

BLUE CHIP VALUE FUND INC

Form N-30B-2

November 28, 2008

**Third Quarter Report
to Stockholders**

September 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 estimated amounts of the most recent quarterly distribution and the cumulative distributions paid during this fiscal year to date 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 estimates that it has distributed more than its income and capital gains; therefore, a portion of the distributions, as summarized in the table on the next page, may be 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 only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. 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 terminating the Managed Distribution Policy.

ESTIMATED 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	\$0.0018	1.80%	\$0.0087	2.49%
Net Realized Short Term Capital Gains	\$0.0000	0.00%	\$0.0000	0.00%
Net Realized Long Term Capital Gains	\$0.0000	0.00%	\$0.0000	0.00%
Return of Capital	\$0.0982	98.20%	\$0.3413	97.51%
Total (per common share)	\$0.10	100%	\$0.35	100%
Average annual total return (in relation to NAV) for the 5 years ending September 30, 2008				5.20%
Annualized current distribution rate expressed as a percentage of NAV as of September 30, 2008				9.69%
Cumulative total return (in relation to NAV) for the fiscal year through September 30, 2008				(18.47%)
Cumulative fiscal year distributions as a percentage of NAV as of September 30, 2008				8.47%

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.

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INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

November 11, 2008

The stock market's decline in value year-to-date is one of the worst declines in history. Only the decline in 1931 was materially worse than this year. We, as fellow stockholders and the investment adviser of the Fund, understand and feel the financial pain associated with the decline in our portfolio and the price of Blue Chip Value Fund's common stock because of this bear market. During the third quarter there were few places to avoid negative returns as evidenced by the -8.4% return of large-cap stocks in the Fund's benchmark index, the S&P 500 Index and the -9.3% return of the Fund's peer group, the Lipper Large Core Index. Regretfully, our return of -11.7% underperformed both indexes during the quarter. The year-to-date net asset value of our portfolio at the end of October is down 35%, slightly underperforming the S&P 500 index's decline of 33%. The Fund's discount to net asset value has widened during the year because the market price has declined more than its net asset value.

Let me give you an overview of our strategy. We plan to stay fully invested. We expect the stock market to do better over the next several quarters. The stock market is a leading indicator and we believe its decline has discounted the current financial crises and the current state of the economy.

We will continue to have a well diversified portfolio of companies with strong free cash flow that, in our opinion, are selling at reasonable valuations and, in many cases, pay meaningful dividends. Examples of these types of companies in our current portfolio are Disney, Nike, Campbell Soup, and IBM.

Two of our larger holdings, Altera Corporation (programmable semiconductors) and IBM (diversified technology and services) were essentially flat during the quarter. We believe that Altera and IBM are examples of high-quality companies with strong balance sheets and business prospects that should lead to increased free-cash flow. It seems to us that expectations and valuations in the technology sector are meaningfully below what will be realized over time. For the sector, technology stocks in the S&P 500 were down 11% while Fund holdings were down 4%.

During the third quarter we added Best Buy Company, Inc., Dell, Inc., International Paper Company and Symantec Corporation to the portfolio. Many of us have shopped at Best Buy as it is the largest consumer electronics retail chain in the country. It is benefiting from the problems of its largest competitor, Circuit City. Dell, one of the world's largest computer manufacturers, has been undergoing a turnaround program for several years that we believe, is taking hold. International Paper is one of the world's largest paper manufacturers and, it seems to us, there is a good opportunity for pricing improvement due to less competition in this industry. Symantec sells approximately six billion dollars worth of security and maintenance software a year. It generates substantial amounts of cash and we believe, should be able to modestly take market share.

During the quarter we sold American International Group, Morgan Stanley, Parker Hannifin, Teva Pharmaceuticals and Wachovia. Fortunately, we sold AIG early in the quarter before its sharp decline. We were less fortunate with Wachovia because we underestimated the number of depositors who would withdraw their money from this bank. However, this led us to sell our holding of Morgan Stanley in a more timely manner. In the case of Parker Hannifin we forecasted a slowing of their business which we thought could impact the price of the stock. Lastly, our sale of Teva was to lower our healthcare exposure.

