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VALUE LINE FUND INC
Form N-CSR
March 10, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file Number 811-568

Value Line Fund, Inc.

(Exact name of registrant as specified in charter)

220 East 42nd Street, New York, N.Y. 10017

(Address of principal executive offices) (Zip Code)

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

Date of fiscal year end: December 31, 2005

Date of reporting period: December 31, 2005

Item 1. Reports to Stockholders.

ANNUAL REPORT

December 31, 2005

The Value Line
Fund, Inc.

[LOGO
VALUE LINE
No-Load
Mutual
Funds]

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The Value Line Fund, Inc.

To Our Value Line

To Our Shareholders:

The Value Line Fund had a total return of 10.40% in 2005, compared with the 4.91% return of the S&P 500 index(1).

The equity market had a strong month in November, which accounted for the majority of the year's returns. This lackluster performance was somewhat surprising considering the strong earnings growth that was posted by corporations during the year in combination with solid economic data for the U.S. Several factors have contributed to this subpar return environment. First, higher oil prices have concerned consumers and investors alike as they have recently broached the \$60-a-barrel level again, up roughly 50% from a year ago. Higher energy prices can have a two-fold effect as they weaken consumer's purchasing power as well as reduce the profit margins of certain industries. Second, while it appears the Federal Reserve is approaching an end to its year-and-a-half long tightening cycle, a new Chairman will soon be replacing Alan Greenspan as the head of the Federal Reserve, which creates a sense of uncertainty for both the fixed income and equity markets. Lastly, given the strong operating margin improvement and the resulting strong earnings growth that U.S. corporations have delivered over the last several years, it would appear that going forward these gains will likely be more moderate.

The Value Line Fund generally invests in stocks that are ranked in the highest category for price performance over the next six to twelve months by the Value Line Timeliness(TM) Ranking System. The system favors stocks with strong price and earnings momentum relative to those of all other companies in the Value Line Investment Survey of approximately 1,700 stocks. Currently, the Fund has significant weightings in the Industrial and Information Technology (IT) sectors. The largest holdings are in the IT area, which has not done well over the past few years and many investors are expecting some pent up demand to surface in 2006. Investors should keep in mind, however, that this sector is one of the most volatile in the S&P 500 Index. The Fund is also significantly underweighted in the Financial sector due to the slowing growth of earnings that we expect from this sector due to higher short-term interest rates and the relatively flat yield curve.

Looking forward, we expect 2006 to be similar to the past year with support for the equity market coming from U.S. corporations, which currently have high levels of cash holdings and merger and acquisition activity that looks like it will continue to increase.

As always, we appreciate your continued investment.

Sincerely,

/s/ Jean Bernhard Buttner
Jean Bernhard Buttner
Chairman and President

January 23, 2006

(1) The Standard & Poor's 500 Index consists of 500 stocks which are traded on the New York Stock Exchange, American Stock Exchange and the NASDAQ National Market System and is representative of the broad stock market. This is an unmanaged index and does not reflect charges, expenses or

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taxes, and it is not possible to directly invest in this index.

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The Value Line Fund, Inc.

Fund Shareholders

Economic Observations

The business expansion is likely to proceed at a somewhat slower pace of 3.0%-3.5% during the latter stages of 2005 than we had expected earlier, reflecting the major damage done to the Gulf Coast's economic underpinnings by the recent hurricanes in that region. As before, the economic up cycle should be sustained by healthy levels of construction spending and capital goods demand. Moreover, recent trends suggest that the economy will continue to grow at a stable 3.0%-3.5% in 2006.

Helping to sustain this upturn next year are likely to be solid levels of activity in the manufacturing area and the service sector. In fact, the need to rebuild portions of the hurricane-ravaged Gulf area should give the economy a modest boost. Such growth will probably be accompanied by still moderate, but somewhat higher, rates of inflation. The wild card in this equation, and one reason that we are not likely to see a higher level of business growth, is the high price of oil. Should that commodity stabilize in price over the next several months, as we assume, the sustainability of the long economic expansion, as well as the prolonged period of comparative price stability, probably would continue. Any material and sustained increase in oil prices from these recent levels would logically threaten this economic and inflation stability.

A continuing steady rate of gross domestic product growth and the accompanying stable rates of inflation that we expect would have positive ramifications for the financial markets. That's because this combination would logically allow the Federal Reserve to bring its cycle of monetary tightening to a close over the next several months--if not sooner--without undue harm to the lengthy economic and corporate earnings up cycles.

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The Value Line Fund, Inc.

The following graph compares the performance of The Value Line Fund, Inc. to that of the S&P 500 Stock Index. The Value Line Fund, Inc. is a professionally managed mutual fund, while the Index is not available for investment and is unmanaged. The returns for the Index do not reflect charges, expenses or taxes but do include the reinvestment of dividends. The comparison is shown for illustrative purposes only.

