



BLUECHIP VALUE FUND

**Annual Report
to Stockholders**

December 31, 2010

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INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

February 8, 2011

Our research-driven disciplined investment process focuses on companies that seek to generate high levels of free cash flow, high returns on capital and lower volatility. Last year we had expected that the market would begin to reward these types of companies in the second year of a recovery. Unfortunately, in 2010 the Fund's portfolio NAV return of 2.34% continued to meaningfully lag the S&P 500 Index return of 15.06%.

Turning to the portfolio, Union Pacific, a railroad operator, within the transportation sector was one of the Fund's top performers during the year. Increased rail volume during the year led to substantial operating leverage and increased profit margins. Our research indicates that Union Pacific should continue to realize further operating efficiencies and continued growth in its free cash flow. Union Pacific's performance helped contribute to the transportation sector's outperformance.

The Fund's best performing stock was Macy's department store. The company continued its turnaround with improved same store sales and accelerated cash flows. Management also sought to strengthen the balance sheet by paying down debt. Late in the year we reduced the Fund's position as the stock approached our price target. Led by Macy's, the consumer cyclical sector was among the Fund's top performing sectors.

Bank of America was among the Fund's worst performing stocks during 2010. We believe that credit and economic activity are continuing to slowly recover. However, the combination of worse than expected impact from financial regulatory reform and growing concerns about the impact of poor mortgage origination practices overwhelmed these fundamentals. Prior to year-end, we sold the stock given the uncertain time frame for company management to bring resolution to these issues. Other Fund holdings within the interest rate sensitive sector performed better, leading to it being among the Fund's top performing sectors.

Communications sector holding Cisco, a designer and manufacturer of Internet protocol-based networking and other communications products, delivered a disappointing earnings report and reduced expectations for demand. This guidance put downward pricing pressure on the stock, causing it to be one of the worst performing stocks in the portfolio.

We continue to focus on adapting to what remains a very difficult investing environment, though one that we believe contains significant investment opportunity. Amidst high levels of government intervention, from Federal Reserve policies to the implementation of healthcare and financial reform, job growth remains difficult to achieve.

As always, we continue to spend considerable effort evaluating our investment approach looking for ways to improve upon our processes. We expect that our focus on companies with strong fundamentals that are undervalued by the market will be rewarded in 2011.

As you may know, stockholders have approved the reorganization of your Fund into Westcore Blue Chip Fund. We anticipate the conversion date of your account to be approximately March 28, 2011. Confirmation of your shares of Westcore Blue Chip Fund will be mailed in a timely manner following the conversion. If you have any questions, or would like to know more about the many investment options that will be available to you as a Westcore Funds shareholder, please call toll-free (800) 392-2673 or visit www.westcore.com.

Sincerely,



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

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.

**Sector Diversification in Comparison to
S&P 500 as of December 31, 2010***

	Fund	S&P 500
Basic Materials	9.2%	3.8%
Capital Goods	4.4%	8.4%
Commercial Services	5.3%	2.2%
Communications	4.4%	7.3%
Consumer Cyclical	8.8%	11.8%
Consumer Staples	10.5%	9.5%
Energy	11.0%	11.9%
Interest Rate Sensitive	12.4%	15.0%
Medical/Healthcare	10.8%	10.5%
REITs	0.0%	1.4%
Technology	11.4%	12.7%
Transportation	4.7%	2.0%
Utilities	5.9%	3.5%
Short-Term Investments	1.2%	0.0%

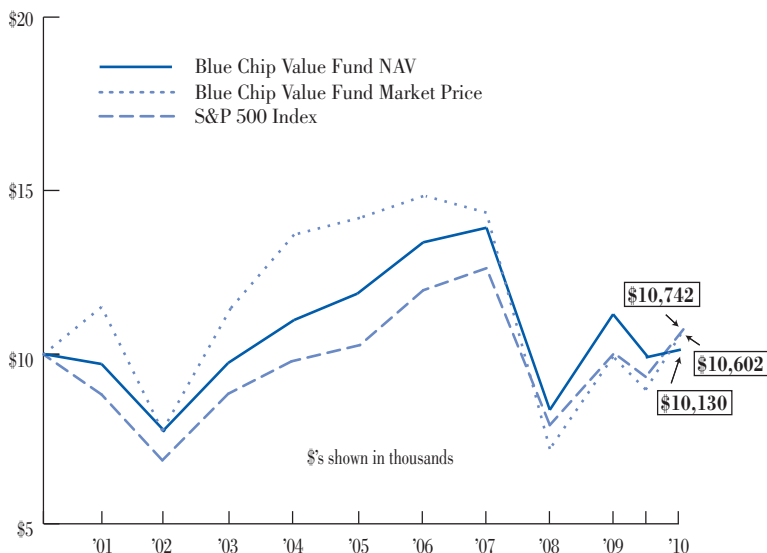
*Sector diversification percentages are based on the Fund's total investments at market value.
Sector diversification is subject to change and may not be representative of future investments.

**Average Annual Total Returns
as of December 31, 2010**

Return	3 Mos.	1-Year	3-Year	5-Year	10-Year
Blue Chip Value Fund – NAV	7.19%	2.34%	(5.92%)	(0.60%)	1.35%
Blue Chip Value Fund – Market Price	13.64%	18.33%	(6.09%)	(3.49%)	1.63%
S&P 500 Index	10.76%	15.06%	(2.85%)	2.29%	1.41%

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. The Fund's gross expense ratio for the twelve months ended December 31, 2010 was 1.41%.