Some of the sectors we are currently overweight in are technology, consumer cyclical and basic materials. We are underweight in financial (interest rate sensitive), medical/healthcare, consumer staples and communication stocks among others. Business appears to be good for many technology and basic materials companies because they are improving productivity. Our research shows that consumer cyclical stocks tend to perform well coming out of a bear market. We believe financial companies are still struggling and will for some time. Although healthcare, consumer staples and telecommunication stocks have performed well, we believe there are better values elsewhere.

Bear markets are always unpleasant and this is certainly the case at the moment. It wasn't too long ago that we experienced the bear market of 2000-2002. Cisco, one of our current holdings, sold for \$10 a share at the bottom of that bear market. Although its price later rose to the mid thirties, today it is selling at approximately \$17. Cisco's price fluctuation shows that even a company with a strong balance sheet and a great business is subject to the pressures of bear markets. We believe our portfolio holds many companies with strong businesses that should benefit when the market recovers.

We thank you, our fellow stockholders, for your confidence and patience in this difficult investing environment.

Todger Anderson, CFA
President, Blue Chip Value Fund, Inc.
Chairman, Denver Investment Advisors LLC

**Sector Diversification in Comparison to
S&P 500 as of September 30, 2008***

	Fund	S&P 500
Basic Materials	3.1%	2.9%
Capital Goods	6.1%	8.3%
Commercial Services	6.0%	2.0%
Communications	8.7%	7.1%
Consumer Cyclical	13.5%	11.5%
Consumer Staples	9.1%	11.7%
Energy	12.3%	12.7%
Interest Rate Sensitive	11.7%	12.8%
Medical/Healthcare	10.7%	12.4%
REITs	0.0%	1.3%
Technology	13.2%	11.3%
Transportation	3.2%	2.3%
Utilities	2.2%	3.7%
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 September 30, 2008**

Return	Year-To					
	3 Mos.	Date	1-Year	3-Year	5-Year	10-Year
Blue Chip Value Fund <input type="checkbox"/> NAV	(11.69%)	(18.47%)	(22.66%)	(0.30%)	5.20%	3.66%
Blue Chip Value Fund <input type="checkbox"/> Market Price	(21.62%)	(29.86%)	(36.49%)	(11.02%)	(0.54%)	1.83%
S&P 500 Index	(8.37%)	(19.29%)	(21.98%)	0.22%	5.17%	3.06%

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 and the current period end. 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 \$8.05 per share. For the nine months ended September 30, 2008 two distributions have 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 DISTRIBUTIONS

Year	Net			Undesignated*	Total Amount of Distribution
	Investment Income	Capital Gains	Return of Capital		
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
Year-To-Date 2008 (estimated)	\$0.0068	\$0.0000	\$0.2432		\$0.25
Totals	\$0.3134	\$4.9042	\$2.6924	\$0.1400*	\$8.05
% of Total Distribution	3.89%	60.92%	33.45%	1.74%	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, through BNY Mellon Shareowner Services, (the "Plan Administrator") 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 Administrator in connection with that transaction.

Participating stockholders may also make additional cash investments (minimum \$50 and maximum \$10,000 per month) 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 Administrator in connection with that transaction.

A registered stockholder may join the Plan by completing an Enrollment Form from the Plan Administrator. The Plan Administrator will hold the shares acquired through the Plan in book-entry form, unless you request share certificates. 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 reregister your shares through the Direct Registration System ("DRS") and to inquire if there are any fees which may be charged by the broker to your account.

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.

A stockholder may elect to withdraw from the Plan at any time on 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 Administrator to sell all or a portion of your shares. When your shares are sold, you will receive the proceeds less a service charge of \$15.00 and trading fees of \$0.02 per share. The Plan Administrator will generally sell your shares on the day your request is received in good order, however the Plan Administrator reserves the right to take up to 5 business days to sell your shares. Shares will be aggregated by the Plan Administrator with the shares of other participants selling their shares that day and sold on the open market. A participant will receive the weighted average price minus trading fees and service charges of all liquidated shares sold by the Plan Administrator on the transaction date.

