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VALUE LINE FUND INC  
Form N-CSRS  
August 31, 2007

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

**FORM N-CSR**

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file Number 811-568

Value Line Fund, Inc.

(Exact name of registrant as specified in charter)

220 East 42<sup>nd</sup> Street, New York, N.Y. 10017

(Address of principal executive offices) (Zip Code)

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

Date of fiscal year end: December 31, 2007

Date of reporting period: June 30, 2007

Item I. Reports to Stockholders.

A copy of the Semi-Annual Report to Stockholders for the period ended 6/30/07 is included with this Form.

INVESTMENT ADVISER	Value Line, Inc. 220 East 42nd Street New York, NY 10017-5891
DISTRIBUTOR	Value Line Securities, Inc. 220 East 42nd Street New York, NY 10017-5891
CUSTODIAN BANK	State Street Bank and Trust Co. 225 Franklin Street Boston, MA 02110
SHAREHOLDER SERVICING AGENT	State Street Bank and Trust Co. c/o BFDS P.O. Box 219729 Kansas City, MO 64121-9729
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	PricewaterhouseCoopers LLP 300 Madison Avenue New York, NY 10017
LEGAL COUNSEL	Peter D. Lowenstein, Esq. P.O. Box 272

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Cos Cob, CT 06807-0272

**DIRECTORS**

Jean Bernhard Buttner  
John W. Chandler  
Frances T. Newton  
Francis C. Oakley  
David H. Porter  
Paul Craig Roberts  
Nancy-Beth Sheerr

**OFFICERS**

Jean Bernhard Buttner  
*Chairman and President*  
David T. Henigson  
*Vice President/  
Secretary/Chief  
Compliance Officer*  
Stephen R. Anastasio  
*Treasurer*  
Howard A. Brecher  
*Assistant Secretary/  
Assistant Treasurer*

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

#539623

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**SEMI-ANNUAL REPORT**

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*June 30, 2007*

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*The Value Line  
Fund, Inc.*

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*The Value Line Fund, Inc.*

**To Our Value Line**

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**To Our Shareholders:**

For the six months ended June 30, 2007, the total return for The Value Line Fund (the Fund ) was 10.26%. This was well above the S&P 500 Index<sup>(1)</sup> return of 6.96% for the same six-month period.

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Despite a sharp sell-off in February, the equity market posted positive returns for the six-month period ended June 30, 2007. Inflation rose in the first few months of the year, but the Federal Reserve Board kept interest rates steady. The Fed Funds target rate remained firm at 5.25% for the period while the 10-year Treasury yield fluctuated between 4.50% and 5.30%. The current problems in the domestic economy including subprime mortgage loans and the ongoing slowdown in the housing market did not seem to slow the overall stock market's advance.

The top performing sectors in the market for the six-month period ended June 30, 2007 were industrial materials and energy. Rising materials prices significantly helped the materials sector as did higher oil prices for the energy sector. The worst performing sectors for the same period were financial services and consumer services. The rise in long-term interest rates in the second quarter of the year was problematic for financial companies especially banks and money-lending centers.

The Value Line Fund generally invests in multi-cap stocks that are ranked in the highest category for relative price performance over the next six to twelve months by the Value Line Timeliness Ranking System (the System). The System favors stocks with strong price and earnings momentum relative to those of all other companies in The Value Line Investment Survey of approximately 1,700 stocks. The Fund has very limited exposure to the Financial sector, approximately three percent, which was the weakest sector of the market for the six-month period ended June 30, 2007. However, the Fund had only two percent of its market value in the Energy sector, which was one of the top performing sectors for the same time period. The Fund is over-weighted in the Consumer Discretionary sector, which tends to be the most sensitive to economic cycles. In addition, the Fund has an above average weighting in the Information Technology sector and this sector tends to be one of the more volatile in the S&P 500 Index.

We appreciate your confidence in the Value Line Fund and look forward to serving your investment needs in the future.

Sincerely,

Jean Bernhard Buttner  
*Chairman and President*

August 3, 2007

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

## Fund Shareholders

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### Economic Observations

The U.S. economy struggled during the first quarter of this year, posting a negligible gross domestic product increase of 0.6%. A further softening in the troubled housing market and an additional draw-down in inventories were primary contributors to the economy's early problems. However, growth picked up in the April-through-June period, with GDP gaining a vigorous 3.4%, buoyed by inventory rebuilding and somewhat greater strength in manufacturing. Housing, though, played no role in the improvement. If anything, demand in that key sector weakened further. Now, as we look out to the second half, we see that housing is still depressed, but the industrial sector is perking up a bit, while the retail sector is likely to continue moving forward at a modest pace.

