

VALUE LINE FUND INC
Form N-Q
November 27, 2012

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 811-02265

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

7 Times Square, New York, NY 10036

Mitchell E. Appel
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-907-1900

Date of fiscal year end: December 31

Date of reporting period: September 30, 2012

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Item 1: Schedule of Investments.

A copy of Schedule of Investments for the period ended 9/30/12 is included with this Form.

The Value Line Fund, Inc.

Schedule of Investments (unaudited)

September 30, 2012

| Shares | | Value |
|--------------------------------|----------------------------------------------|--------------|
| COMMON STOCKS (97.5%) | | |
| CONSUMER DISCRETIONARY (19.6%) | | |
| 6,000 | AutoZone, Inc. * | \$ 2,218,020 |
| 7,000 | Bed Bath & Beyond, Inc. * | 441,000 |
| 9,800 | BorgWarner, Inc. * | 677,278 |
| 22,400 | Brinker International, Inc. | 790,720 |
| 11,000 | Buckle, Inc. (The) (1) | 499,730 |
| 7,600 | Buffalo Wild Wings, Inc. * | 651,624 |
| 1,400 | Chipotle Mexican Grill, Inc. * | 444,556 |
| 9,700 | Coach, Inc. | 543,394 |
| 17,500 | Darden Restaurants, Inc. | 975,625 |
| 10,000 | Deckers Outdoor Corp. * (1) | 366,400 |
| 9,000 | Dick's Sporting Goods, Inc. | 466,650 |
| 5,000 | Dollar Tree, Inc. * | 241,375 |
| 11,000 | Domino's Pizza, Inc. | 414,700 |
| 3,800 | Fossil, Inc. * | 321,860 |
| 7,300 | Genuine Parts Co. | 445,519 |
| 13,000 | Gildan Activewear, Inc. | 411,840 |
| 5,000 | Johnson Controls, Inc. | 137,000 |
| 43,000 | LKQ Corp. * | 795,500 |
| 15,300 | McDonald's Corp. | 1,403,775 |
| 6,000 | NIKE, Inc. Class B | 569,460 |
| 2,000 | O'Reilly Automotive, Inc. * | 167,240 |
| 12,000 | Panera Bread Co. Class A * | 2,050,680 |
| 10,400 | Penn National Gaming, Inc. * | 448,240 |
| 3,000 | Ralph Lauren Corp. | 453,690 |
| 9,300 | Starbucks Corp. | 471,975 |
| 44,000 | TJX Companies, Inc. (The) | 1,970,760 |
| 5,000 | Ulta Salon, Cosmetics & Fragrance, Inc. | 481,525 |
| 10,400 | Under Armour, Inc. Class A * (1) | 580,632 |
| 2,500 | VF Corp. | 398,400 |
| 4,000 | Wolverine World Wide, Inc. | 177,480 |
| 4,600 | Wynn Resorts Ltd. | 531,024 |
| 24,800 | Yum! Brands, Inc. | 1,645,232 |
| | | 22,192,904 |
| CONSUMER STAPLES (9.6%) | | |
| 2,400 | Boston Beer Co., Inc. (The) Class A * (1) | 268,728 |

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| | | |
|--------|-------------------------------------|------------|
| 4,900 | British American Tobacco PLC ADR | 502,936 |
| 8,000 | Bunge Ltd. | 536,400 |
| 15,400 | Casey's General Stores, Inc. | 879,956 |
| 30,000 | Church & Dwight Co., Inc. | 1,619,700 |
| 7,000 | Costco Wholesale Corp. | 700,875 |
| 7,800 | Diamond Foods, Inc. (1) | 146,796 |
| 5,500 | Energizer Holdings, Inc. | 410,355 |
| 31,000 | Flowers Foods, Inc. | 625,580 |
| 17,000 | General Mills, Inc. | 677,450 |
| 8,000 | Harris Teeter Supermarkets, Inc. | 310,720 |
| 4,400 | Herbalife Ltd. | 208,560 |
| 35,000 | Hormel Foods Corp. | 1,023,400 |
| 11,700 | Ingredion, Inc. | 645,372 |
| 18,100 | J&J Snack Foods Corp. | 1,037,673 |
| 7,000 | PepsiCo, Inc. | 495,390 |
| 2,000 | Reynolds American, Inc. | 86,680 |
| 3,300 | TreeHouse Foods, Inc. * | 173,250 |
| 6,000 | Whole Foods Market, Inc. | 584,400 |
| | | 10,934,221 |