Comparison of Change in Value of \$10,000 Investment in Blue Chip Value Fund versus the S&P 500 Index



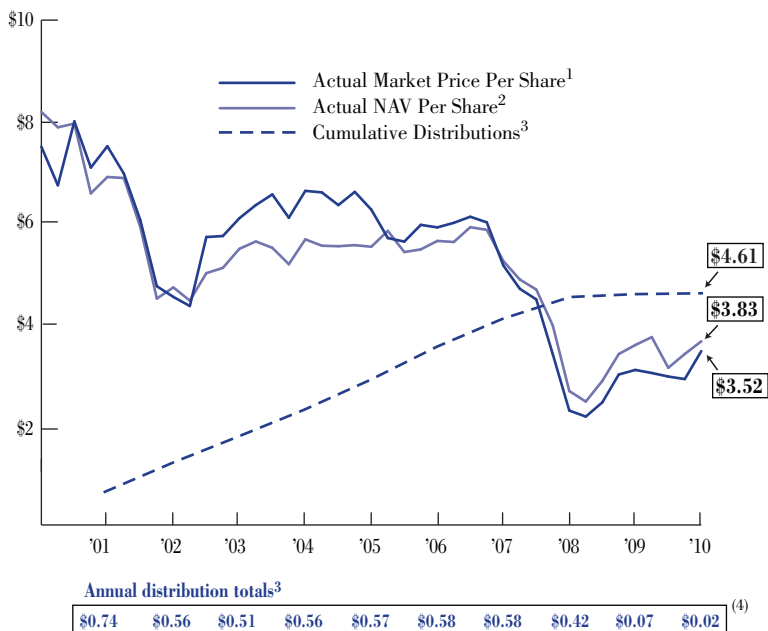
This chart compares the change in market price and net asset value of an investment of \$10,000 in the Fund since January 1, 2001, compared to the S&P 500 Index. The comparison assumes the reinvestment of all distributions and full participation in any “rights offerings” during the period.

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 1/1/2001. 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 and disclosures on page 4.

History of Market Price and Net Asset Value January 1, 2001 through December 31, 2010



This chart shows the change in the Fund's market price and net asset value on a per share basis since January 1, 2001, along with the annual distribution totals.

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.

¹Reflects the actual market price of one share as it has traded on the NYSE.

²Reflects the actual NAV of one share.

³The graph above includes the distribution totals on a book basis since January 1, 2001, which equal \$4.6078 per share. 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.

⁴Rounded.

Historical Sources of Distributions
January 1, 2001 through December 31, 2010

Year	Net Investment Income	Capital Gains	Return of Capital	Total Amount of Distribution (Tax Basis)	Total Amount of Distribution (Book Basis)
2001	\$0.041200	\$0.362500	\$0.336300	\$0.740000	\$0.740000
2002	\$0.035100	\$0.000000	\$0.524900	\$0.560000	\$0.560000
2003	\$0.013600	\$0.000000	\$0.496400	\$0.510000	\$0.510000
2004	\$0.028300	\$0.531700	\$0.000000	\$0.560000	\$0.560000
2005	\$0.015000	\$0.112800	\$0.442200	\$0.570000	\$0.570000
2006	\$0.018200	\$0.126000	\$0.435800	\$0.580000	\$0.580000
2007	\$0.014600	\$0.211800	\$0.213600	\$0.440000	\$0.580000
2008	\$0.018000	\$0.007300	\$0.464700	\$0.490000	\$0.420000
2009	\$0.016294	\$0.000000	\$0.123706	\$0.140000	\$0.070000
2010	\$0.017800	\$0.000000	\$0.000000	\$0.017800	\$0.017800
Totals	\$0.218094	\$1.352100	\$3.037606	\$4.607800	\$4.607800
% of Total Distribution	4.73%	29.35%	65.92%	100%	

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

On February 8, 2011 the Fund's Board of Directors terminated the Fund's Dividend Reinvestment and Cash Purchase Plan (the "Plan") effective March 10, 2011.

The final dividend or capital gains distribution, if any, declared and paid immediately prior to the closing of the reorganization will be paid entirely in cash, even to those shareholders who participated in the Plan.

Effective March 10, 2011 participating stockholders are no longer permitted to make additional cash investments to acquire additional shares of the Fund.

Until March 10, 2011 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.

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.

PORTFOLIO MANAGEMENT TEAM OF BLUE CHIP VALUE FUND

Kris Herrick, CFA, Partner, Director of Value Research and Portfolio Manager, joined Denver Investments in 2000. Prior to joining the firm, he was an Equity Research Analyst with Jurika and Voyles (since 1997). He has 14 years total investment experience and has been a member of the Fund's portfolio management team since December 1, 2003.

Mark Adelmann, CFA, CPA, Partner and Portfolio Manager/Analyst, joined Denver Investments in 1995. He has 32 years total investment experience and has been the Fund's portfolio manager since June 3, 2002.

Derek Anguilm, Partner and Portfolio Manager/Analyst, joined Denver Investments in 2000. Prior to joining the firm he was with EVEREN Securities (since 1999). He has 12 years total investment experience and has been a member of the Fund's portfolio management team since December 1, 2003.

Troy Dayton, CFA, Partner and Portfolio Manager/Analyst, joined Denver Investments in 2002. Prior to joining the firm, he was an Equity Research Analyst with Jurika and Voyles (since 2001) and Dresdner RCM Global Investors (since 1998). He has 15 years total investment experience and has been a member of the Fund's portfolio management team since December 1, 2003.