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This generally benign economic backdrop is likely to help fuel GDP growth of 2.5%, or so, during the final half of the year. Moderate growth along these lines should keep corporate earnings in a nice uptrend. This relatively favorable scenario assumes that there are no exogenous global shocks along the way, such as a worsening situation in the Middle East, a further surge in oil prices, or a serious misstep by the Federal Reserve Board, any of which could disrupt the orderly pace of business activity, even to the point of bringing on a recession.

Inflation, meantime, remains under control for the most part, thanks to comparatively stable labor costs and meaningful levels of productivity growth (i.e., labor cost efficiency). Adequate supplies of raw materials are also helping to keep the costs of production from undue escalation. We caution, though, that as the economy moves further along the recovery trail over the next few years, some modest increases in pricing pressures could emerge. Absent a stronger long-term business expansion than we now forecast, or a prolonged rise in oil prices, inflation should be held in check for the most part through the end of the decade.

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*The Value Line Fund, Inc.*

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### **FUND EXPENSES (unaudited):**

#### **Example**

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2007 through June 30, 2007).

#### **Actual Expenses**

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

#### **Hypothetical Example for Comparison Purposes**

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

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

<b>Beginning account value 1/1/07</b>	<b>Ending account value 6/30/07</b>	<b>Expenses* paid during period 1/1/07 thru</b>
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			<u>6/30/07</u>
Actual	\$ 1,000.00	\$ 1,102.60	\$ 4.43
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.58	\$ 4.26

\* Expenses are equal to the Fund's annualized expense ratio of 0.85% multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half period. This expense ratio may differ from the expense ratio shown in the Financial Highlights.

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*The Value Line Fund, Inc.*

## Portfolio Highlights at June 30, 2007 (unaudited)

### Ten Largest Holdings

Issue	Shares	Value	Percentage of Net Assets
Andrew Corp.	153,000	\$2,209,320	1.10%
Research In Motion Ltd.	11,000	\$2,199,889	1.10%
FLIR Systems, Inc.	46,000	\$2,127,500	1.06%
Warnaco Group, Inc. (The)	54,000	\$2,124,360	1.06%
Apogee Enterprises, Inc.	76,000	\$2,114,320	1.05%
Strayer Education, Inc.	16,000	\$2,107,360	1.05%
Dollar Tree Stores, Inc.	48,000	\$2,090,400	1.04%
AT&T, Inc.	50,000	\$2,075,000	1.03%
Telefonaktiebolaget LM Ericsson ADR	52,000	\$2,074,280	1.03%
Cooper Tire & Rubber Co.	75,000	\$2,071,500	1.03%

### Asset Allocation    Percentage of Net Assets

### Sector Weightings    Percentage of Total Investment Securities

*The Value Line Fund, Inc.***Schedule of Investments (unaudited)**

Shares		Value
<b>COMMON STOCKS (96.4%)</b>		
<b>AEROSPACE/DEFENSE (3.0%)</b>		
50,000	BE Aerospace, Inc. *	\$ 2,065,000
317,000	Bombardier, Inc. Class B *	1,911,528
17,000	Precision Castparts Corp.	2,063,120
		<b>6,039,648</b>
<b>APPAREL (3.0%)</b>		
53,000	Gildan Activewear, Inc. Class A *	1,817,370
41,000	Guess?, Inc.	1,969,640
54,000	Warnaco Group, Inc. (The) *	2,124,360
		<b>5,911,370</b>
<b>BEVERAGE SOFT DRINK (1.0%)</b>		
37,000	Coca-Cola Co. (The)	<b>1,935,470</b>
<b>BUILDING MATERIALS (2.0%)</b>		
76,000	Apogee Enterprises, Inc.	2,114,320
32,000	Jacobs Engineering Group, Inc. *	1,840,320
		<b>3,954,640</b>
<b>CABLE TV (1.0%)</b>		
73,000	Comcast Corp. Class A *	<b>2,041,080</b>
<b>CEMENT &amp; AGGREGATES (1.0%)</b>		
12,000	Martin Marietta Materials, Inc.	<b>1,944,240</b>
<b>CHEMICAL BASIC (1.9%)</b>		
36,000	E.I. du Pont de Nemours and Co.	1,830,240
25,000	Potash Corporation of Saskatchewan, Inc.	1,949,250
		<b>3,779,490</b>
<b>CHEMICAL DIVERSIFIED (0.9%)</b>		
28,000	Monsanto Co.	<b>1,891,120</b>
<b>COMPUTER &amp; PERIPHERALS (2.9%)</b>		
16,000	Apple, Inc. *	1,952,640
111,000	EMC Corp. *	2,009,100
36,000	NCR Corp. *	1,891,440
		<b>5,853,180</b>
<b>COMPUTER SOFTWARE &amp; SERVICES (5.9%)</b>		
35,000	Computer Sciences Corp. *	2,070,250
76,000	Jack Henry & Associates, Inc.	1,957,000
86,000	Moldflow Corp. *	1,890,280
101,000	Oracle Corp. *	1,990,710
50,000	Paychex, Inc.	1,956,000