Comparison of a Change in Value of a \$10,000 Investment
in the Value Line Fund and the S&P 500 Stock Index*

[THE FOLLOWING WAS DEPICTED BY A LINE CHART IN THE PRINTED MATERIAL]

01/96	\$10,000	\$10,000
	\$10,862	\$10,537

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	\$11,452	\$11,010
	\$11,972	\$11,350
12/96	\$12,253	\$12,296
	\$11,912	\$12,624
	\$13,699	\$14,828
12/97	\$15,261	\$15,940
	\$14,898	\$16,398
	\$16,230	\$18,685
	\$16,652	\$19,302
	\$14,461	\$17,382
12/98	\$17,916	\$21,083
	\$19,664	\$22,134
	\$20,225	\$23,694
	\$19,331	\$22,214
12/99	\$22,705	\$25,520
	\$23,769	\$26,105
	\$22,575	\$25,411
	\$22,567	\$25,165
12/00	\$19,219	\$23,196
	\$16,854	\$20,446
	\$17,879	\$21,643
	\$14,947	\$18,466
12/06	\$16,755	\$20,439
	\$16,773	\$20,496
	\$14,598	\$17,750
	\$12,650	\$14,683
12/06	\$12,507	\$15,922
	\$12,416	\$15,420
	\$13,568	\$17,794
	\$13,751	\$18,265
12/06	\$14,543	\$20,489
	\$14,706	\$20,836
	\$14,757	\$21,194
	\$14,390	\$20,798
12/06	\$16,302	\$22,717
	\$16,008	\$22,229
	\$16,724	\$22,534
	\$17,779	\$23,346
12/06	\$17,997	\$23,833

* The Standard and Poor's 500 Index (S&P 500 Index) is an unmanaged index that is representative of the larger-capitalization stocks traded in the United States.

The return for the index does not reflect expenses which are deducted from the Fund's returns.

Performance Data:**

	Average Annual Total Return	Growth of an Assumed Investment of \$10,000
	-----	-----
1 year ended 12/31/05	10.40%	\$11,040
5 years ended 12/31/05	-1.31%	\$ 9,361
10 years ended 12/31/05	6.05%	\$17,996

** The performance data quoted represent past performance and are no guarantee of future performance. The average annual total returns and growth of an assumed investment of \$10,000 include dividends reinvested and capital gains distributions accepted in shares. The investment return and principal value of an investment will fluctuate so that an investment,

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when redeemed, may be worth more or less than its original cost. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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The Value Line Fund, Inc.

FUND EXPENSES (unaudited):

Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2005 through December 31, 2005).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example an \$8,600 account value divided by \$1,000=8.6), then multiply the result by the number in the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs would have been higher.

			Expenses
			paid duri
	Beginning	Ending	period
	account	account	7/1/05
	value	value	thru

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	7/1/05	12/31/05	12/31/05
	-----	-----	-----
Actual	\$ 1,000.00	\$ 1,076.10	\$ 5.86
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,019.55	\$ 5.70

* Expenses are equal to the Fund's annualized expense ratio of 1.12% multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half period.

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The Value Line Fund, Inc.

Portfolio Highlights at December 31, 2005 (unaudited)

Ten Largest Holdings

Issue	Shares	Value (in thousands)	Percentage of Net Assets

Marvell Technology Group Ltd.	74,800	\$ 4,196	1.96%
NVIDIA Corp.	111,000	4,058	1.90
Itron, Inc.	97,200	3,892	1.82
EOG Resources, Inc.	52,000	3,815	1.79
McDermott International, Inc.	79,000	3,524	1.65
Corning, Inc.	177,700	3,494	1.63
Guess?, Inc.	96,000	3,418	1.60
Brightpoint, Inc.	121,500	3,369	1.58
Accenture, Ltd. Class A	115,000	3,320	1.55
Hewlett-Packard Co.	112,000	3,207	1.50

Asset Allocation -- Percentage of Net Assets

[THE FOLLOWING WAS DEPICTED BY A PIE CHART IN THE PRINTED MATERIAL]

Common Stocks	95.6%
Cash & Other	4.4%

Sector Weightings -- Percentage of Total Investment Securities

[THE FOLLOWING WAS DEPICTED BY A BAR CHART IN THE PRINTED MATERIAL]

Consumer, Non-Cyclical	21.0%
Industrial	19.5%
Technology	17.1%
Consumer, Cyclical	14.1%
Communications	11.4%
Energy	10.4%
Financial	6.5%

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The Value Line Fund, Inc.

