the stock market, and we believe that we have many well run companies in our portfolio, which, in our opinion, can grow earnings in this difficult environment.

Thank you for your support.

**Sector Diversification in Comparison to
S&P 500 as of March 31, 2008***

	Fund	S&P 500
Basic Materials	2.6%	3.0%
Capital Goods	10.8%	9.4%
Commercial Services	4.0%	1.9%
Communications	8.1%	7.3%
Consumer Cyclical	13.1%	11.0%
Consumer Staples	8.4%	10.7%
Energy	12.5%	12.7%
Interest Rate Sensitive	12.2%	14.9%
Medical/Healthcare	13.2%	11.1%
REITs	0.0%	1.2%
Technology	10.3%	11.1%
Transportation	2.3%	2.1%
Utilities	2.3%	3.6%
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 March 31, 2008**

Return	3 Mos.	1-Year	3-Year	5-Year	10-Year
Blue Chip Value Fund □ NAV	(6.54%)	(3.17%)	6.00%	11.92%	3.58%
Blue Chip Value Fund □ Market Price	(8.83%)	(13.18%)	(1.36%)	11.72%	2.24%
S&P 500 Index	(9.44%)	(5.08%)	5.85%	11.32%	3.50%

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 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. 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 \$7.80 per share. For the three months ended March 31, 2008 no distribution has 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 DISTRIBUTION

Year	Net Investment Income	Capital Gains	Return of Capital	Undesignated*	Total Amount of Distribution
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
Totals	\$0.3066	\$4.9042	\$2.4492	\$0.1400*	\$7.80
% of Total Distribution	3.93%	62.87%	31.40%	1.80%	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 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 Agent in connection with that transaction.

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. 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 Agent in connection with that transaction.

A stockholder owning a minimum of 50 shares may join the Plan by sending an Enrollment Form to the Plan Agent at BNY Mellon Shareowner 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. In addition, you may request the Plan Agent to sell all of your shares. When your shares are sold, you will receive the proceeds less trading fees of \$.02 per share. The Plan Agent will generally sell your shares on the day your request is received in good order, however the Plan Agent reserves the right to take up to 5 business days to sell your shares. Your shares will be aggregated by the Plan Agent with the shares of other participants selling their shares that day and sold on the open market. You will receive the weighted average price minus trading fees of all liquidated shares sold by the Plan Agent on the transaction date.

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

The Fund will begin participating in the Direct Registration System ( DRS ) on August 1, 2008. At that time, the Fund will also revise its Plan to recognize the applicable features of the DRS and to notify you of a new \$15 service charge collected by the Plan Agent when stockholders request the Plan Agent to sell all or a portion of their shares. The Fund will mail you the revised Plan and information on DRS by June 30, 2008.

Additional information about the Plan may be obtained from the Plan Agent by writing to BNY Mellon Shareowner Services, 480 Washington Blvd., Jersey City, NJ 07310, by telephone at (800) 624-4290 (option #1) or by visiting us at www.blu.com.

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 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 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.

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 and (3) on the SEC website at 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 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.

BLUE CHIP VALUE FUND, INC.

STATEMENT OF INVESTMENTS

March 31, 2008 (Unaudited)

	Shares	Cost	Market Value
COMMON STOCKS □ 108.79%			
BASIC MATERIALS □ 2.88%			
Forestry & Paper □ 2.88%			
Ball Corp.	88,940	\$ 4,675,085	\$ 4,085,904
TOTAL BASIC MATERIALS		4,675,085	4,085,904
CAPITAL GOODS □ 11.78%			
Aerospace & Defense □ 4.36%			
General Dynamics Corp.	37,500	1,934,073	3,126,375
Raytheon Co.	47,500	1,716,962	3,068,975
		3,651,035	6,195,350
Farm Equipment □ 2.21%			
CNH Global N.V. - ADS (Netherlands)	60,300	2,346,522	3,137,409
Industrial Products □ 5.21%			
ITT Corp.	49,900	2,730,482	2,585,319
Parker Hannifin Corp.	69,550	3,307,807	4,817,729
		6,038,289	7,403,048
TOTAL CAPITAL GOODS		12,035,846	16,735,807
COMMERCIAL SERVICES □ 4.33%			
Business Products & Services □ 1.92%			
Quanta Services Inc.**	117,500	3,597,235	2,722,475
IT Services □ 0.99%			
Computer Sciences Corp.**	34,350	1,624,404	1,401,137
Transaction Processing □ 1.42%			
The Western Union Co.	95,100	1,759,527	2,022,777
TOTAL COMMERCIAL SERVICES		6,981,166	6,146,389
COMMUNICATIONS □ 8.80%			
Networking □ 4.50%			
Cisco Systems Inc.**	265,200	6,590,884	6,388,668
Telecomm Equipment & Solutions □ 4.30%			
Nokia Corp. □ ADR (Finland)	51,730	867,230	1,646,566
QUALCOMM Inc.	108,800	4,631,344	4,460,800