| Shares | | Value |
|--------|--------------------------------------|------------|
| | ENERGY (1.4%) | |
| 1,300 | Core Laboratories N.V. | \$ 157,924 |
| 4,000 | Devon Energy Corp. | 242,000 |
| 14,000 | Enbridge, Inc. | 546,420 |
| 6,700 | Noble Energy, Inc. | 621,157 |
| | | 1,567,501 |
| | FINANCIALS (5.4%) | |
| 8,000 | Affiliated Managers Group, Inc. * | 984,000 |
| 20,000 | AFLAC, Inc. | 957,600 |
| 9,000 | American Tower Corp. REIT | 642,510 |
| 2,000 | Axis Capital Holdings Ltd. | 69,840 |
| 14,000 | Bank of Montreal | 826,560 |
| 3,000 | BlackRock, Inc. | 534,900 |
| 2,300 | Camden Property Trust REIT | 148,327 |
| 4,600 | M&T Bank Corp. (1) | 437,736 |
| 8,000 | Royal Bank of Canada | 459,280 |
| 13,500 | Stifel Financial Corp. * | 453,600 |
| 10,000 | T. Rowe Price Group, Inc. | 633,000 |
| | | 6,147,353 |
| | HEALTH CARE (15.6%) | |
| 12,600 | Alexion Pharmaceuticals, Inc. * | 1,441,440 |
| 9,600 | Allergan, Inc. | 879,168 |
| 5,800 | C.R. Bard, Inc. | 606,970 |
| 6,870 | Catamaran Corp. * | 673,054 |
| 12,200 | Cerner Corp. * | 944,402 |
| 15,900 | Computer Programs & Systems, Inc. | 883,245 |
| 4,000 | DaVita, Inc. * | 414,440 |
| 3,000 | DENTSPLY International, Inc. | 114,420 |

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| | | |
|--------|--------------------------------------------|------------|
| 22,000 | Edwards Lifesciences Corp. * | 2,362,140 |
| 11,700 | Endo Health Solutions, Inc. * | 371,124 |
| 29,340 | Express Scripts Holding Co. * | 1,838,738 |
| 12,700 | Henry Schein, Inc. * | 1,006,729 |
| 6,600 | IDEXX Laboratories, Inc. * | 655,710 |
| 1,000 | Intuitive Surgical, Inc. * | 495,630 |
| 8,400 | Mednax, Inc. * | 625,380 |
| 3,800 | Mettler-Toledo International, Inc. * | 648,812 |
| 9,100 | Novo Nordisk A/S ADR | 1,436,071 |
| 12,500 | Owens & Minor, Inc. | 373,500 |
| 1,600 | Techne Corp. | 115,104 |
| 16,000 | Teva Pharmaceutical Industries Ltd. ADR | 662,560 |
| 8,200 | Thermo Fisher Scientific, Inc. | 482,406 |
| 5,000 | Volcano Corp. * | 142,850 |
| 6,000 | Waters Corp. * | 499,980 |
| | | 17,673,873 |
| | INDUSTRIALS (22.0%) | |
| 1,200 | Acuity Brands, Inc. | 75,948 |
| 36,750 | AMETEK, Inc. | 1,302,787 |
| 5,800 | C.H. Robinson Worldwide, Inc. | 339,590 |
| 11,100 | Canadian National Railway Co. | 979,353 |
| 800 | Canadian Pacific Railway Ltd. (1) | 66,312 |
| 10,000 | Chicago Bridge & Iron Co. N.V. | 380,900 |
| 15,000 | CLARCOR, Inc. | 669,450 |
| 7,000 | Clean Harbors, Inc. * | 341,950 |
| 20,700 | Danaher Corp. | 1,141,605 |
| 37,000 | Donaldson Co., Inc. | 1,284,270 |

The Value Line Fund, Inc.