Schedule of Investments

December 31, 2005

Shares	Value (in thousands)

COMMON STOCKS (95.6%)	
ADVERTISING (1.0%)	
53,000	Monster Worldwide, Inc.* \$ 2,163
AEROSPACE/DEFENSE (1.0%)	
90,000	AAR Corp.* 2,156
APPAREL (2.6%)	
96,000	Guess?, Inc.* 3,418
38,000	Oxford Industries, Inc. 2,079

	5,497
BIOTECHNOLOGY (2.9%)	
37,500	Amgen, Inc.* 2,957
34,000	Genentech, Inc.* 3,145

	6,102
BUILDING MATERIALS (0.7%)	
28,000	Universal Forest Products, Inc. 1,547
CHEMICAL -- SPECIALTY (0.7%)	
35,000	Ceradyne, Inc.* 1,533
COAL (0.7%)	
20,000	Arch Coal, Inc. 1,590
COMPUTER & PERIPHERALS (3.5%)	
37,000	Apple Computer, Inc.* 2,660
112,000	Hewlett-Packard Co. 3,207
83,000	Ingram Micro, Inc.* 1,654

	7,521
COMPUTER SOFTWARE & SERVICES (6.4%)	
115,000	Accenture Ltd. Class A 3,320
138,000	BMC Software, Inc.* 2,828
42,000	Fair Isaac Corp. 1,855
50,000	Intergraph Corp.* 2,491
55,000	ManTech International Corp.* 1,532
44,000	Paychex, Inc. 1,677

	13,703
DIVERSIFIED COMPANIES (2.2%)	
79,000	McDermott International, Inc.* 3,524
84,000	Oakley, Inc. 1,234

	4,758

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DRUG (4.4%)		
18,000	Allergan, Inc.	1,943
31,000	Barr Pharmaceuticals, Inc.*	1,931
104,000	Biovail Corp.	2,468
30,000	Gilead Sciences, Inc.*	1,579
25,000	Pharmaceutical Product Development, Inc.	1,549

		9,470
E-COMMERCE (0.9%)		
94,000	Internet Security Systems, Inc.*	1,969
ELECTRICAL EQUIPMENT (3.8%)		
64,000	Belden CDT, Inc.	1,564
177,700	Corning, Inc.*	3,494
53,000	Lamson & Sessions Co. (The)*	1,326
40,000	Thomas & Betts Corp.*	1,678

		8,062
ELECTRONICS (2.4%)		
70,000	Jabil Circuit, Inc.*	2,597
107,000	Plexus Corp.*	2,433

		5,030
ENVIRONMENTAL (0.7%)		
23,500	Stericycle, Inc.*	1,384
FINANCIAL SERVICES -- DIVERSIFIED (0.7%)		
16,500	Franklin Resources, Inc.	1,551
FURNITURE/HOME FURNISHINGS (0.8%)		
107,000	Steelcase, Inc.	1,694

See Notes to Financial Statements.

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The Value Line Fund, Inc.

Schedule of Investments

Shares		Value (in thousands)
HEALTH CARE INFORMATION SYSTEMS (2.0%)		
89,000	Allscripts Healthcare Solutions, Inc.*	\$ 1,193
23,800	Cerner Corp.*	2,164
118,000	Emdeon Corp.*	998

		4,355
HUMAN RESOURCES (0.7%)		
114,000	MPS Group, Inc.*	1,558
INDUSTRIAL SERVICES (2.8%)		
42,000	C.H. Robinson Worldwide, Inc.	1,555
25,000	Expeditors International of Washington, Inc.	1,688
200,000	Quanta Services, Inc.*	2,634

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		5,877
	INFORMATION SERVICES (1.2%)	
51,500	Advisory Board Co. (The)*	2,455
	INSURANCE -- LIFE (0.7%)	
20,000	Prudential Financial, Inc.	1,464
	INSURANCE -- PROPERTY & CASUALTY (0.7%)	
500	Hanover Insurance Group, Inc.	21
33,000	W.R. Berkley Corp.	1,571

		1,592
	INTERNET (2.5%)	
33,000	CheckFree Corp.*	1,515
112,000	E*Trade Financial Corp.*	2,336
40,000	Yahoo!, Inc.*	1,567

		5,418
	MACHINERY (2.6%)	
52,000	JLG Industries, Inc.	2,374
42,000	MSC Industrial Direct Co., Inc.	1,689
27,000	Tennant Co.	1,404

		5,467
	MANUFACTURED HOUSING/RECREATIONAL VEHICLE (0.7%)	
112,000	Champion Enterprises, Inc.*	1,525
	MEDICAL SUPPLIES (6.0%)	
13,500	Alcon, Inc.	1,749
54,000	ArthroCare Corp.*	2,275
36,000	LCA-Vision, Inc.	1,710
28,500	Medtronic, Inc.	1,641
76,000	Molecular Devices Corp.*	2,199
46,000	ResMed, Inc.*	1,762
30,000	Varian Medical Systems, Inc.*	1,510

		12,846
	METALS FABRICATING (1.2%)	
60,000	Trinity Industries, Inc.	2,644
	NATURAL GAS -- DIVERSIFIED (5.0%)	
52,000	EOG Resources, Inc.	3,815
18,000	Questar Corp.	1,363
82,000	Southwestern Energy Co.*	2,947
24,000	Western Gas Resources, Inc.	1,130
34,000	XTO Energy, Inc.	1,494

		10,749
	OILFIELD SERVICES/EQUIPMENT (4.2%)	
62,000	BJ Services Co.	2,274
80,000	Cal Dive International, Inc.*	2,871
24,000	Schlumberger Ltd.	2,332
33,000	Tidewater, Inc.	1,467

		8,944

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PHARMACY SERVICES (0.8%)		
20,600	Express Scripts, Inc.*	1,726
PRECISION INSTRUMENT (1.5%)		
45,000	Agilent Technologies, Inc.*	1,498
95,000	Veeco Instruments, Inc.*	1,646

		3,144
RAILROAD (0.6%)		
25,000	CSX Corp.	1,269

See Notes to Financial Statements.