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Shares		Value
44,000	SPSS, Inc. *	1,942,160
		<b>11,806,400</b>
	<b>DIVERSIFIED COMPANIES (3.9%)</b>	
29,000	Chemed Corp.	1,922,410
36,500	Honeywell International, Inc.	2,054,220
24,000	McDermott International, Inc. *	1,994,880
149,000	Service Corporation International	1,904,220
		<b>7,875,730</b>
	<b>DRUG (2.8%)</b>	
36,000	GlaxoSmithKline PLC ADR	1,885,320
64,000	Schering-Plough Corp.	1,948,160
44,000	Sepracor, Inc. *	1,804,880
		<b>5,638,360</b>
	<b>E-COMMERCE (0.9%)</b>	
133,000	Interwoven, Inc. *	<b>1,867,320</b>
	<b>EDUCATIONAL SERVICES (4.0%)</b>	
56,000	DeVry, Inc.	1,905,120
17,000	ITT Educational Services, Inc. *	1,995,460
222,000	SkillSoft PLC ADR *	2,062,380
16,000	Strayer Education, Inc.	2,107,360
		<b>8,070,320</b>
	<b>ELECTRICAL EQUIPMENT (2.0%)</b>	
46,000	FLIR Systems, Inc. *	2,127,500
24,000	General Cable Corp. *	1,818,000
		<b>3,945,500</b>
	<b>ELECTRONICS (0.9%)</b>	
47,000	Avnet, Inc. *	<b>1,863,080</b>
	<b>ENTERTAINMENT (0.9%)</b>	
54,000	Walt Disney Co. (The)	<b>1,843,567</b>
	<b>ENVIRONMENTAL (1.0%)</b>	
146,000	Allied Waste Industries, Inc. *	<b>1,965,160</b>

See Notes to Financial Statements.

*The Value Line Fund, Inc.*

**June 30, 2007**

Shares		Value
	<b>FINANCIAL SERVICES DIVERSIFIED (2.9%)</b>	
28,000	American International Group, Inc.	\$ 1,960,840
47,000	Aon Corp.	2,002,670

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Shares		Value
40,000	CNA Financial Corp.	1,907,600
		<b>5,871,110</b>
	<b>FOREIGN TELECOMMUNICATIONS (1.0%)</b>	
52,000	Telefonaktiebolaget LM Ericsson ADR	2,074,280
	<b>FURNITURE/HOME FURNISHINGS (0.9%)</b>	
72,000	Tempur-Pedic International, Inc.	1,864,800
	<b>GROCERY (0.9%)</b>	
67,000	Kroger Co. (The)	1,884,710
	<b>HOTEL/GAMING (1.0%)</b>	
32,000	Vail Resorts, Inc. *	1,947,840
	<b>HUMAN RESOURCES (1.0%)</b>	
61,000	CDI Corp.	1,964,200
	<b>INDUSTRIAL SERVICES (3.0%)</b>	
30,000	Corrections Corp. of America *	1,893,300
67,000	Quanta Services, Inc. *	2,054,890
61,000	TeleTech Holdings, Inc. *	1,981,280
		<b>5,929,470</b>
	<b>INTERNET (3.0%)</b>	
58,000	eBay, Inc. *	1,866,440
30,000	Priceline.com, Inc. *	2,062,200
68,000	ValueClick, Inc. *	2,003,280
		<b>5,931,920</b>
	<b>MACHINERY (3.7%)</b>	
28,000	Bucyrus International, Inc. Class A	1,981,840
23,000	Cascade Corp.	1,804,120
23,000	Manitowoc Company, Inc. (The)	1,848,740
23,000	Terex Corp. *	1,869,900
		<b>7,504,600</b>
	<b>MEDICAL SERVICES (0.9%)</b>	
38,000	Aetna, Inc.	1,877,200
	<b>MEDICAL SUPPLIES (6.7%)</b>	
15,000	Alcon, Inc.	2,023,650
37,000	Charles River Laboratories International, Inc. *	1,909,940
150,000	CryoLife, Inc. *	1,951,500
38,000	Kinetic Concepts, Inc. *	1,974,860
45,000	St. Jude Medical, Inc. *	1,867,050
29,000	Stryker Corp.	1,829,610
22,000	Zimmer Holdings, Inc. *	1,867,580
		<b>13,424,190</b>
	<b>METAL FABRICATING (0.9%)</b>	
32,000	Reliance Steel & Aluminum Co.	1,800,320
	<b>METALS &amp; MINING DIVERSIFIED (1.9%)</b>	
18,000	Allegheny Technologies, Inc.	1,887,840
21,000	Southern Copper Corp.	1,979,460
		<b>3,867,300</b>
	<b>OFFICE EQUIPMENT &amp; SUPPLIES (1.0%)</b>	
105,000	Xerox Corp. *	1,940,400
	<b>OILFIELD SERVICES/EQUIPMENT (2.0%)</b>	