Lisa Ramirez, CFA, Partner and Portfolio Manager/Analyst, joined Denver Investments as a portfolio administrator in 1993. She became an analyst on the Mid-Cap Growth team in 1997 and joined the Value team in 2005. She has 18 years total investment experience and joined the Fund's portfolio management team on April 30, 2009.

INFORMATION ON THE DIRECTORS AND OFFICERS OF THE FUND

The list below provides certain information about the identity and business experience of the directors and officers of the Fund.

INTERESTED DIRECTORS*

TODGER ANDERSON, CFA¹

Age: 66

Position(s) Held with the Fund:

President and Director

Term of Office² and Length of Time Served:

President since 1987. Director from 1988 to 1995 and since 1998. Term as Director expires in 2013.

Principal Occupations During the Past Five Years:

Chairman, Denver Investment Advisors LLC (since 2004);

President, Westcore Trust (since 2005);

President, Denver Investment Advisors LLC and predecessor organizations (1983-2004);

Portfolio Manager, Westcore MIDCO Growth Fund (1986-2005);

Portfolio Co-Manager, Westcore Select Fund (2001-2005).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

KENNETH V. PENLAND, CFA¹

Age: 68

Position(s) Held with the Fund:

Chairman of the Board and Director

Term of Office² and Length of Time Served:

Chairman of the Board and Director since 1987. Term as Director expires in 2012.

Principal Occupations During the Past Five Years:

Chairman, Denver Investment Advisors LLC and predecessor organizations (1983-2001);

President, Westcore Trust (1995-2001)

Trustee, Westcore Trust (2001-2005).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

INDEPENDENT DIRECTORS

RICHARD C. SCHULTE¹

Age: 66

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 1987. Term expires in 2011.

Principal Occupations During the Past Five Years:

Private Investor;

President, Transportation Service Systems, Inc., a subsidiary of Southern Pacific Lines, Denver, Colorado (1993-1996);

Employee, Rio Grande Industries, Denver, Colorado (holding company) (1991-1993).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

ROBERTA M. WILSON, CFA¹

Age: 67

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 1987. Term expires in 2012.

Principal Occupations During the Past Five Years:

Management consultant and coach (since 1998);

Director of Finance, Denver Board of Water Commissioners (Retired), Denver, Colorado (1985-1998).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

LEE W. MATHER, JR.¹

Age: 67

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 2001. Term expires in 2011.

Principal Occupations During the Past Five Years:

Director, American Rivers (conservation organization) (2000-2006);

Investment Banker, Merrill Lynch & Co. (1977-2000).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

OFFICERS

MARK M. ADELMANN, CFA, CPA

Age: 53

1225 Seventeenth St.
26th Floor
Denver, Colorado 80202

Position(s) Held with the Fund:

Vice President

Term of Office² and Length of Time Served:

Vice President since 2002.

Principal Occupations During the Past Five Years:

Vice President (since 2000) and member (since 2001), Denver Investment Advisors LLC;
Research Analyst, Denver Investment Advisors LLC (since 1995);
Portfolio management team member, Westcore Trust (since 2002).

NANCY P. O'HARA

Age: 52

One Logan Square
Suite 2000
Philadelphia, PA 19103

Position(s) Held with the Fund:

Secretary

Term of Office² and Length of Time Served:

Secretary since 2007.

Principal Occupations During the Past Five Years:

Counsel (since 2009) and Associate (1999-2009) of the law firm of Drinker Biddle & Reath LLP, Philadelphia, PA.

JASPER R. FRONTZ, CPA, CFA⁵

Age: 42

1225 Seventeenth St.
26th Floor
Denver, Colorado 80202

Position(s) Held with the Fund:

Treasurer, Chief Compliance Officer

Term of Office² and Length of Time Served:

Treasurer since 1997, Chief Compliance Officer since 2004.

Principal Occupations During the Past Five Years:

Vice President, Denver Investment Advisors LLC (since 2000);

Director of Mutual Fund Administration, Denver Investment Advisors LLC
(since 1997);

Fund Controller, ALPS Mutual Fund Services, Inc. (1995-1997);

Registered Representative, ALPS Distributors, Inc. (since 1995).

NOTES

*These directors each may be deemed to be an “interested director” of the Fund within the meaning of the Investment Company Act of 1940 by virtue of their affiliations with the Fund’s investment adviser and their positions as officers of the Fund.

1. Each director may be contacted by writing to the director, c/o Blue Chip Value Fund, Inc., 1225 Seventeenth Street, 26th Floor, Denver, Colorado 80202, Attn: Jasper Frontz.
2. The Fund’s By-Laws provide that the Board of Directors shall consist of three classes of members. Directors are chosen for a term of three years, and the term of one class of directors expires each year. The officers of the Fund are elected by the Board of Directors and, subject to earlier termination of office, each officer holds office for one year and until his or her successor is elected and qualified.
3. The Fund complex is comprised of sixteen portfolios, the Fund, twelve Westcore Funds, the Dunham Small-Cap Value Fund, the Columbia Variable Portfolio-Partners Small-Cap Value Fund and the Northern Trust Multi-Manager Small Cap Fund.
4. Includes only directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., “public companies”) or other investment companies registered under the Investment Company Act of 1940.
5. Mr. Frontz also serves as Treasurer and Chief Compliance Officer of Westcore Trust.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Blue Chip Value Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Blue Chip Value Fund, Inc. (the "Fund"), including the statement of investments, as of December 31, 2010, and the related statements of operations and cash flows for the year then ended, the statements of changes in 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. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits 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 and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2010, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Blue Chip Value Fund, Inc. as of December 31, 2010, the results of its operations and its cash flows 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.