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The Value Line Fund, Inc.

December 31, 2005

Shares		Value (in thousands)
RETAIL -- SPECIAL LINES (1.9%)		
32,200	Dress Barn, Inc. (The)*	\$ 1,243
120,000	Gymboree Corp. (The)*	2,808

		4,051
RETAIL BUILDING SUPPLY (2.1%)		
5,500	Building Material Holding Corp.	375
40,000	Fastenal Co.	1,568
60,000	Home Depot, Inc. (The)	2,429

		4,372
RETAIL STORE (1.1%)		
64,000	Nordstrom, Inc.	2,394
SECURITIES BROKERAGE (3.0%)		
200,000	Charles Schwab Corp. (The)	2,934
5,000	Chicago Mercantile Exchange Holdings, Inc.	1,837
14,000	Legg Mason, Inc.	1,676

		6,447
SEMICONDUCTOR (6.3%)		
113,000	Intersil Corp.	2,811
47,000	Microchip Technology, Inc.	1,511
104,000	Motorola, Inc.	2,349
111,000	NVIDIA Corp.*	4,058
85,000	Texas Instruments, Inc.	2,726

		13,455
TELECOMMUNICATIONS EQUIPMENT (5.1%)		
100,000	ADTRAN, Inc.	2,974
76,000	Juniper Networks, Inc.*	1,695
74,800	Marvell Technology Group Ltd.*	4,196

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46,000	QUALCOMM, Inc.	1,982

		10,847
	TIRE & RUBBER (1.2%)	
144,600	Goodyear Tire & Rubber Co. (The)*	2,513
	TRUCKING/TRANSPORTATION LEASING (0.7%)	
41,000	Forward Air Corp.	1,503
	WIRELESS NETWORKING (5.6%)	
121,500	Brightpoint, Inc.*	3,369
97,200	Itron, Inc.*	3,892
242,000	Powerwave Technologies, Inc.*	3,042
64,000	ViaSat, Inc.*	1,711

		12,014

	TOTAL COMMON STOCK AND TOTAL INVESTMENT SECURITIES (95.6%)	
	(Cost \$180,614)	204,359
		=====
		Value
		(in thousands
		except per
		share amount)

	Principal	
	Amount	
	(in thousands)	

	REPURCHASE AGREEMENTS (4.5%)	
\$ 4,700	With Morgan Stanley & Co., 3.34%, dated 12/30/05, due 1/3/06, delivery value \$4,701,744 (collaterized by \$4,860,000 U.S. Treasury Notes 3.125%, due 5/15/07, with a value of \$4,795,348)	\$ 4,700
5,000	With UBS Warburg, LLC, 3.47%, dated 12/30/05, due 1/3/06, delivery value \$5,001,928 (collaterized by \$3,846,000 U.S. Treasury Notes 7.125%, due 2/15/23, with a value of \$5,083,788)	5,000

	TOTAL REPURCHASE AGREEMENTS	
	(Cost \$9,700)	9,700

	EXCESS OF LIABILITIES OVER CASH	
	AND OTHER ASSETS (-0.1%)	(344)

	NET ASSETS (100%)	\$213,715
		=====
	NET ASSET VALUE OFFERING AND REDEMPTION PRICE,	
	PER OUTSTANDING SHARE (\$213,715,352 [divided by]	
	16,259,583 shares outstanding)	\$ 13.14
		=====
	* Non-income producing security	
	See Notes to Financial Statements.	

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Statement of Assets and Liabilities at December 31, 2005

	(In thousands except per share amount)
<hr/>	
Assets:	
Investment securities, at value (Cost -- \$180,614)	\$204,359
Repurchase agreements (Cost -- \$9,700)	9,700
Cash	122
Receivable for securities sold	7,018
Interest and dividends receivable	71
Prepaid expense	39
Receivable for capital shares sold	6

Total Assets	221,315

Liabilities:	
Payable for securities purchased	7,148
Payable for capital shares repurchased	150
Accrued expenses:	
Advisory fee	125
Service and distribution plan fees	47
Directors' fees	1
Dividends payable	1
Other	128

Total Liabilities	7,600

Net Assets	\$213,715
	=====
Net assets consist of:	
Capital stock, at \$1.00 par value (authorized 50,000,000, outstanding 16,259,583 shares)	\$ 16,260
Additional paid-in capital	165,712
Accumulated net realized gain on investments	7,998
Net unrealized appreciation of investments	23,745

Net Assets	\$213,715
	=====
Net Asset Value, Offering and Redemption	
Price Per Outstanding Share (\$213,715,352 [divided by] 16,259,583 shares outstanding)	\$ 13.14
	=====