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Shares		Value
20,000	Core Laboratories N.V. *	2,033,800
33,000	Smith International, Inc.	1,935,120
		<b>3,968,920</b>
	<b>PACKAGING &amp; CONTAINER (0.9%)</b>	
35,000	Ball Corp.	<b>1,860,950</b>
	<b>PAPER &amp; FOREST PRODUCTS (1.0%)</b>	
49,000	International Paper Co.	<b>1,913,450</b>
	<b>PHARMACY SERVICES (1.9%)</b>	
38,000	Express Scripts, Inc. *	1,900,380
42,000	Walgreen Co.	1,828,680
		<b>3,729,060</b>
	<b>PRECISION INSTRUMENT (4.8%)</b>	
52,000	Agilent Technologies, Inc. *	1,998,880
56,000	FEI Co. *	1,817,760
34,000	KLA-Tencor Corp.	1,868,300
62,000	National Instruments Corp.	2,019,340
33,500	Waters Corp. *	1,988,560
		<b>9,692,840</b>

See Notes to Financial Statements.

*The Value Line Fund, Inc.*

**Schedule of Investments (unaudited)**

**June 30, 2007**

Shares		Value
	<b>PUBLISHING (1.0%)</b>	
46,000	R. R. Donnelley & Sons Co.	\$ <b>2,001,460</b>
	<b>RECREATION (0.9%)</b>	
105,000	Callaway Golf Co.	<b>1,870,050</b>
	<b>RETAIL SPECIAL LINES (2.9%)</b>	
44,000	Aeropostale, Inc. *	1,833,920
50,000	GameStop Corp. Class A *	1,955,000
39,000	Tiffany & Co.	2,069,340
		<b>5,858,260</b>
	<b>RETAIL STORE (3.0%)</b>	
68,000	Big Lots, Inc. *	2,000,560
48,000	Dollar Tree Stores, Inc. *	2,090,400
27,000	Kohl's Corp. *	1,917,810
		<b>6,008,770</b>
	<b>SEMICONDUCTOR (1.0%)</b>	
125,000	Integrated Device Technology, Inc. *	<b>1,908,750</b>

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Shares		Value
	<b>SEMICONDUCTOR EQUIPMENT (1.0%)</b>	
48,000	Varian Semiconductor Equipment Associates, Inc. *	<b>1,922,880</b>
	<b>TELECOMMUNICATION SERVICES (2.0%)</b>	
50,000	AT&T, Inc.	2,075,000
194,000	Qwest Communications International, Inc. *	1,881,800
		<b>3,956,800</b>
	<b>TELECOMMUNICATIONS EQUIPMENT (4.1%)</b>	
153,000	Andrew Corp. *	2,209,320
53,000	Ciena Corp. *	1,914,890
74,000	Cisco Systems, Inc. *	2,060,900
35,000	CommScope, Inc. *	2,042,250
		<b>8,227,360</b>
	<b>TIRE &amp; RUBBER (1.0%)</b>	
75,000	Cooper Tire & Rubber Co.	<b>2,071,500</b>
	<b>WIRELESS NETWORKING (1.1%)</b>	
11,000	Research In Motion Ltd.	<b>2,199,889</b>
	<b>TOTAL COMMON STOCKS AND TOTAL INVESTMENT SECURITIES (96.4%) (Cost \$172,980,985)</b>	<b>193,298,954</b>

Principal Amount		Value
	<b>REPURCHASE AGREEMENTS (3.6%)</b>	
\$7,200,000	With Morgan Stanley, 4.00%, dated 6/29/07, due 7/2/07, delivery value \$7,202,400 (collateralized by \$7,590,00 U.S. Treasury Notes 3.50%, due 12/15/09, with a value of \$7,361,788)	<b>\$ 7,200,000</b>
	<b>TOTAL REPURCHASE AGREEMENTS (Cost \$7,200,000)</b>	<b>7,200,000</b>
	<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES (0.0%)</b>	<b>9,039</b>
	<b>NET ASSETS (100.0%)</b>	<b>\$200,507,993</b>
	<b>NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE (\$200,507,993 ÷ 14,576,442 shares outstanding)</b>	<b>\$ 13.76</b>

\* Non-income producing.  
ADR American Depositary Receipt

See Notes to Financial Statements.