DELOITTE & TOUCHE LLP
Denver, Colorado
February 15, 2011

STATEMENT OF INVESTMENTS

December 31, 2010

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS – 99.29%			
BASIC MATERIALS – 9.23%			
Chemicals – 1.42%			
Ecolab Inc.	30,800	\$ 1,466,404	\$ 1,552,936
Forestry & Paper – 4.32%			
Ball Corp.	33,140	1,730,853	2,255,177
International Paper Co.	90,400	<u>2,080,645</u>	<u>2,462,496</u>
		3,811,498	4,717,673
Non-Ferrous Metals – 2.24%			
Freeport-McMoRan Copper & Gold Inc.	20,300	2,164,790	2,437,827
Specialty Chemicals – 1.25%			
Agrium Inc. (Canada)	14,800	996,989	1,357,900
TOTAL BASIC MATERIALS		<u>8,439,681</u>	<u>10,066,336</u>
CAPITAL GOODS – 4.48%			
Aerospace & Defense – 2.50%			
General Dynamics Corp.	20,000	1,308,297	1,419,200
Raytheon Co.	28,200	<u>1,332,958</u>	<u>1,306,788</u>
		2,641,255	2,725,988
Industrial Products – 1.98%			
ITT Corp.	41,500	2,262,638	2,162,565
TOTAL CAPITAL GOODS		<u>4,903,893</u>	<u>4,888,553</u>
COMMERCIAL SERVICES – 5.40%			
Business Products & Services – 2.86%			
Quanta Services Inc.**	102,800	3,142,231	2,047,776
Xerox Corp.	92,700	<u>1,065,376</u>	<u>1,067,904</u>
		4,207,607	3,115,680
IT Services – 1.28%			
Computer Sciences Corp.	28,250	1,480,036	1,401,200
Transaction Processing – 1.26%			
The Western Union Co.	73,700	1,209,116	1,368,609
TOTAL COMMERCIAL SERVICES		<u>6,896,759</u>	<u>5,885,489</u>
COMMUNICATIONS – 4.47%			
Networking – 1.01%			
Cisco Systems Inc.**	54,100	1,270,414	1,094,443
Telecomm Equipment & Solutions – 3.46%			
QUALCOMM Inc.	38,600	1,743,269	1,910,314
Research In Motion Ltd. (Canada)**	32,100	<u>1,973,570</u>	<u>1,865,973</u>
		3,716,839	3,776,287
TOTAL COMMUNICATIONS		<u>4,987,253</u>	<u>4,870,730</u>

STATEMENT OF INVESTMENTS (cont'd.)

	Shares	Cost	Market Value
CONSUMER CYCLICAL – 8.85%			
Apparel & Footwear Manufacturers – 3.20%			
Nike Inc. – Class B	21,250	\$ 1,334,757	\$ 1,815,175
VF Corp.	19,500	1,494,236	1,680,510
		<u>2,828,993</u>	<u>3,495,685</u>
Department Stores – 1.77%			
Macy's Inc.	76,500	1,368,413	1,935,450
Other Consumer Services – 1.27%			
Expedia Inc.	55,000	1,277,428	1,379,950
Recreation & Leisure – 1.50%			
Mattel Inc.	64,200	1,634,924	1,632,606
Restaurants – 1.11%			
Darden Restaurants Inc.	26,140	827,011	1,213,941
TOTAL CONSUMER CYCLICAL		<u>7,936,769</u>	<u>9,657,632</u>
CONSUMER STAPLES – 10.56%			
Beverages: Non-Alcoholic – 1.69%			
Dr Pepper Snapple Group Inc.	52,400	1,931,757	1,842,384
Consumer Products – 2.44%			
Colgate Palmolive Co.	33,100	2,630,579	2,660,247
Food & Agricultural Products – 6.43%			
Campbell Soup Co.	61,800	2,252,024	2,147,550
H.J. Heinz Co.	44,800	2,016,458	2,215,808
Unilever N.V. (Netherlands)	84,400	2,982,530	2,650,160
		<u>7,251,012</u>	<u>7,013,518</u>
TOTAL CONSUMER STAPLES		<u>11,813,348</u>	<u>11,516,149</u>
ENERGY – 10.98%			
Exploration & Production – 3.78%			
Occidental Petroleum Corp.	42,080	2,930,508	4,128,048
Integrated Oils – 4.52%			
Exxon Mobil Corp.	23,700	1,713,979	1,732,944
Marathon Oil Corp.	86,300	2,918,595	3,195,689
		<u>4,632,574</u>	<u>4,928,633</u>
Oil Services – 2.68%			
Enasco PLC, ADR (United Kingdom)	29,800	1,387,790	1,590,724
Noble Corp. (Switzerland)	37,300	1,436,341	1,334,221
		<u>2,824,131</u>	<u>2,924,945</u>
TOTAL ENERGY		<u>10,387,213</u>	<u>11,981,626</u>

