

Edgar Filing: VALUE LINE FUND INC - Form N-Q

VALUE LINE FUND INC  
Form N-Q  
November 27, 2006

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 811-568

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

220 East 42nd Street, New York, NY 10017  
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David T. Henigson  
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(Name and address of agent for service)

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

Date of fiscal year end: December 31, 2006

Date of reporting period: September 30, 2006

Item 1: Schedule of Investments.

A copy of Schedule of Investments for the period ended 9/30/06 is included with this Form.

The Value Line Fund, Inc.

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Schedule of Investments (unaudited) September 30, 2006  
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Shares		Value
COMMON STOCKS	(97.2%)	
	AEROSPACE/DEFENSE (0.8%)	
18,000	Lockheed Martin Corp.	\$ 1,549,080
	AIR TRANSPORT (2.4%)	
61,000	Continental Airlines, Inc. Class B*	1,726,910
183,000	Midwest Air Group, Inc. *	1,442,040
89,000	Southwest Airlines Co.	1,482,740
		-----
		4,651,690
	APPAREL (0.9%)	
37,000	Guess?, Inc. *	1,795,610
	BANK (1.7%)	
37,000	JPMorgan Chase & Co.	1,737,520
53,000	Synovus Financial Corp.	1,556,610
		-----
		3,294,130

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	BANK - MIDWEST (0.7%)	
27,000	Hancock Holding Co.	1,445,850
	BEVERAGE - SOFT DRINK (0.8%)	
50,000	Hansen Natural Corp. *	1,624,000
	BIOTECHNOLOGY (0.8%)	
22,000	Amgen, Inc. *	1,573,660
	CABLE TV (2.3%)	
31,000	Comcast Corp. Class A*	1,141,110
166,000	DIRECTV Group, Inc. (The) *	3,266,880
		-----
		4,407,990
	CHEMICAL - SPECIALTY (1.6%)	
100,000	Hercules, Inc. *	1,577,000
28,000	Sherwin-Williams Co. (The)	1,561,840
		-----
		3,138,840
	COMPUTER & PERIPHERALS (1.1%)	
61,000	Hewlett-Packard Co.	2,238,090
	COMPUTER SOFTWARE & SERVICES (6.7%)	
58,000	BMC Software, Inc. *	1,578,760
26,000	Cognizant Technology Solutions Corp. Class A *	1,925,560
36,000	Infosys Technologies Ltd. ADR	1,718,280
76,000	Jack Henry & Associates, Inc.	1,654,520
152,000	Oracle Corp. *	2,696,480
46,000	Paychex, Inc.	1,695,100
32,000	SEI Investments Co.	1,798,080
		-----
		13,066,780
	DIVERSIFIED COMPANIES (4.2%)	
37,000	Acuity Brands, Inc.	1,679,800
39,000	Honeywell International, Inc.	1,595,100
105,000	Kadant, Inc. *	2,578,800
58,000	McDermott International, Inc. *	2,424,400
		-----
		8,278,100
	DRUG (3.9%)	
23,000	Covance, Inc. *	1,526,740
65,000	Immucor, Inc. *	1,456,650
111,000	LifeCell Corp. *	3,576,420
50,000	Schering-Plough Corp.	1,104,500
		-----
		7,664,310
	E-COMMERCE (2.4%)	
93,000	Akamai Technologies, Inc. *	4,649,070
	EDUCATIONAL SERVICES (0.7%)	
40,000	PAREXEL International Corp. *	1,323,600
	ELECTRICAL EQUIPMENT (3.1%)	
43,000	Belden CDT, Inc.	1,643,890
32,000	Garmin Ltd.	1,560,960
47,000	General Cable Corp. *	1,795,870
23,000	Trimble Navigation Ltd. *	1,082,840
		-----
		6,083,560
	ELECTRICAL UTILITY - CENTRAL (0.8%)	
25,000	TXU Corp.	1,563,000
	ELECTRICAL UTILITY - EAST (0.5%)	
25,000	Allegheny Energy, Inc. *	1,004,250
	ELECTRONICS (4.4%)	
76,500	Benchmark Electronics, Inc. *	2,056,320
160,000	KEMET Corp. *	1,291,200
45,000	Molex, Inc.	1,753,650
115,000	Technitrol, Inc.	3,432,750