## Statement of Assets and Liabilities at June 30, 2007 (unaudited)

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**Assets:**

Investment securities, at value (Cost \$172,980,985)	\$ 193,298,954
Repurchase agreements (Cost \$7,200,000)	7,200,000
Cash	167,650
Interest and dividends receivable	61,244
Receivable for capital shares sold	1,430
<b>Total Assets</b>	<b>200,729,278</b>

**Liabilities:**

Payable for capital shares repurchased	28,778
Accrued expenses:	
Advisory fee	111,508
Directors' fees and expenses	4,675
Other	76,324
<b>Total Liabilities</b>	<b>221,285</b>

**Net Assets** \$200,507,993

**Net assets consist of:**

Capital stock, at \$1.00 par value (authorized 50,000,000, outstanding 14,576,442 shares)	\$ 14,576,442
Additional paid-in capital	144,118,290
Accumulated net investment loss	(149,971)
Accumulated net realized gain on investments	21,645,263
Net unrealized appreciation of investments	20,317,969
<b>Net Assets</b>	<b>\$200,507,993</b>
<b>Net Asset Value, Offering and Redemption Price Per Outstanding Share (\$200,507,993 ÷ 14,576,442 shares outstanding)</b>	<b>\$ 13.76</b>

## Statement of Operations for the Six Months Ended June 30, 2007 (unaudited)

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**Investment Income:**

Dividends (Net of foreign withholding tax of \$10,793)	\$ 540,929
Interest	148,253
<b>Total Income</b>	<b>689,182</b>

**Expenses:**

Advisory fee	666,699
Service and distribution plan fees	246,887
Transfer agent fees	61,183
Auditing and legal fees	32,190
Printing and postage	30,878
Custodian fees	21,429
Directors' fees and expenses	7,587
Registration and filing fees	7,423
Insurance	7,164
Telephone	5,682
Other	3,269

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Total Expenses Before Custody Credits and Fees Waived	1,090,391
Less: Service and Distribution Plan Fees Waived	(246,887)
Less: Custody Credits	(4,351)
Net Expenses	839,153
<b>Net Investment Loss</b>	(149,971)
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Exchange Transactions:</b>	
Net Realized Gain	20,232,932
Change in Net Unrealized Appreciation/(Depreciation)	(675,157)
<b>Net Realized Gain and Change in Net Unrealized Appreciation/ (Depreciation) on Investments and Foreign Exchange Transactions</b>	19,557,775
<b>Net Increase in Net Assets from Operations</b>	\$ 19,407,804

See Notes to Financial Statements.

*The Value Line Fund, Inc.*

**Statement of Changes in Net Assets  
for the Six Months Ended June 30, 2007 (unaudited) and for the Year Ended December 31, 2006**

	Six Months Ended June 30, 2007 (unaudited)	Year Ended December 31, 2006
<b>Operations:</b>		
Net investment loss	\$ (149,971)	\$ (788,625)
Net realized gain on investments	20,232,932	11,577,224
Change in net unrealized appreciation/(depreciation)	(675,157)	(2,751,158)
<b>Net increase in net assets from operations</b>	19,407,804	8,037,441
<b>Distributions to Shareholders:</b>		
Net realized gain from investment transactions		(17,374,630)
<b>Capital Share Transactions:</b>		
Proceeds from sale of shares	1,305,351	5,750,466
Proceeds from reinvestment of distributions to shareholders		16,373,788
Cost of shares repurchased	(17,554,248)	(29,153,331)
<b>Decrease from capital share transactions</b>	(16,248,897)	(7,029,077)
<b>Total Increase/(Decrease) in Net Assets</b>	3,158,907	(16,366,266)
<b>Net Assets:</b>		
Beginning of period	197,349,086	213,715,352
End of period	\$ 200,507,993	\$ 197,349,086
Accumulated net investment loss, at end of period	\$ (149,971)	\$

See Notes to Financial Statements.

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*The Value Line Fund, Inc.*

## Notes to Financial Statements (unaudited)

June 30, 2007

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### 1. Significant Accounting Policies

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

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

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

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the Fund's financial statement disclosures.

**(B) Repurchase Agreements.** In connection with transactions in repurchase agreements, the Fund's custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, it is the Fund's policy to mark-to-market the collateral on a daily basis to ensure the adequacy of the collateral. In the event of default of the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

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

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes (an Interpretation of FASB Statement No. 109 (the Interpretation)). The Interpretation establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement

*The Value Line Fund, Inc.***Notes to Financial Statements (unaudited)**

recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Interpretation is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. As of June 30, 2007, management has reviewed the tax positions for the tax years still subject to tax audit under the statute of limitations, evaluated the implication of FIN 48, and determined that there is no impact to the Fund's financial statements at this time.