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

Additional information about the Plan may be obtained from the Plan Administrator by writing to BNY Mellon Shareowner Services, 480 Washington Blvd., Jersey City, NJ 07310, by telephone at (800) 624-4190 (option #1) or by visiting the Plan Administrator at www.bnymellon.com/shareowner.

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

September 30, 2008

(Unaudited)

	Shares		Cost		Market Value
COMMON STOCKS □					
111.62%					
BASIC MATERIALS □ 3.47%					
Forestry & Paper □ 3.47%					
Ball Corp.	87,140	\$	4,576,516	\$	3,441,159
International Paper Co.	24,400		691,145		638,792
			5,267,661		4,079,951
TOTAL BASIC MATERIALS			5,267,661		4,079,951
CAPITAL GOODS □ 6.81%					
Aerospace & Defense □					
3.34%					
General Dynamics Corp.	19,300		988,500		1,420,866
Raytheon Co.	46,800		1,676,515		2,504,268
			2,665,015		3,925,134
Farm Equipment □ 1.15%					
CNH Global N.V. - ADS (Netherlands)	61,300		2,402,223		1,351,052
Industrial Products □ 2.32%					
ITT Corp.	49,000		2,669,572		2,724,890
TOTAL CAPITAL GOODS			7,736,810		8,001,076
COMMERCIAL SERVICES □					
6.70%					
Business Products & Services □ 3.60%					
Quanta Services Inc.**	156,500		4,891,799		4,227,065
IT Services □ 1.15%					
Computer Sciences Corp.**	33,650		1,585,081		1,350,375
Transaction Processing □					
1.95%					
The Western Union Co.	92,900		1,710,955		2,291,843
TOTAL COMMERCIAL SERVICES			8,187,835		7,869,283
COMMUNICATIONS □					
9.71%					
Networking □ 5.01%					
Cisco Systems Inc.**	260,900		6,458,175		5,885,904
Telecomm Equipment & Solutions □ 4.70%					
Nokia Corp. - ADR (Finland)	50,630		826,080		944,250

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QUALCOMM Inc.	106,400	4,527,012	4,572,008
		5,353,092	5,516,258
TOTAL COMMUNICATIONS		11,811,267	11,402,162
CONSUMER CYCLICAL □			
15.09%			
Apparel & Footwear Manufacturers □ 3.12%			
Nike Inc.	54,750	3,437,994	3,662,774
Clothing & Accessories □			
2.11%			
TJX Companies Inc.	81,300	1,871,890	2,481,276

STATEMENT OF INVESTMENTS (cont'd.)

	Shares		Cost		Market Value
Hotels & Gaming □ 1.68%					
Starwood Hotels & Resorts Worldwide Inc.	70,200	\$	2,964,536	\$	1,975,428
Internet □ 1.22%					
Expedia Inc.**	94,700		2,665,192		1,430,917
Publishing & Media □ 2.64%					
Walt Disney Co.	101,100		2,533,941		3,102,759
Restaurants □ 2.74%					
Darden Restaurants Inc.	112,240		3,111,435		3,213,431
Specialty Retail □ 1.58%					
Best Buy Co. Inc.	49,300		2,122,036		1,848,750
TOTAL CONSUMER CYCLICAL			18,707,024		17,715,335
CONSUMER STAPLES □ 10.14%					
Consumer Products □ 3.80%					
Colgate Palmolive Co.	59,300		3,360,379		4,468,255
Food & Agricultural Products □ 6.34%					
Bunge Ltd.	18,900		816,104		1,194,102
Campbell Soup Co.	73,500		2,395,771		2,837,100
Unilever N.V. (Netherlands)	121,100		4,282,197		3,410,176