STATEMENT OF INVESTMENTS (cont'd.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
INTEREST RATE SENSITIVE – 12.42%			
Insurance/Real Estate Brokers – 1.66%			
AON Corp.	39,400	\$ 1,644,269	\$ 1,812,794
Money Center Banks – 2.83%			
JPMorgan Chase & Co.	72,700	3,045,523	3,083,934
Property Casualty Insurance – 2.06%			
ACE Ltd. (Switzerland)	36,200	1,929,733	2,253,450
Regional Banks – 2.97%			
PNC Financial Services Group Inc.	30,200	1,672,982	1,833,744
SunTrust Banks Inc.	47,500	<u>1,369,615</u>	<u>1,401,725</u>
		3,042,597	3,235,469
Securities & Asset Management – 1.96%			
The Goldman Sachs Group Inc.	12,700	1,741,189	2,135,632
Thriffs – 0.94%			
Annaly Capital Management Inc., REIT	57,500	1,011,828	1,030,400
TOTAL INTEREST RATE SENSITIVE		<u>12,415,139</u>	<u>13,551,679</u>
MEDICAL & HEALTHCARE – 10.81%			
Medical Technology – 1.80%			
Zimmer Holdings Inc.**	36,700	2,489,260	1,970,056
Pharmaceuticals – 9.01%			
Abbott Laboratories	48,200	2,543,789	2,309,262
Amgen Inc.**	49,600	2,956,514	2,723,040
Forest Laboratories Inc.**	72,800	1,987,198	2,328,144
Pfizer Inc.	140,868	<u>2,526,894</u>	<u>2,466,599</u>
		10,014,395	9,827,045
TOTAL MEDICAL & HEALTHCARE		<u>12,503,655</u>	<u>11,797,101</u>
TECHNOLOGY – 11.48%			
Computer Software – 5.23%			
Microsoft Corp.	103,600	2,770,186	2,892,512
Symantec Corp.**	167,600	<u>2,940,952</u>	<u>2,805,624</u>
		5,711,138	5,698,136
PC's & Servers – 4.86%			
Dell Inc.**	137,000	1,961,300	1,856,350
International Business Machines Corp.	23,500	<u>2,780,431</u>	<u>3,448,860</u>
		4,741,731	5,305,210
Semiconductors – 1.39%			
Intel Corp.	72,100	1,358,913	1,516,263
TOTAL TECHNOLOGY		<u>11,811,782</u>	<u>12,519,609</u>

STATEMENT OF INVESTMENTS (cont'd.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
TRANSPORTATION – 4.71%			
Railroads – 4.71%			
Norfolk Southern Corp.	45,400	\$ 2,398,176	\$ 2,852,028
Union Pacific Corp.	24,700	<u>1,535,475</u>	<u>2,288,702</u>
		3,933,651	5,140,730
TOTAL TRANSPORTATION		<u>3,933,651</u>	<u>5,140,730</u>
UTILITIES – 5.90%			
Independent Power – 2.00%			
Exelon Corp.	25,600	978,303	1,065,984
Public Service Enterprise Group Inc.	35,000	<u>1,130,301</u>	<u>1,113,350</u>
		2,108,604	2,179,334
Integrated Gas & Electric – 0.96%			
Dominion Resources Inc.	24,600	994,324	1,050,912
Regulated Electric – 2.94%			
Edison International	58,400	1,867,551	2,254,240
Entergy Corp.	13,500	<u>989,601</u>	<u>956,205</u>
		2,857,152	3,210,445
TOTAL UTILITIES		<u>5,960,080</u>	<u>6,440,691</u>
TOTAL COMMON STOCKS		<u>101,989,223</u>	<u>108,316,325</u>
SHORT TERM INVESTMENTS – 1.23%			
Fidelity Institutional Money Market			
Government Portfolio – Class I			
(7 Day Yield 0.031%)			
	1,343,529	1,343,529	1,343,529
TOTAL SHORT TERM INVESTMENTS		<u>1,343,529</u>	<u>1,343,529</u>
TOTAL INVESTMENTS	100.52%	\$ 103,332,752	\$ 109,659,854
Liabilities in Excess of Other Assets	<u>(0.52)%</u>		<u>(567,422)</u>
NET ASSETS	<u>100.00%</u>		<u>\$ 109,092,432</u>

***Non-dividend paying stock*

*ADR - American Depositary Receipt
Ltd. - Limited*

*N.V. - Naamloze Vennootschap is the Dutch term for public limited liability corporation.
PLC - Public Limited Co.*

REIT - Real Estate Investment Trust

Sector and industry classifications presented herein are based on the sector and industry categorization methodology of the Investment Adviser to the Fund. Sector and industry classifications are unaudited.

See accompanying notes to financial statements.

COUNTRY BREAKDOWN

As of December 31, 2010 (Unaudited)

Country	Market Value	%
United States	\$ 98,607,426	90.39%
Switzerland	3,587,671	3.29%
Canada	3,223,873	2.95%
Netherlands	2,650,160	2.43%
United Kingdom	1,590,724	1.46%
Total Investments	<u>\$ 109,659,854</u>	<u>100.52%</u>
Liabilities in Excess of Other Assets	<u>(567,422)</u>	<u>(0.52%)</u>
Net Assets	<u>\$ 109,092,432</u>	<u>100.00%</u>

Please note the country breakdown is based on the company headquarters. All of the Fund's investments are traded on U.S. exchanges.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2010

ASSETS

Investments at market value (cost \$103,332,752)	\$ 109,659,854
Dividends and interest receivable	173,838
Other assets	<u>20,394</u>
TOTAL ASSETS	<u>109,854,086</u>

LIABILITIES

Distribution payable	506,658
Investment advisory fee payable	58,786
Administrative services fee payable	8,282
Accrued Chief Compliance Officer fees	4,681
Accrued merger related expenses	114,741
Accrued expenses and other liabilities	<u>68,506</u>
TOTAL LIABILITIES	<u>761,654</u>