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

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

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

Net realized foreign exchange gains or losses arise from currency fluctuations realized between the trade and settlement dates on securities transactions, the differences between the U.S. dollar amounts of dividends, interest, and foreign withholding taxes recorded by the Fund, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, other than investments, at the end of the fiscal period, resulting from changes in the exchange rates. The effect of the change in foreign exchange rates on the value of investments is included in realized gain/loss on investments and change in net unrealized appreciation/depreciation on investments.

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

**2. Capital Share Transactions, Dividends and Distributions to Shareholders**

Transactions in capital stock were as follows:

	<b>Six Months Ended June 30, 2007 (unaudited)</b>	<b>Year Ended December 31, 2006</b>
Shares sold	98,439	424,616
Shares issued to shareholders in reinvestment of dividends and distributions		1,309,937
	98,439	1,734,553
Shares repurchased	(1,335,211)	(2,180,922)
Net decrease	(1,236,772)	(446,369)
Distributions per share from net realized gains	\$	\$ 1.1869

**June 30, 2007****3. Purchases and Sales of Securities**

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

	<b>Six Months Ended June 30, 2007 (unaudited)</b>
<b>Purchases:</b>	
Investment Securities	\$ 215,135,116
<b>Sales:</b>	
Investment Securities	\$ 234,029,929

**4. Tax Information (unaudited)**

At June 30, 2007, information on the tax components of capital is as follows:

Cost of investments for tax purposes	\$ 180,180,985
Gross tax unrealized appreciation	\$ 22,131,026
Gross tax unrealized depreciation	(1,813,057)
Net tax unrealized appreciation on investments	\$ 20,317,969

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

An advisory fee of \$666,699 was paid or payable to Value Line, Inc., the Fund's investment adviser, (the Adviser), for the six months ended June 30, 2007. This was computed at the rate of 0.70% of the first \$100 million of the Fund's average daily net assets plus 0.65% on the excess thereof, and paid monthly. The Adviser provides research, investment programs, supervision of the investment portfolio and pays costs of administrative services, office space, equipment and compensation of administrative, bookkeeping and clerical personnel necessary for managing the affairs of the Fund. The Adviser also provides persons, satisfactory to the Fund's Board of Directors, to act as officers and employees of the Fund and pays their salaries and wages. Direct expenses of the Fund are charged to the Fund while common expenses of the Value Line Funds are allocated proportionately based upon the funds' respective net assets. The Fund bears all other costs and expenses.

The Fund has a Service and Distribution Plan (the Plan), adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, for the payment of certain expenses incurred by Value Line Securities, Inc. (the Distributor), a wholly-owned subsidiary of the Adviser, in advertising, marketing and distributing the Fund's shares and for servicing the Fund's shareholders at an annual rate of 0.25% of the Fund's average daily net assets. For the six months ended June 30, 2007, fees amounting to \$246,887, before fee waivers, were accrued under the Plan. Effective August 31, 2006 the Distributor voluntarily waived the 12b-1 fee. Effective May 1, 2007, the Distributor contractually agreed to continue to waive the Fund's 12b-1 fee for a one year period. For the six months ended June 30, 2007, the fees waived amounted to \$246,887. The Distributor has no right to recoup prior waivers.

For the six months ended June 30, 2007, the Fund's expenses were reduced by \$4,351 under a custody credit arrangement with the custodian.

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

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The Adviser and/or affiliated companies and the Value Line, Inc. Profit Sharing and Savings Plan owned 533,109 shares of the Fund's capital stock, representing 3.66% of the outstanding shares at June 30, 2007. In addition, officers and directors of the Fund as a group owned 10,836 shares of the Fund, representing less than 1% of the outstanding shares.

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*The Value Line Fund, Inc.*

### Financial Highlights

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

	Six Months Ended June 30, 2007 (unaudited)	Years Ended December 31,				
		2006	2005	2004	2003	2002
<b>Net asset value, beginning of period</b>	\$ 12.48	\$ 13.14	\$ 13.90	\$ 14.25	\$ 13.67	\$ 18.49
<b>Income/(loss) from investment operations:</b>						
Net investment loss	(0.01)	(0.05)	(0.07)	(0.08)	(0.03)	(0.05)
Net gains or losses on securities (both realized and unrealized)	1.29	0.58	1.53	1.80	2.24	(4.64)
Total from investment operations	1.28	0.53	1.46	1.72	2.21	(4.69)
<b>Less distributions:</b>						
Distributions from net realized gains		(1.19)	(2.22)	(2.07)	(1.63)	(0.13)
<b>Net asset value, end of period</b>	\$ 13.76	\$ 12.48	\$ 13.14	\$ 13.90	\$ 14.25	\$ 13.67
<b>Total return</b>	10.26% <sup>(3)</sup>	4.00%	10.40%	12.09%	16.28%	(25.35)%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in thousands)	\$ 200,508	\$ 197,349	\$ 213,715	\$ 215,025	\$ 216,047	\$ 206,338
Ratio of expenses to average net assets <sup>(1)</sup>	1.10% <sup>(4)</sup>	1.12%	1.13%	1.13%	1.13%	1.11%
Ratio of expenses to average net assets <sup>(2)</sup>	0.85% <sup>(4)</sup>	1.04%	1.13%	1.13%	1.13%	1.11%
Ratio of net investment loss to average net assets	(0.15)% <sup>(4)</sup>	(0.37)%	(0.52)%	(0.58)%	(0.19)%	(0.31)%
Portfolio turnover rate	112% <sup>(3)</sup>	224%	224%	297%	129%	33%

