BLUE CHIP VALUE FUND INC
Form N-Q
November 29, 2004

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-5003

Blue Chip Value Fund, Inc.
(Exact name of registrant as specified in charter)

1225 17th Street, 26th Floor, Denver, Colorado 80202
(Address of principal executive offices) (Zip code)

Michael P. Malloy
Drinker Biddle & Reath LLP
One Logan Square
18th & Cherry Streets
Philadelphia, Pennsylvania 19103-6996
(Name and address of agent for service)

Registrant's Telephone Number, including Area Code: (800) 624-4190

Date of fiscal year end: December 31

Date of reporting period: September 30

Item 1 - Schedule of Investments.

BLUE CHIP VALUE FUND, INC.
STATEMENT OF INVESTMENTS
September 30, 2004 (Unaudited)

		Shares	Cost	Market Value
COMMON STOCKS	104.47%			

BASIC MATERIALS	2.63%			
Forestry & Paper	2.63%			
Bowater Inc.		99,100	$ 4,676,588	$ 3,784,629
TOTAL BASIC MATERIALS			4,676,588	3,784,629
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CAPITAL GOODS	7.94%			
Aerospace & Defense	3.82%			
General Dynamics Corp.		28,600	2,227,919	2,920,060
Raytheon Co.		67,800	2,340,069	2,575,044
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			4,567,988	5,495,104
Industrial Products	4.12%			
Parker Hannifin Corp.		100,500	4,847,686	5,915,430
TOTAL CAPITAL GOODS			9,415,674	11,410,534
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COMMERCIAL SERVICES	3.19%			
IT Services	3.19%			
Computer Sciences Corp.*		97,300	3,942,978	4,582,830
TOTAL COMMERCIAL SERVICES			3,942,978	4,582,830
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COMMUNICATIONS	2.66%			
Telecomm Service Providers	2.66%			
ALLTEL Corp.		69,600	3,507,230	3,821,736
TOTAL COMMUNICATIONS			3,507,230	3,821,736
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CONSUMER CYCLICAL	15.29%			
Clothing & Accessories	2.77%			
TJX Companies Inc.		180,300	2,785,187	3,973,812
Consumer Services	1.04%			
Cendant Corp.		69,300	1,597,365	1,496,880
General Merchandise	3.09%			
Target Corp. +		98,200	3,396,619	4,443,550
Hotels & Gaming	2.04%			
Starwood Hotels & Resorts Worldwide Inc.		63,200	1,831,324	2,933,744
Publishing & Media	5.04%			
Dow Jones & Company Inc.		50,700	2,714,743	2,058,927
Viacom Inc. - Class B		61,300	2,993,401	2,057,228
Walt Disney Co.		138,800	2,967,594	3,129,940
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			8,675,738	7,246,095
Restaurants	1.31%			
Darden Restaurants Inc.		80,600	2,001,891	1,879,592
TOTAL CONSUMER CYCLICAL			20,288,124	21,973,673
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		Shares	Cost	Market Value
CONSUMER STAPLES	8.27%			
Food & Agricultural Products	6.55%			
Bunge Ltd.		64,500	$ 1,553,092	$ 2,578,710
Kraft Foods Inc. +		87,100	2,741,790	2,762,812
Tyson Foods Inc.		254,000	2,988,679	4,069,080
			7,283,561	9,410,602
Home Products	1.72%			
Colgate Palmolive Co.		54,700	3,171,659	2,471,346
TOTAL CONSUMER STAPLES			10,455,220	11,881,948
ENERGY	9.31%			
Integrated Oils	7.26%			
Marathon Oil Corp.		83,900	3,039,749	3,463,392
Occidental Petroleum Corp.		88,200	4,010,819	4,933,026
Suncor Energy Inc.		63,500	1,621,187	2,032,635
			8,671,755	10,429,053
Oil Services	2.05%			
Transocean Inc.*		82,400	1,704,136	2,948,272
TOTAL ENERGY			10,375,891	13,377,325
FINANCIALS	26.77%			
Insurance & Real Estate Brokers	2.30%			
Willis Group Holdings Ltd.		88,500	2,558,672	3,309,900
Integrated Financial Services	3.64%			
Citigroup Inc. +		118,700	5,155,075	5,237,044
Property Casualty Insurance	6.76%			
Allstate Corp.		71,900	2,605,775	3,450,481
AMBAC Financial Group Inc.		19,100	1,060,642	1,527,045
American International Group +		40,600	2,615,595	2,760,394
Radian Group Inc.		42,600	1,855,940	1,969,398
			8,137,952	9,707,318
Regional Banks	1.59%			
US Bancorp		78,900	2,264,067	2,280,210
Securities & Asset Management	7.05%			
Goldman Sachs Group Inc. +		38,600	3,560,484	3,599,064
Lehman Brothers Holdings Inc.		37,100	2,426,560	2,957,612
Merrill Lynch & Company Inc. +		71,900	4,031,147	3,574,868
			10,018,191	10,131,544
Specialty Finance	4.22%			
Freddie Mac +		47,300	2,985,116	3,085,852
MBNA Corp.		118,300	2,982,458	2,981,160