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		8,533,920
	ENTERTAINMENT (1.6%)	
100,000	Walt Disney Co. (The)	3,091,000
	FINANCIAL SERVICES - DIVERSIFIED (0.8%)	
42,000	CNA Financial Corp. *	1,512,840
	FOOD PROCESSING (1.3%)	
68,000	Archer-Daniels-Midland Co.	2,575,840
	FURNITURE/HOME FURNISHINGS (2.5%)	
155,000	Kimball International, Inc. Class B	2,991,500
114,000	Tempur-Pedic International, Inc. *	1,957,380
		-----
		4,948,880
	HEALTH CARE INFORMATION SYSTEMS (0.8%)	
133,000	Emdeon Corp. *	1,557,430
	HUMAN RESOURCES (1.5%)	
107,000	Kelly Services, Inc. Class A	2,932,870
	INDUSTRIAL SERVICES (2.8%)	
54,000	Amdocs Ltd. *	2,138,400
100,000	Quanta Services, Inc. *	1,686,000
100,000	TeleTech Holdings, Inc. *	1,563,000
		-----
		5,387,400
	INFORMATION SERVICES (2.2%)	
119,000	Gartner, Inc. *	2,093,210
55,000	Thomson Corp. (The)	2,216,500
		-----
		4,309,710

The Value Line Fund, Inc.

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September 30, 2006  
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Shares		Value
-----		
	MACHINERY (1.9%)	
64,000	Gardner Denver, Inc. *	\$ 2,117,120
34,000	Manitowoc Company, Inc. (The)	1,522,860
		-----
		3,639,980
	MEDICAL SERVICES (0.8%)	
23,000	Humana, Inc. *	1,520,070
	MEDICAL SUPPLIES (3.0%)	
31,000	Digene Corp. *	1,337,650
90,000	Illumina, Inc. *	2,973,600
32,000	Stryker Corp.	1,586,880
		-----
		5,898,130
	METALS & MINING DIVERSIFIED (2.7%)	
31,000	Alcan, Inc.	1,235,970
17,000	Allegheny Technologies, Inc.	1,057,230
120,000	Brush Engineered Materials, Inc. *	2,984,400
		-----
		5,277,600
	NATURAL GAS - DISTRIBUTION (0.7%)	
55,000	Southern Union Co.	1,452,550
	NATURAL GAS - DIVERSIFIED (0.7%)	
100,000	El Paso Corp.	1,364,000