(1) Ratio reflects expenses grossed up for custody credit arrangement and grossed up for the waiver of distribution and service plan fees by the Distributor. The ratio of expenses to average net assets net of custody credits, but exclusive of the waiver of the distribution and service plan fees by the Distributor, would have been unchanged for the periods shown.



- (2) *Ratio reflects expenses net of the custody credit arrangement and net of the waiver of the service and distribution plan fees by the Distributor.*
- (3) *Not annualized.*
- (4) *Annualized.*

*See Notes to Financial Statements.*

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ( SEC ) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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

## **Factors Considered by the Board in Approving the Investment Advisory Agreement for the Value Line Fund, Inc. (unaudited)**

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The Investment Company Act of 1940 (the 1940 Act ) requires the Board of Directors, including a majority of Directors who are not interested persons of the Fund, as that term is defined in the 1940 Act (the Independent Directors ), annually to consider the investment advisory agreement (the Agreement ) between the Fund and its investment adviser, Value Line, Inc. ( Value Line ). As required by the 1940 Act, the Board requested and Value Line provided such information as the Board deemed to be reasonably necessary to evaluate the terms of the Agreement. At meetings held throughout the year, including the meeting specifically focused upon the review of the Agreement held on March 8, 2007, the Independent Directors met in executive sessions separately from the non-Independent Director of the Fund and any officers of Value Line. In selecting Value Line and approving the continuance of the Agreement, the Independent Directors relied upon the assistance of counsel to the Independent Directors.

Both in the meeting that specifically addressed the approval of the Agreement and at other meetings held during the course of the year, the Board, including the Independent Directors, received materials relating to Value Line's investment and management services under the Agreement. These materials included information on (i) the investment performance of the Fund over various periods of time compared to the performance of a peer group of funds consisting of the Fund and all retail and institutional multi-cap growth funds regardless of asset size or

primary channel of distribution (the Performance Universe), as classified by Lipper Inc., an independent evaluation service (Lipper), and to the Fund's benchmark index; (ii) sales and redemption data with respect to the Fund; (iii) the general investment outlook in the markets in which the Fund invests; (iv) arrangements with respect to the distribution of the Fund's shares; (v) the allocation of the Fund's brokerage (none of which was effected through any affiliate of Value Line); and (vi) the overall nature, quality and extent of services provided by Value Line.

As part of the review of the continuance of the Agreement, the Board requested, and Value Line provided, additional information in order to evaluate the quality of Value Line's services and the reasonableness of its fees under the Agreement. In a separate executive session, the Independent Directors engaged in an extensive review of information, which included data comparing: (i) the Fund's management fees, transfer agent/custodian fees, service fees (including 12b-1 fees), and other non-management fees, to those incurred by a peer group of funds consisting of the Fund and 11 other retail no-load multi-cap growth funds, as selected objectively by Lipper (the Expense Group), and a peer group of funds consisting of the Fund, the Expense Group and all other retail no-load multi-cap growth funds, as selected objectively by Lipper (the Expense Universe); (ii) the Fund's average expense ratio to those of its Expense Group and Expense Universe; (iii) the Fund's investment performance over various time periods to the average performance of the Performance Universe as well as the 10 or 30 (depending upon availability) largest retail multi-cap growth classification funds as selected by Lipper (the Lipper Index); (iv) Value Line's financial results and condition, including Value Line's and its affiliates' profitability from the services that have been performed for the Fund as well as the Value Line family of funds; (v) the Fund's current investment management staffing; and (vi) the Fund's potential for achieving economies of scale. In support of its review of the statistical information, the Board was provided with a detailed description of the methodology used by Lipper to determine the Expense Group, the Expense Universe and the Performance Universe to prepare its information.

The following summarizes matters considered by the Board in connection with its renewal of the Agreement. However, the Board did not identify any single factor as all-important or controlling, and the summary does not detail all the matters that were considered.