September 30, 2012

| Shares | | Value |
|--------|---------------------------------------------------|------------|
| 5,000 | Eaton Corp. (1) | \$ 236,300 |
| 2,400 | Esterline Technologies Corp. * | 134,736 |
| 11,700 | Exelis, Inc. | 120,978 |
| 8,000 | Fastenal Co. | 343,920 |
| 7,000 | FedEx Corp. | 592,340 |
| 9,300 | Graco, Inc. | 467,604 |
| 11,187 | HEICO Corp. | 432,825 |
| 15,000 | IDEX Corp. | 626,550 |
| 9,200 | IHS, Inc. Class A * | 895,620 |
| 5,850 | ITT Corp. | 117,878 |
| 6,800 | J.B. Hunt Transport Services, Inc. | 353,872 |
| 10,000 | Kansas City Southern | 757,800 |
| 15,700 | Kirby Corp. * | 867,896 |
| 7,400 | L-3 Communications Holdings, Inc. | 530,654 |
| 2,300 | Middleby Corp. (The) * | 265,972 |
| 9,200 | Parker Hannifin Corp. | 768,936 |
| 6,200 | Precision Castparts Corp. | 1,012,708 |
| 15,000 | Republic Services, Inc. | 412,650 |
| 79,600 | Rollins, Inc. | 1,861,844 |
| 12,400 | Roper Industries, Inc. | 1,362,636 |
| 12,000 | Stericycle, Inc. * | 1,086,240 |
| 13,600 | Toro Co. (The) | 541,008 |
| 8,800 | Union Pacific Corp. | 1,044,560 |
| 11,400 | United Technologies Corp. | 892,506 |
| 5,600 | Valmont Industries, Inc. | 736,400 |
| 3,000 | Verisk Analytics, Inc. Class A * | 142,830 |
| 4,900 | W.W. Grainger, Inc. | 1,021,013 |
| 25,300 | Waste Connections, Inc. | 765,325 |
| | | 24,975,766 |
| | INFORMATION TECHNOLOGY (10.9%) | |
| 19,600 | Accenture PLC Class A | 1,372,588 |
| 8,300 | Alliance Data Systems Corp. * | 1,178,185 |
| 7,000 | Amphenol Corp. Class A | 412,160 |
| 4,500 | Anixter International, Inc. | 258,570 |
| 13,500 | ANSYS, Inc. * | 990,900 |
| 14,000 | Check Point Software Technologies Ltd. * | 674,240 |
| 16,000 | Cognizant Technology Solutions Corp. Class A * | 1,118,720 |
| 6,600 | Equinix, Inc. * | 1,359,930 |
| 6,200 | Informatica Corp. * | 215,822 |
| 2,300 | MasterCard, Inc. Class A | 1,038,404 |

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| | | |
|--------|------------------------|------------|
| 9,400 | MICROS Systems, Inc. * | 461,728 |
| 8,800 | Netgear, Inc. * | 335,632 |
| 10,800 | Open Text Corp. * (1) | 595,512 |
| 6,000 | Salesforce.com, Inc. * | 916,140 |
| 10,000 | TIBCO Software, Inc. * | 302,300 |
| 6,000 | VMware, Inc. Class A * | 580,440 |
| 8,100 | Wright Express Corp. * | 564,732 |
| | | 12,376,003 |

MATERIALS (10.1%)

| | | |
|--------|------------------------------|-----------|
| 20,000 | Ball Corp. | 846,200 |
| 4,200 | CF Industries Holdings, Inc. | 933,408 |
| 31,000 | Crown Holdings, Inc. * | 1,139,250 |
| 10,000 | Cytec Industries, Inc. | 655,200 |
| 6,000 | Ecolab, Inc. | 388,860 |
| 23,400 | FMC Corp. | 1,295,892 |
| 5,900 | NewMarket Corp. | 1,454,232 |

Shares

| | | |
|--------|------------------------------------------|------------|
| | | Value |
| 10,000 | Packaging Corp. of America | \$ 363,000 |
| 11,300 | Praxair, Inc. | 1,173,844 |
| 12,000 | Scotts Miracle-Gro Co. (The) Class A (1) | 521,640 |
| 11,400 | Sigma-Aldrich Corp. | 820,458 |
| 25,900 | Silgan Holdings, Inc. | 1,126,909 |
| 12,400 | Valspar Corp. (The) | 695,640 |
| | | 11,414,533 |

TELECOMMUNICATION SERVICES (0.7%)

| | | |
|--------|------------------------------------|---------|
| 13,000 | Crown Castle International Corp. * | 833,300 |
|--------|------------------------------------|---------|

UTILITIES (2.2%)

| | | |
|--------|------------------------|-----------|
| 10,000 | ITC Holdings Corp. | 755,800 |
| 15,000 | ONEOK, Inc. | 724,650 |
| 23,000 | Questar Corp. | 467,590 |
| 15,300 | Wisconsin Energy Corp. | 576,351 |
| | | 2,524,391 |

TOTAL COMMON STOCKS

| | |
|-----------------------------|-------------|
| (Cost \$75,301,866) (97.5%) | 110,639,845 |
|-----------------------------|-------------|

Principal Amount

SHORT-TERM INVESTMENTS (2.9%)

| | | |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| | | Value |
| \$ | 3,300,000 | |
| | REPURCHASE AGREEMENTS (2.9%) | |
| | With Morgan Stanley, 0.19%, dated 09/28/12, due 10/01/12, delivery value \$3,300,052 (collateralized by \$3,230,000 U.S. Treasury Notes 2.3750% due 09/30/14, with a value of \$3,367,990) | 3,300,000 |

The Value Line Fund, Inc.