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	NEWSPAPER (1.1%)	
105,000	News Corp. Class B	2,167,200
	OFFICE EQUIPMENT & SUPPLIES (0.6%)	
79,000	Xerox Corp. *	1,229,240
	OILFIELD SERVICES/EQUIPMENT (3.9%)	
37,000	Core Laboratories N.V. *	2,360,600
144,000	Global Industries Ltd. *	2,240,640
128,000	TETRA Technologies, Inc. *	3,092,480
		-----
		7,693,720
	PETROLEUM - PRODUCING (0.8%)	
33,000	Noble Energy, Inc.	1,504,470
	PHARMACY SERVICES (0.7%)	
32,000	Walgreen Co.	1,420,480
	PRECIOUS METALS (0.8%)	
51,000	Agnico-Eagle Mines Ltd.	1,587,630
	PRECISION INSTRUMENT (2.4%)	
60,000	II-VI, Inc. *	1,495,200
80,000	Newport Corp. *	1,304,000
95,000	Veeco Instruments, Inc. *	1,914,250
		-----
		4,713,450
	RECREATION (0.8%)	
24,000	Harley-Davidson, Inc.	1,506,000
	RETAIL - SPECIAL LINES (7.7%)	
53,000	American Eagle Outfitters, Inc.	\$ 2,322,990
40,000	AnnTaylor Stores Corp. *	1,674,400
64,000	bebe stores, inc.	1,585,920
95,000	Christopher & Banks Corp.	2,800,600
60,000	Gymboree Corp. (The) *	2,530,800
45,000	NBTY, Inc. *	1,317,150
110,000	PC Connection, Inc. *	1,270,500
48,000	Sotheby's	1,547,520
		-----
		15,049,880
	RETAIL STORE (5.3%)	
163,000	Big Lots, Inc. *	3,229,030
67,000	Dillard's, Inc. Class A	2,192,910
27,000	J.C. Penney Company, Inc.	1,846,530
48,000	Kohl's Corp. *	3,116,160
		-----
		10,384,630
	SECURITIES BROKERAGE (1.6%)	
43,000	Morgan Stanley	3,135,130
	SEMICONDUCTOR (1.7%)	
120,000	Integrated Device Technology, Inc. *	1,927,200
250,000	TriQuint Semiconductor, Inc. *	1,300,000
		-----
		3,227,200
	SEMICONDUCTOR - EQUIPMENT (0.8%)	
51,000	ATMI, Inc. *	1,482,570
	SHOE (1.2%)	
58,000	Steven Madden Ltd.	2,275,920
	TELECOMMUNICATION SERVICES (2.9%)	
83,000	AT&T, Inc.	2,702,480
30,000	BT Group PLC ADR	1,517,100
175,000	Qwest Communications International, Inc. *	1,526,000
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		5,745,580
	TELECOMMUNICATIONS EQUIPMENT (0.8%)	
80,000	Nokia Corp. ADR	1,575,200

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	WIRELESS NETWORKING (1.0%)	1,847,880
18,000	Research In Motion Ltd. *	
TOTAL COMMON STOCK AND TOTAL INVESTMENT		
	SECURITIES (97.2%)	189,900,010
	(Cost \$179,810,295)	-----
Principal		
Amount		Value
REPURCHASE AGREEMENTS (1) (3.1%)		
\$ 3,000,000	With Morgan Stanley & Co., 4.90%, dated 9/29/06, due 10/2/06, delivery value \$3,001,225 (collateralized by \$3,040,000 U.S. Treasury Notes 4.25%, due 10/15/10, with a value of \$3,061,902)	3,000,000

The Value Line Fund, Inc.

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Schedule of Investments (unaudited)  
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		Value
Principal		Amount
\$ 3,100,000	With UBS Securities, LLC, 4.95%, dated 9/29/06, due 10/2/06, delivery value \$3,101,279 (collateralized by \$2,709,000 U.S. Treasury Notes 6.25%, due 8/15/23, with a value of \$3,167,377)	\$ 3,100,000
TOTAL REPURCHASE AGREEMENTS		
	(Cost \$6,100,000)	6,100,000
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EXCESS OF LIABILITIES OVER CASH AND OTHER ASSETS (-0.3%)		(527,365)
-----		
NET ASSETS (100%)		\$195,472,645
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NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE		
	(\$195,472,645 / 15,224,376 shares outstanding)	\$ 12.84
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\* Non-income producing.

(1) The Fund's custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest.

ADR American Depositary Receipt

The Fund's unrealized appreciation/(depreciation) as of September 30, 2006 was as follows:

			Total Net
Total Cost	Appreciation	Depreciation	Unrealized
			Appreciation
\$185,910,295	\$14,906,125	\$(4,816,410)	\$10,089,715

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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/ Jean B. Buttner  
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Jean B. Buttner, President

Date: November 27, 2006  
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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/ Jean B. Buttner  
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Jean B. Buttner, President, Principal Executive Officer

By: /s/ Stephen R. Anastasio  
-----  
Stephen R. Anastasio, Treasurer, Principal Financial Officer

Date: November 27, 2006  
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