NET ASSETS	<u>\$ 109,092,432</u>
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COMPOSITION OF NET ASSETS

Capital stock, at par	\$ 284,639
Paid-in-capital	108,288,226
Undistributed net investment income	203,803
Accumulated net realized loss	(6,011,338)
Net unrealized appreciation on investments	<u>6,327,102</u>
NET ASSETS	<u>\$ 109,092,432</u>

SHARES OF COMMON STOCK OUTSTANDING

(100,000,000 shares authorized at \$0.01 par value)	<u>28,463,912</u>
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Net asset value per share	<u>\$ 3.83</u>
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See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2010

INCOME

Dividends (net of foreign withholding taxes of \$24,114)	\$ 1,974,840	
Interest	781	
TOTAL INCOME		<u>\$ 1,975,621</u>

EXPENSES

Investment advisory fee (Note 5)	671,605	
Administrative services fee (Note 5)	95,330	
Merger related expenses (Note 7)	205,000	
Legal fees	105,485	
Directors' fees	86,666	
Interest on line of credit	79,781	
Stockholder reporting	66,310	
Transfer agent fees	45,410	
Audit and tax fees	30,309	
NYSE listing fees	26,946	
Chief Compliance Officer fees	21,525	
Insurance and fidelity bond	21,393	
Custodian fees	9,600	
Other	4,800	
TOTAL EXPENSES		<u>1,470,160</u>
NET INVESTMENT INCOME		<u>505,461</u>

REALIZED AND UNREALIZED GAIN/(LOSS)

ON INVESTMENTS		
Net realized loss on investments		(5,757,182)
Change in net unrealized appreciation or depreciation of investments		<u>7,960,997</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		<u>2,203,815</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>\$ 2,709,276</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009
Increase in net assets		
from operations:		
Net investment income	\$ 505,461	\$ 463,872
Net realized gain/(loss) on investments	(5,757,182)	1,301,120
Change in net unrealized appreciation or depreciation of investments	<u>7,960,997</u>	<u>24,839,041</u>
	<u>2,709,276</u>	<u>26,604,033</u>
Decrease in net assets from distributions		
to stockholders from:		
Net investment income	(506,658)	(463,872)
Tax return of capital	<u>—</u>	<u>(1,529,359)</u>
	<u>(506,658)</u>	<u>(1,993,231)</u>
NET INCREASE IN NET ASSETS	2,202,618	24,610,802
NET ASSETS		
Beginning of year	<u>106,889,814</u>	<u>82,279,012</u>
End of year (including undistributed net investment income of \$203,803 and \$0, respectively)	<u>\$ 109,092,432</u>	<u>\$ 106,889,814</u>

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

Cash Flows from Operating Activities

Net increase in net assets from operations	\$ 2,709,276
Adjustments to reconcile net decrease in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(43,264,544)
Proceeds from disposition of investment securities	55,144,690
Net purchase of short-term investment securities	(1,096,091)
Proceeds from class-action litigation settlements	68,003
Net realized loss from securities investments	5,757,182
Net change in unrealized appreciation on investments	(7,960,997)
Increase in dividends and interest receivable	(7,165)
Increase in other assets	(1,707)
Increase in investment advisory fee payable	909
Decrease in interest due on line of credit	(12,283)
Increase in administrative fee payable	100
Increase in accrued merger related expenses	114,741
Increase in other accrued expenses and other liabilities	<u>12,886</u>
Net cash provided by operating activities	11,465,000

Cash Flows from Financing Activities

Repayment of line of credit	<u>(11,465,000)</u>
Net cash used in financing activities	(11,465,000)

Net increase in cash	0
Cash, beginning balance	0
Cash, ending balance	0

Supplemental disclosure of cash flow information:

Cash paid during the period for interest on line of credit: \$92,064.

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

Per Share Data

(for a share outstanding throughout each period)

Net asset value – beginning of year

Investment operations

Net investment income⁽¹⁾

Net gain/(loss) on investments

Total from investment operations

Distributions

From net investment income

From net realized gains on investments

Tax return of capital

Total distributions

Net asset value, end of year

Per share market value, end of year

Total investment return⁽²⁾ based on:

Market Value

Net Asset Value

Ratios/Supplemental data:

Ratio of total expenses to average net assets⁽³⁾

Ratio of net investment income to average net assets

Ratio of total distributions to average net assets

Portfolio turnover rate⁽⁴⁾

Net assets – end of year (in thousands)

See accompanying notes to financial statements.

⁽¹⁾Per share amounts calculated based on average shares outstanding during the period.

⁽²⁾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 investment return does not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the sale of Fund shares. 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

For the year ended December 31,

2010	2009	2008	2007	2006
\$ 3.76	\$ 2.89	\$ 5.35	\$ 5.73	\$ 5.62
0.02	0.02	0.02	0.01	0.02
<u>0.07</u>	<u>0.92</u>	<u>(2.06)</u>	<u>0.19</u>	<u>0.67</u>
<u>0.09</u>	<u>0.94</u>	<u>(2.04)</u>	<u>0.20</u>	<u>0.69</u>
(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
—	—	(0.01)	(0.21)	(0.13)
—	(0.05)	(0.39)	(0.35)	(0.43)
<u>(0.02)</u>	<u>(0.07)</u>	<u>(0.42)</u>	<u>(0.58)</u>	<u>(0.58)</u>
<u>\$ 3.83</u>	<u>\$ 3.76</u>	<u>\$ 2.89</u>	<u>\$ 5.35</u>	<u>\$ 5.73</u>
<u>\$ 3.71</u>	<u>\$ 3.15</u>	<u>\$ 2.35</u>	<u>\$ 5.21</u>	<u>\$ 5.96</u>
18.33%	37.97%	(49.27%)	(3.3%)	4.6%
2.34%	33.92%	(39.25%)	3.3%	12.9%
1.41%	1.37%	1.38%	1.34%	1.36%
0.48%	0.51%	0.41%	0.25%	0.32%
0.49%	2.21%	9.51%	10.04%	10.25%
40%	86%	51%	40%	37%
\$ 109,092	\$ 106,890	\$ 82,279	\$ 152,091	\$ 160,663

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.