Schedule of Investments (unaudited)

| Principal Amount | | Value |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| INVESTMENTS OF CASH COLLATERAL FOR SECURITIES ON LOAN (2.9%) | | |
| \$ 1,092,796 | REPURCHASE AGREEMENTS (2.9%) Joint Repurchase Agreement with Morgan Stanley, 0.20%, dated 09/28/12, due 10/01/12, delivery value \$1,092,814 (collateralized by \$1,114,656 U.S. Treasury Inflation Indexed Bonds 2.375% due 01/15/25, with a value of \$1,110,704) | \$ 1,092,796 |
| 1,092,796 | Joint Repurchase Agreement with Barclays, 0.20%, dated 09/28/12, due 10/01/12, delivery value \$1,092,814 (collateralized by \$1,114,654 U.S. Treasury Inflation Indexed Notes 1.875% due 07/15/13, with a value of \$1,110,531) | 1,092,796 |
| 1,092,797 | Joint Repurchase Agreement with Credit Suisse First Boston, 0.23%, dated 09/28/12, due 10/01/12, delivery value \$1,092,817 (collateralized by \$1,114,861 U.S. Treasury Note 1.375% due 11/30/15, with a value of \$1,110,011) | 1,092,797 |
| | TOTAL INVESTMENTS OF CASH COLLATERAL FOR SECURITIES ON LOAN (Cost \$3,278,389) (2.9%) | 3,278,389 |
| | TOTAL SHORT-TERM INVESTMENTS (Cost \$6,578,389) (5.8%) | 6,578,389 |
| | TOTAL INVESTMENT SECURITIES (103.3%) (Cost \$81,880,255) | 117,218,234 |
| | EXCESS OF LIABILITIES OVER CASH AND OTHER ASSETS (-3.3%) | (3,758,227) |
| | NET ASSETS (2) (100%) | \$ 113,460,007 |
| | NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING | \$ 10.22 |

SHARE

(\$113,460,007 ÷ 11,105,532 shares outstanding)

* Non-income producing.

- (1) A portion or all of the security was held on loan. As of September 30, 2012, the market value (including accrued interest) of the securities on loan was \$3,274,005.
- (2) For federal income tax purposes, the aggregate cost was \$81,880,255, aggregate gross unrealized appreciation was \$36,082,115, aggregate gross unrealized depreciation was \$744,136 and the net unrealized appreciation was \$35,337,979.

ADR American Depositary Receipt.

REIT Real Estate Investment Trust.

The Fund follows fair valuation accounting standards (FASB ASC 820-10) which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 – Inputs that are unobservable.

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment’s valuation changes. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table summarizes the inputs used to value the Fund’s investments in securities as of September 30, 2012:

| Investments in Securities: | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|----------------|--------------|---------|----------------|
| Assets | | | | |
| Common Stocks | \$ 110,639,845 | \$ 0 | \$ 0 | \$ 110,639,845 |
| Short-Term Investments | 0 | 6,578,389 | 0 | 6,578,389 |
| Total Investments in Securities | \$ 110,639,845 | \$ 6,578,389 | \$ 0 | \$ 117,218,234 |

The Fund follows the updated provisions surrounding fair value measurements and disclosures on transfers in and out of all levels of the fair value hierarchy on a gross basis and the reasons for the transfers as well as to disclosures about the valuation techniques and inputs used to measure fair value for investments that fall in either Level 2 or Level 3 of the fair value hierarchy.

For the period ended September 30, 2012, there was no significant transfer activity between Level 1 and Level 2.

For the period ended September 30, 2012, there were no Level 3 investments. The Schedule of Investments includes a breakdown of the Schedule’s investments by category.

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/ Mitchell E. Appel
Mitchell E. Appel, President

Date: November 16, 2012

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/ Mitchell E. Appel
Mitchell E. Appel, President, Principal Executive Officer

By: /s/ Emily D. Washington
Emily D. Washington, Treasurer, Principal Financial Officer

Date: November 16, 2012