Statement of Operations for the Year Ended December 31,

	(In thousands)
<hr/>	
Investment Income:	
Interest	\$ 279
Dividends (Net of foreign withholding tax of \$9)	999

Total Income	1,278

Expenses:	
Advisory fee	1,416

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Service and distribution plan fees	525
Transfer agent fees	146
Auditing and legal fees	64
Printing	44
Custodian fees	46
Postage	38
Directors' fees and expenses	24
Registration and filing fees	23
Insurance	22
Telephone	21
Miscellaneous	4

Total Expenses Before Custody Credits	2,373
Less: Custody Credits	(4)

Net Expenses	2,369

Net Investment Loss	(1,091)

Net Realized and Unrealized Gain on Investments:	
Net Realized Gain	30,382
Change in Net Unrealized Appreciation/(Depreciation)	(8,532)

Net Realized Gain and Change in Net Unrealized Appreciation/(Depreciation) on Investments	21,850

Net Increase in Net Assets from Operations	\$ 20,759
	=====

See Notes to Financial Statements.

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The Value Line Fund, Inc.

Statement of Changes in Net Assets for the
Year Ended December 31, 2005 and for the Year Ended December 31, 2004

	Year Ended December 31, 2005	Year Ended December 31, 2004

	(In thousands)	
Operations:		
Net investment loss	\$ (1,091)	\$ (1,185)
Net realized gain on investments	30,382	24,093
Change in net unrealized appreciation/(depreciation)	(8,532)	635
	-----	-----
Net increase in net assets from operations	20,759	23,543
	-----	-----
Distributions to Shareholders:		
Net realized gain from investment transactions	(31,361)	(28,186)
	-----	-----
Capital Share Transactions:		
Proceeds from sale of shares	8,142	7,470
Proceeds from reinvestment of distributions to shareholders ...	29,593	26,514

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Cost of shares repurchased	(28,443)	(30,363)
Increase from capital share transactions	9,292	3,621
Total Decrease in Net Assets	(1,310)	(1,022)
Net Assets:		
Beginning of year	215,025	216,047
End of year	\$ 213,715	\$ 215,025
Undistributed net investment income, at end of year	\$ --	\$ 8

See Notes to Financial Statements.

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The Value Line Fund, Inc.

Notes to Financial Statements

1. Significant Accounting Policies

The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company whose primary investment objective is long-term growth of capital.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

(A) Security Valuation. Securities listed on a securities exchange are valued at the closing sales prices on the date as of which the net asset value is being determined. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ Official Closing Price. In the absence of closing sales prices for such securities and for securities traded in the over-the-counter market, the security is valued at the midpoint between the latest available and representative asked and bid prices. Short-term instruments with maturities of 60 days or less at the date of purchase are valued at amortized cost, which approximates market value. Short-term instruments with maturities greater than 60 days at the date of purchase are valued at the mid point between the latest available and representative asked and bid prices, and commencing 60 days prior to maturity such securities are valued at amortized cost. Securities for which market quotations are not readily available or that are not readily marketable and all other assets of the Fund are valued at fair value as the Board of Directors may determine in good faith. In addition, the Fund may use the fair value of a security when the closing market price on the primary exchange where the security is traded no longer accurately reflects the value of a security due to factors affecting one or more relevant securities markets or the specific issuer.

(B) Repurchase Agreements. In connection with transactions in repurchase

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agreements, 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. To the extent that any repurchase transaction exceeds one business day, it is the Fund's policy to mark-to-market the collateral on a daily basis to ensure the adequacy of the collateral. In the event of default of the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

(C) Federal Income Taxes. It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, including the distribution requirements of the Tax Reform Act of 1986, and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(D) Security Transactions and Distributions. Security transactions are accounted for on the date the securities are purchased or sold. Interest income is accrued as earned. Realized gains and losses on sales of securities are calculated for financial accounting and federal income tax purposes on the identified cost basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

(E) Foreign Currency Translation. Assets and liabilities which are denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange. The Fund does not isolate changes in the value of investments caused by foreign exchange rate differences from the changes due to other circumstances.

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The Value Line Fund, Inc.

December 31, 2005

Income and expenses are translated to U.S. dollars based upon the rates of exchange on the respective dates of such transactions.

Net realized foreign exchange gains or losses arise from currency gains or losses realized between the trade and settlement dates on securities transactions, the differences between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, other than investments, at the end of the fiscal period, resulting from changes in the exchange rates.