		Shares	Cost	Market Value
			5,967,574	6,067,012
Thrifts	1.21%			
Washington Mutual Inc.		44,300	1,689,646	1,731,244
TOTAL FINANCIALS			35,791,177	38,464,272
MEDICAL - HEALTHCARE	17.62%			
Drugs & Healthcare Products	1.76%			
Medtronic Inc.		48,800	$ 2,419,130	$ 2,532,720
Healthcare Services	3.21%			
Pacificare Health Systems Inc.*		125,900	4,737,238	4,620,530
Pharmaceuticals	12.65%			
Abbott Laboratories +		73,500	3,011,705	3,113,460
Amgen Inc.*		85,200	5,025,543	4,829,136
Barr Pharmaceuticals Inc.*		63,000	3,064,654	2,610,090
Pfizer Inc. +		166,260	4,713,657	5,087,556
Teva Pharmaceutical Industries Ltd.		97,600	3,179,199	2,532,720
			18,994,758	18,172,962
TOTAL MEDICAL - HEALTHCARE			26,151,126	25,326,212
TECHNOLOGY	10.79%			
Computer Software	5.95%			
Microsoft Corp. +		172,400	5,240,231	4,766,860
Verisign Inc.*		190,400	3,180,807	3,785,152
			8,421,038	8,552,012
Semiconductors	4.84%			
Altera Corp.*		191,400	4,351,041	3,745,698
Intel Corp.+		159,900	4,015,283	3,207,594
			8,366,324	6,953,292
TOTAL TECHNOLOGY			16,787,362	15,505,304
TOTAL COMMON STOCKS			141,391,370	150,128,463
SHORT-TERM INVESTMENTS	0.31%			
Goldman Sachs Financial Square Prime Obligations Fund - FST Shares			446,702	446,702

TOTAL SHORT-TERM INVESTMENTS		446,702	446,702
TOTAL INVESTMENTS	104.78%	141,838,072	150,575,165
Liabilities in Excess of Other Assets	-4.78%		(6,867,347)
NET ASSETS	100.00%		$143,707,818

BLUE CHIP VALUE FUND, INC.

Notes to Statement of Investments

September 30, 2004 (Unaudited)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Blue Chip Value Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its statement of investments.

Security Valuation

All securities of the Fund are valued as of the close of regular trading on the New York Stock Exchange ("NYSE"), currently 4:00 p.m. (Eastern Time), on each day that the NYSE is open. Listed securities are generally valued at the last sales price as of the close of regular trading on the NYSE. Securities traded on the National Association of Securities Dealers Automated Quotation ("NASDAQ") are generally valued at the NASDAQ Official Closing Price ("NOCP"). In the absence of sales and NOCP, such securities are valued at the mean of the bid and asked prices.

Securities having a remaining maturity of 60 days or less are valued at amortized cost which approximates market value.

When market quotations are not readily available or when events occur that make established valuation methods unreliable, securities of the Fund may be valued at fair value determined in good faith by or under the direction of the Board of Directors.

Investment Transactions

Investment transactions are accounted for on the date the investments are purchased or sold (trade date). Effective July 1, 2004, the Fund changed its accounting method for realized gains and losses from investment transactions and unrealized appreciation and depreciation of investment from a "first-in, first-out" basis to a "specific identification" basis. This change was for both financial statement and federal income tax purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Actual results could differ from those estimates.

2. UNREALIZED APPRECIATION AND DEPRECIATION OF INVESTMENTS (TAX BASIS)

As of September 30, 2004:	
Gross appreciation (excess of value over tax cost)	$ 16,382,750
Gross depreciation (excess of tax cost over value)	$ (8,053,288)
Net unrealized appreciation	$ 8,329,462
Cost of investments for income tax purposes	$ 142,193,463

3. LOAN OUTSTANDING

On November 12, 2003 an agreement with Custodial Trust Company of Bear Stearns was reached, in which the Fund may borrow from the Custodial Trust Company an aggregate amount of up to the lesser of $15,000,000 or the maximum amount the Fund is permitted to borrow under the Investment Company Act of 1940. The borrowings under the Custodial Trust Company loan are secured by pledging a portion of the Fund's portfolio securities as collateral. The initial value of the portfolio securities pledged must equal twice the amount of the loan outstanding. As of September 30, 2004, the Fund had a loan payable in the amount of $6,825,000 with a current daily annualized interest rate of 2.8325%, which represents 30-day LIBOR plus 1.00%. The amount of the loan represented 4.53% of the Fund's total assets as of September 30, 2004.

Item 2 - Controls and Procedures.

(a) The Registrant's Principal Executive Officer and Principal Financial Officer have evaluated the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of the filing date of this report and have concluded that the Registrant's disclosure controls and procedures were effective, as of that date.

(b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3 - Exhibits.

Separate certifications for the Registrant's Principal Executive Officer and Principal Financial Officer, as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex99.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 signed on its behalf by the undersigned, thereunto duly authorized.

BLUE CHIP VALUE FUND, INC.

By: /s/ Todger Anderson

Todger Anderson
President / Principal
Executive Officer

Date: November 29, 2004

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/ Todger Anderson

Todger Anderson
President / Principal
Executive Officer

Date: November 29, 2004

By: /s/ Jasper R. Frontz

Jasper R. Frontz
Treasurer / Principal
Financial Officer

Date: November 29, 2004