⁽³⁾For the years ended December 31, 2010, 2009, 2008, 2007, and 2006, the ratio of total expenses to average net assets excluding interest expense was 1.33%, 1.22%, 1.09%, 0.93%, and 0.92%, respectively.

⁽⁴⁾A portfolio turnover rate is the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding short-term investments) for the year and dividing it by the monthly average of the market value of the portfolio securities during the year. Purchases and sales of investment securities (excluding short-term securities) for the year ended December 31, 2010 were \$43,264,544 and \$55,144,690, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

1. ORGANIZATION

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.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Security Valuation – All securities of the Fund are valued as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 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. Factors which may be considered when determining the fair value of a security include (a) the fundamental data relating to the investment; (b) an evaluation of the forces which influence the market in which the security is sold, including the liquidity and depth of the market; (c) the market value at date of purchase; (d) information as to any transactions or offers with respect to the security or comparable securities; and (e) any other relevant matters.

Investment Transactions – Investment transactions are accounted for on the date the investments are purchased or sold (trade date). Realized gains and losses from investment transactions and unrealized appreciation and depreciation of investments are determined on the “specific identification” basis for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income, which includes interest earned on money market funds, is accrued and recorded daily.

Federal Income Taxes – No provision for income taxes is included in the accompanying financial statements, as the Fund intends to distribute to shareholders all taxable investment income and realized gains and otherwise comply with Subchapter M of the Internal Revenue Code applicable to regulated investment companies.

The Fund evaluates tax positions taken (or expected to be taken) in the course of preparing the Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements.

Management of the Fund analyzes all open tax years, as defined by the Statute of Limitations, for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the fiscal year ended December 31, 2010, the Fund did not have a liability for any unrecognized tax benefits. The Fund files income tax returns in the U.S. federal jurisdiction and Colorado. For the years ended December 31, 2007 through December 31, 2010 for the federal jurisdiction and for the years ended December 31, 2006 through December 31, 2010, for Colorado, the Fund’s returns are still open to examination by the appropriate taxing authority.

Classification of Distributions to Shareholders – Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Fund.

The tax character of the distributions paid was as follows:

	Year Ended December 31, 2010	Year Ended December 31, 2009
Distributions paid from:		
Ordinary income	\$ 506,658	\$ 463,872
Tax return of capital	—	\$ 3,521,833
Total	<u>\$ 506,658</u>	<u>\$ 3,985,705</u>

For the year ended December 31, 2010, the following permanent differences have been reclassified to/from the following accounts:

	Undistributed Net Investment Income	Accumulated Capital Gains/(Losses)	Paid In Capital
Increase (decrease)	\$ 205,000	\$ 0	\$ (205,000)

The reclassifications were primarily a result of different book/tax treatment of certain tax adjustments.

As of December 31, 2010, the components of distributable earnings on a tax basis were as follows:

Undistributed net investment income	\$ 203,803
Accumulated net realized loss	(5,993,454)
Net unrealized appreciation	6,309,218
Total	<u>\$ 519,567</u>

At December 31, 2010, the Fund had available for tax purposes unused capital loss carryovers of \$254,156, expiring December 31, 2017, and unused capital loss carryovers of \$5,739,298, expiring December 31, 2018.

The difference between book basis and tax basis is typically attributable to the tax deferral of losses on wash sales.

Distributions to Stockholders – Distributions to stockholders are recorded on the ex-dividend date.

Prior to May 1, 2009, the Fund maintained a “managed distribution policy” (the “Policy”) which distributed at least 2.5% of its net asset value quarterly to its stockholders. The Fund declared and paid the first quarter distribution in April 2009. This distribution was not related to the amount of the Fund’s net investment income or net realized capital gains or losses and will be classified to conform to the tax reporting requirements of the Internal Revenue Code. If the Fund’s total distributions for the year exceed the Fund’s “current and accumulated earnings and profits,” the excess will be treated as non-taxable return of capital, reducing the stockholder’s adjusted basis in their shares.

The Fund’s Policy was suspended, as approved by the Board of Directors, at the regular meeting held May 1, 2009. The Board took this action after considering a number of factors including, but not limited to, the outlook for the overall economy, an assessment of investment opportunities, the asset size and expense ratio of the Fund and the negative impact that the policy may have on the asset level and expense ratio. The Fund will continue to pay out any net investment income and net realized capital gains on an annual basis.

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.

3. FAIR VALUE MEASUREMENTS

A three-tier hierarchy has been established for fair value measurement based on the extent of use of “observable inputs” as compared to “unobservable inputs” for disclosure purposes and requires additional disclosures about these valuations measurements. Inputs refer broadly to the assumptions that market participants would use in pricing a security. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the security developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the security developed based on the best information available in the circumstances.

The three-tier hierarchy is summarized as follows:

Level 1 – Quoted and Unadjusted Prices in active markets for identical investments.