(F) Representations and Indemnifications. In the normal course of business the Fund enters into contract that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

2. Capital Share Transactions, Dividends and Distributions to Shareholders

Transactions in capital stock were as follows (in thousands except per share

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amounts):

	Year Ended December 31, 2005	Year Ended December 31, 2004

Shares sold	572	512
Shares issued to shareholders in reinvestment of dividends and distributions	2,235	1,910

	2,807	2,422
Shares repurchased	(2,014)	(2,117)

Net increase	793	305
	=====	
Distributions per share from net realized gains	\$ 2.22	\$ 2.07
	=====	

3. Purchases and Sales of Securities

Purchases and sales of investment securities, excluding short-term securities, were as follows:

	Year Ended December 31, 2005

	(in thousands)
PURCHASES:	
Investment Securities	\$450,810
	=====
SALES:	
Investment Securities	\$473,590
	=====

4. Income Taxes

At December 31, 2005, information on the tax components of capital is as follows:

	(in thousands)
Cost of investments for tax purposes	\$190,750

Gross tax unrealized appreciation	\$ 26,739
Gross tax unrealized depreciation	(3,430)

Net tax unrealized appreciation on investments	\$ 23,309
	=====
Undistributed ordinary income	\$ 6,059
	=====
Undistributed long-term gains	\$ 2,374
	=====

Permanent book-tax differences relating to the current year were reclassified within the composition of the net asset accounts. The Fund decreased accumulated net investment loss by approximately \$1,083,000 and decreased accumulated net realized gain by approximately \$1,083,000. Net assets were not affected by this reclassification.

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Net realized gains/losses differ for financial statement and tax purposes primarily due to differing treatments of wash sales.

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The Value Line Fund, Inc.

Notes to Financial Statements

December 31, 2005

The tax composition of distributions to shareholders for the years ended December 31, 2005 and December 31, 2004 were as follows:

	2005	2004
	-----	-----
	(in thousands)	
Ordinary income	\$24,008	\$ --
Long-term capital gain	7,353	28,186
	-----	-----
	\$31,361	\$28,186

5. Investment Advisory Fee, Service and Distribution Fees and Transactions With Affiliates

An advisory fee of \$1,415,512 was paid or payable to Value Line, Inc., the "Adviser"), for the year ended December 31, 2005. This was computed at the rate of .70% of the first \$100 million of the Fund's average daily net assets plus .65% on the excess thereof, and paid monthly. The Adviser provides research, investment programs, supervision of the investment portfolio and pays costs of administrative services, office space, equipment and compensation of administrative, bookkeeping and clerical personnel necessary for managing the affairs of the Fund. The Adviser also provides persons, satisfactory to the Fund's Board of Directors, to act as officers and employees of the Fund and pays their salaries and wages. The Fund bears all other costs and expenses.

The Fund has a Service and Distribution Plan (the "Plan"), adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, for the payment of certain expenses incurred by Value Line Securities, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, in advertising, marketing and distributing the Fund's shares and for servicing the Fund's shareholders at an annual rate of 0.25% of the Fund's average daily net assets. For the year ended December 31, 2005, fees amounting to \$525,198 were paid or payable to the Distributor under this Plan.

For the year ended December 31, 2005, the Fund's expenses were reduced by \$3,692 under a custody credit arrangement with the Custodian.

Certain officers and directors of the Adviser and the Distributor are also officers and directors of the Fund.

The Adviser and/or affiliated companies and the Value Line, Inc. Profit Sharing and Savings Plan owned 596,819 shares of the Fund's capital stock, representing 3.67% of the outstanding shares at December 31, 2005. In addition, officers and directors of the Fund as a group owned 1,791 shares of the Fund, representing .01% of the outstanding shares.

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The Value Line Fund, Inc.

Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

	Years Ended December 31,			
	2005	2004	2003	2002
Net asset value, beginning of year	\$ 13.90	\$ 14.25	\$ 13.67	\$ 13.14
Income (loss) from Investment Operations:				
Net investment loss	(0.07)	(.08)	(.03)	(.03)
Net gain or loss on securities (both realized and unrealized)	1.53	1.80	2.24	(.03)
Total from investment operations	1.46	1.72	2.21	(.06)
Less distributions:				
Distributions from net realized gains	(2.22)	(2.07)	(1.63)	(1.63)
Net asset value, end of year	\$ 13.14	\$ 13.90	\$ 14.25	\$ 13.14
Total return	10.40%	12.09%	16.28%	(2.06)%
Ratios/Supplemental Data:				
Net assets, end of year (in thousands)	\$ 213,715	\$ 215,025	\$ 216,047	\$ 206,000
Ratio of expenses to average net assets(1)	1.13%	1.13%	1.13%	1.13%
Ratio of net investment loss to average net assets	(0.52)%	(0.58)%	(0.19)%	(0.19)%
Portfolio turnover rate	224%	297%	129%	129%

(1) Ratios reflect expenses grossed up for custody credit arrangement. The ratio of expenses to average net assets net of custody credits would have been 1.03% for the year ended December 31, 2001, and unchanged for the years ended December 31, 2005, 2004, 2003, and 2002.

See Notes to Financial Statements. See Notes to Financial Statements.

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The Value Line Fund, Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
of The Value Line Fund, Inc.

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In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Value Line Fund, Inc. (the "Fund") at December 31, 2005, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York

February 21, 2006

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The Value Line Fund, Inc.

Federal Tax Notice (unaudited)

For corporate taxpayers 4.02% of the ordinary income distribution paid during the calendar year ended December 31, 2005 qualify for the corporate dividends received deductions.

During the calendar year ended December 31, 2005, 4.18% of the ordinary income distribution are treated as qualified dividends.