Level 2 – Other Significant Observable Inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant Unobservable Inputs (including the Fund’s own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of December 31, 2010 in valuing the Fund’s assets:

Assets:	Level 1 – Quoted & Unadjusted Prices	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs	Total
Investments in Securities at Value*				
Common Stocks	\$ 108,316,325	\$ —	\$ —	\$ 108,316,325
Short Term Investments	1,343,529	—	—	1,343,529
Total	<u>\$ 109,659,854</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109,659,854</u>

*For detailed Industry descriptions, see the accompanying Statement of Investments.

All securities of the Fund were valued using Level 1 inputs during the year ended December 31, 2010. Thus a reconciliation of assets in which significant unobservable inputs (Level 3) were used is not applicable.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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

As of December 31, 2010:

Gross appreciation (excess of value over tax cost)	\$ 10,287,552
Gross depreciation (excess of tax cost over value)	<u>(3,978,334)</u>
Net unrealized appreciation	<u>\$ 6,309,218</u>
Cost of investments for income tax purposes	<u>\$ 103,350,636</u>

5. INVESTMENT ADVISORY AND ADMINISTRATION SERVICES

The Fund has an Investment Advisory Agreement with Denver Investment Advisors LLC, also doing business as Denver Investments (“Denver Investments”), whereby an investment advisory fee is paid to Denver Investments based on an annual rate of 0.65% of the Fund’s average weekly net assets up to \$100,000,000 and 0.50% of the Fund’s average weekly net assets in excess of \$100,000,000. The management fee is paid monthly based on the average of the net assets of the Fund computed as of the last business day the New York Stock Exchange is open each week. Certain officers and a director of the Fund are also officers of Denver Investments.

ALPS Fund Services, Inc. (“ALPS”) and Denver Investments serve as the Fund’s co-administrators. The Administrative Agreement includes the Fund’s administrative and fund accounting services. The administrative services fee is based on the current annual rate for ALPS and Denver Investments, respectively, of 0.0955% and 0.01% of the Fund’s average daily net assets up to \$75,000,000, 0.05%, and 0.005% of the Fund’s average daily net assets between \$75,000,000 and \$125,000,000, and 0.03% and 0.005% of the Fund’s average daily net assets in excess of \$125,000,000 plus certain out-of-pocket expenses. The administrative service fee is paid monthly.

The Directors have appointed a Chief Compliance Officer who is also Treasurer of the Fund and an employee of Denver Investments. The Directors agreed that the Fund would reimburse Denver Investments a portion of his compensation for his services as the Fund’s Chief Compliance Officer.

6. LINE OF CREDIT

The Fund had a line of credit with The Bank of New York Mellon (“BONY”), which was terminated December 1, 2010, in which the Fund could borrow up to the lesser of 15% of the Fund’s total assets, \$15,000,000 or the maximum amount the Fund was permitted to borrow under the Investment Company Act of 1940. For the period January 1, 2010 through February 28, 2010 the interest rate reset daily at overnight Federal Funds Rate plus 1.00%. Effective March 1, 2010, the interest rate changed to the overnight Federal Funds Rate plus 1.25% and the Fund paid an annual loan facility fee of 0.03%. The borrowings under the BONY loan were secured by a perfected security interest on all of the Fund’s assets.

Details of the line of credit are as follows:

	Average for the Year Ended December 31, 2010
Loan outstanding	\$ 5,858,552
Interest rate	1.33%
% of Fund's total assets	5.33%
Amount of debt per share outstanding	\$ 0.21
Number of shares outstanding (in thousands)	28,464*

**Weighted average*

7. PLANNED REORGANIZATION

On November 18, 2010, the Blue Chip Value Fund, Inc. and Westcore Blue Chip Fund announced that their respective Boards of Directors and Trustees formally approved a plan to reorganize whereby Westcore Blue Chip Fund will acquire all the assets and assume all the liabilities of Blue Chip Value Fund in a tax free reorganization (the "Merger"). On February 8, 2011 the Merger was approved by the Blue Chip Value Fund stockholders. The conversion and reorganization date is anticipated to be March 28, 2011.

8. TAX DESIGNATIONS (Unaudited)

Certain tax information is provided to shareholders as required by the Internal Revenue Code or to meet a specific state's requirement. The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2010:

Corporate Dividends Received Deduction	100%
Qualified Dividend Income	100%

BOARD OF DIRECTORS

Kenneth V. Penland, *Chairman*
Todger Anderson, *Director*
Lee W. Mather, Jr, *Director*
Richard C. Schulte, *Director*
Roberta M. Wilson, *Director*

OFFICERS

Kenneth V. Penland, *Chairman*
Todger Anderson, *President*
Mark M. Adelmann, *Vice President*
Nancy P. O'Hara, *Secretary*
Jasper R. Frontz, *Treasurer, Chief Compliance Officer*

Investment Adviser/Co-Administrator

Denver Investments
1225 17th Street, 26th Floor
Denver, CO 80202

Stockholder Relations

(800) 624-4190 (option #2)
e-mail: blu@denvest.com

Custodian

The Bank of New York Mellon
One Wall Street
New York, NY 10286

Co-Administrator

ALPS Fund Services, Inc.
1290 Broadway, Suite 1100
Denver, CO 80203

Transfer Agent Dividend Reinvestment Plan Agent (Questions regarding your Account)

BNY Mellon Shareowner Services
480 Washington Blvd.
Jersey City, NJ 07310
(800) 624-4190 (option #1)
www.melloninvestor.com

NYSE Symbol—BLU



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