During the calendar year ended December 31, 2005, the Fund distributed \$7,352,654 of long-term capital gain to its shareholders.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("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 Public Reference

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Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted these proxies during the most recent 12-month period ended June 30 is available through the Fund's website at <http://www.vlfunds.com> and on the SEC's website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-243-2729.

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The Value Line Fund, Inc.

Management of the Fund

MANAGEMENT INFORMATION

The business and affairs of the Fund are managed by the Fund's officers under the direction of the Board of Directors. The following table sets forth information on each Director and Officer of the Fund. Each Director serves as a director or trustee of each of the 14 Value Line Funds. Each Director serves until his or her successor is elected and qualified.

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years

Interested Director*			

Jean Bernhard Buttner Age 71	Chairman of the Board of Directors and President	Since 1983	Chairman, President and Chief Executive Officer of Value Line, Inc. (the "Adviser") and Value Line Publishing, Inc. Chairman and President of each of the 14 Value Line Funds and Value Line Securities, Inc. (the "Distributor").

Non-Interested Directors*			

John W. Chandler 18 Victoria Lane Lanesboro, MA 01237 Age 82	Director	Since 1991	Consultant, Academic Search Consultation Service, Inc. 1992-2004; Trustee Emeritus and Chairman (1993-1994) of the Board of Trustees of Duke University; President Emeritus, Williams College.

Frances T. Newton 4921 Buckingham Drive Charlotte, NC 28209 Age 64	Director	Since 2000	Customer Support Analyst, Duke Power Company.

Francis C. Oakley	Director	Since 2000	Professor of History,

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54 Scott Hill Road
Williamstown, MA 01267
Age 74

Williams College, 1961 to present. President Emeritus since 1994 and President, 1985-1994; Chairman (1993-1997) and Interim President (2002) of the American Council of Learned Societies. Trustee since 1997 and Chairman of the Board since 2006, National Humanities Center.

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The Value Line Fund, Inc.

Management of the Fund

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age 70	Director	Since 1997	Visiting Professor of Classics, Williams College, since 1999; President Emeritus, Skidmore College since 1999 and President 1987-1998.
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age 67	Director	Since 1987	Chairman, Institute for Political Economy.
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age 57	Director	Since 1996	Senior Financial Advisor, Veritable L.P. (investment advisor since 2004; Senior Financial Advisor, Hawthorne, 2001-2004.
Officers			
Bradley Brooks Age 43	Vice President	Since 2001	Portfolio Manager with the Adviser.
David T. Henigson Age 48	Vice President, Secretary and Chief Compliance Officer	Since 1994	Director, Vice President and Compliance Officer of the Adviser. Director and Vice President of the Distributor. Vice President, Secretary and Chief Compliance Officer of each of the 14 Value Line Funds.
Stephen R. Anastasio Age 46	Treasurer	Since 2005	Controller of the Adviser until 2003; Chief Financial Officer of the Adviser, 2003-2005; Treasurer of the Adviser since 2005.

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Howard A. Brecher Age 51	Assistant Secretary/ Assistant Treasurer	Since 2005	Director, Vice President and Secretary of the Adviser. Director and Vice President of the Distributor.
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* Mrs. Buttner is an "interested person" as defined in the Investment Company Act of 1940 by virtue of her positions with the Adviser and her indirect ownership of a controlling interest in the Adviser.

Unless otherwise indicated, the address for each of the above is 220 East 42nd Street, New York, NY 10017.

The Fund's Statement of Additional Information (SAI) includes additional information about the Fund's directors and is available, without charge, upon request by calling 1-800-243-2729.

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The Value Line Fund, Inc.

The Value Line Family of Funds

1950 -- The Value Line Fund seeks long-term growth of capital. Current income is a secondary objective.

1952 -- Value Line Income and Growth Fund's primary investment objective is income, as high and dependable as is consistent with reasonable risk. Capital growth to increase total return is a secondary objective.

1956 -- Value Line Premier Growth Fund seeks long-term growth of capital. No consideration is given to current income in the choice of investments.

1972 -- Value Line Leveraged Growth Investors' sole investment objective is to realize capital growth.

1979 -- The Value Line Cash Fund, a money market fund, seeks to secure as high a level of current income as is consistent with maintaining liquidity and preserving capital. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

1981 -- Value Line U.S. Government Securities Fund seeks maximum income without undue risk to capital. Under normal conditions, at least 80% of the value of its net assets will be invested in securities issued or guaranteed by the U.S. Government and its agencies and instrumentalities.

1983 -- Value Line Centurion Fund* seeks long-term growth of capital.

1984 -- The Value Line Tax Exempt Fund seeks to provide investors with the maximum income exempt from federal income taxes while avoiding undue risk to principal. The Fund may be subject to state and local taxes and the Alternative Minimum Tax (if applicable).

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1985 -- Value Line Convertible Fund seeks high current income together with capital appreciation primarily from convertible securities ranked 1 or 2 for year-ahead performance by the Value Line Convertible Ranking System.

1986 -- Value Line Aggressive Income Trust seeks to maximize current income.

1987 -- Value Line New York Tax Exempt Trust seeks to provide New York taxpayers with the maximum income exempt from New York State, New York City and federal income taxes while avoiding undue risk to principal. The Trust may be subject to state and local taxes and the Alternative Minimum Tax (if applicable).

1987 -- Value Line Strategic Asset Management Trust* seeks to achieve a high total investment return consistent with reasonable risk.

1993 -- Value Line Emerging Opportunities Fund invests primarily in common stocks or securities convertible into common stock, with its primary objective being long-term growth of capital.

1993 -- Value Line Asset Allocation Fund seeks high total investment return, consistent with reasonable risk. The Fund invests in stocks, bonds and money market instruments utilizing quantitative modeling to determine the asset mix.

* Only available through the purchase of Guardian Investor, a tax deferred variable annuity, or ValuePlus, a variable life insurance policy.

For more complete information about any of the Value Line Funds, including charges and expenses, send for a prospectus from Value Line Securities, Inc., 220 East 42nd Street, New York, New York 10017-5891 or call 1-800-243-2729, 24 hours a day, 7 days a week, or visit us at www.valueline.com. Read the prospectus carefully before you invest or send money.

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INVESTMENT ADVISER	Value Line, Inc. 220 East 42nd Street New York, NY 10017-5891
DISTRIBUTOR	Value Line Securities, Inc. 220 East 42nd Street New York, NY 10017-5891
CUSTODIAN BANK	State Street Bank and Trust Co. 225 Franklin Street Boston, MA 02110
SHAREHOLDER SERVICING AGENT	State Street Bank and Trust Co. c/o BFDS P.O. Box 219729 Kansas City, MO 64121-9729
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	PricewaterhouseCoopers LLP 300 Madison Avenue New York, NY 10017
LEGAL COUNSEL	Peter D. Lowenstein, Esq. Two Sound View Drive, Suite 100 Greenwich, CT 06830
DIRECTORS	Jean Bernhard Buttner John W. Chandler

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Frances T. Newton
Francis C. Oakley
David H. Porter
Paul Craig Roberts
Nancy-Beth Sheerr

OFFICERS

Jean Bernhard Buttner
Chairman and President
Bradley Brooks
Vice President
David T. Henigson
Vice President/Secretary
Stephen R. Anastasio
Treasurer
Howard A. Brecher
Assistant Secretary/
Assistant Treasurer

This report is issued for information of shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a currently effective prospectus of the Fund (obtainable from the Distributor).

#534698

Item 2. Code of Ethics

(a) The Registrant has adopted a Code of Ethics that applies to its principal executive officer, and principal financial officer and principal accounting officer.

(f) Pursuant to item 12(a), the Registrant is attaching as an exhibit a copy of its Code of Ethics that applies to its principal executive officer, and principal financial officer and principal accounting officer.

Item 3. Audit Committee Financial Expert.

(a) (1) The Registrant has an Audit Committee Financial Expert serving on its Audit Committee.

(2) The Registrant's Board has designated John W. Chandler, a member of the Registrant's Audit Committee, as the Registrant's Audit Committee Financial Expert. Mr. Chandler is an independent director who is a senior consultant with Academic Search Consultation Service. He spent most of his professional career at Williams College, where he served as a faculty member, Dean of the Faculty, and President (1973-85). He also served as President of Hamilton College (1968-73), and as President of the Association of American Colleges and Universities (1985-90). He has also previously served as Trustee Emeritus and Chairman of the Board of Trustees of Duke University.

A person who is designated as an "audit committee financial expert" shall not make such person an "expert" for any purpose, including without limitation under Section 11 of the Securities Act of 1933 or under applicable fiduciary laws, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees

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in the absence of such designation or identification.

Item 4. Principal Accountant Fees and Services

- (a) Audit Fees 2005 - \$32,709
- (b) Audit-Related fees - None.
- (c) Tax Preparation Fees 2005 -\$7,200
- (d) All Other Fees - None
- (e) (1) Audit Committee Pre-Approval Policy. All services to be performed for the Registrant by PricewaterhouseCoopers LLP must be pre-approved by the audit committee. All services performed were pre-approved by the committee.
- (e) (2) Not applicable.
- (f) Not applicable.
- (g) Aggregate Non-Audit Fees 2005 -\$7,200
- (h) Not applicable.

Item 11. 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 a date within 90 days of the filing date of this report, are appropriately 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 12. Exhibits.

- (a) Code of Business Conduct and Ethics for Principal Executive and Senior Financial Officers attached hereto as Exhibit 100.COE
- (b) (1) Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2) attached hereto as Exhibit 99.CERT.
- (2) Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached hereto as Exhibit 99.906.CERT.

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

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signed on its behalf by the undersigned, thereunto duly authorized.

By /s/ Jean B. Buttner

 Jean B. Buttner, President

Date: 3/10/06

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

 Jean B. Buttner, President, Principal Executive Officer

By: /s/ Stephen R. Anastasio

 Stephen R. Anastasio, Treasurer, Principal Financial Officer

Date: 3/10/06