**Investment Performance.** The Board reviewed the Fund's overall investment performance and compared it to its Performance Universe and the Lipper Index. The Board noted that the Fund's performance for the one-year, three-year, five-year and ten-year periods ended December 31, 2006 was below the performance of both the Performance Universe average and the Lipper Index.

**Value Line's Personnel and Methods.** The Board reviewed the background of the portfolio manager responsible for the daily management of the Fund's portfolio, achieving the Fund's investment objective and adhering to the Fund's investment strategy. The Independent Directors also engaged in discussions with Value Line's senior management who are responsible for the overall functioning of the Fund's investment operations. Based on this review, the Board concluded that the Fund's management team and Value Line's overall resources were well developed and that Value Line had investment management capabilities and personnel essential to performing its duties under the Agreement.

## **Factors Considered by the Board in Approving the Investment Advisory Agreement for the Value Line Fund, Inc. (unaudited)**

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**Management Fee and Expenses.** The Board considered Value Line's fee under the Agreement relative to the management fees charged by its Expense Group and Expense Universe averages. The Board noted that, for the most recent fiscal year, the Fund's management fee rate was less than that of both the Expense Group average and the Expense Universe average, and the Board determined that the Fund's management fee rate payable to Value Line under the Agreement does not constitute fees that are so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded that the management fee rate under the Agreement is fair and reasonable.

The Board also considered that the Fund's total expense ratio relative to its Expense Group and Expense Universe averages. The Board noted that, effective August 31, 2006, Value Line Securities, Inc., the Fund's principal underwriter, voluntarily agreed to waive all of the Fund's Rule 12b-1 fee, effectively reducing the Fund's Rule 12b-1 fee rate from 0.25% to 0.00% of the Fund's average daily net assets. As a result of this voluntary Rule 12b-1 fee waiver, the Board noted that the Fund's total expense ratio (after giving effect to this waiver) was less than that of both the Expense Group average and the Expense Universe average and concluded that the average expense ratio was satisfactory for the purpose of approving the continuance of the Agreement for the coming year. The Board also noted that Value Line Securities, Inc. contractually agreed to waive all of the Fund's Rule 12b-1 fee for a one year period effective May 1, 2007 so that such waiver could not be changed without the Board's approval during such period.

**Nature and Quality of Other Services.** The Board considered the nature, quality, cost and extent of other services provided by Value Line and its affiliate, Value Line Securities, Inc., the Fund's principal underwriter. At meetings held throughout the year, the Board reviewed the effectiveness of Value Line's overall compliance program, as well as the services provided by Value Line Securities, Inc. The Board also reviewed the services provided by Value Line and its affiliate in supervising third party service providers. Based on this review, the Board concluded that the nature, quality, cost and extent of such other services provided by Value Line and its affiliate were satisfactory, reliable and beneficial to the Fund's shareholders.

**Profitability.** The Board considered the level of Value Line's profits with respect to the management of the Fund, including the impact of certain actions taken during 2005, 2006 and 2007. These actions included Value Line's review of its methodology in allocating certain of its costs to the management of each fund, the reduction of management and/or Rule 12b-1 fees for certain funds (both of which type of reductions may be changed by Value Line or Value Line Securities, Inc. (as the case may be) for certain funds or, for other funds, may not be changed during a set term unless approved by the Board), Value Line's termination of the use of soft dollar research, and the cessation of trading through Value Line Securities, Inc. Based on a review of these actions and Value Line's overall profitability, the Board concluded that Value Line's profits from management of the Fund, including the financial results derived from the Fund, bear a reasonable relationship to the services rendered and are fair for the management of the Fund in light of the business risks involved.

**Other Benefits.** The Board also considered the character and amount of other direct and incidental benefits received by Value Line and its affiliates from their association with the Fund. The Board concluded that potential "fall-out" benefits that Value Line and its affiliates may receive, such as greater name recognition, appear to be reasonable, and may in some cases benefit the Fund.

**Economies of Scale.** The Board noted that, given the current and anticipated size of the Fund, any perceived and potential economies of scale were not a relevant consideration for the Fund and additional of break points in the management fee rate was determined not to be necessary at this time.

**Conclusion.** The Board, in light of Value Line's overall performance and actions taken with respect to the rate at which the management fees and Rule 12b-1 fees are charged, considered it appropriate to continue to retain Value Line as the Fund's investment adviser. Based on their evaluation of all material factors deemed relevant, and with the advice of independent counsel, the Board concluded that the Fund's Agreement is fair and reasonable and voted to approve the continuation of the Agreement for another year.

*The Value Line Fund, Inc.*

## Management of the Fund

### MANAGEMENT INFORMATION

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

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
<b>Interested Director*:</b> Jean Bernhard Buttner Age 72	Chairman of the Board of Directors and President	Since 1983	Chairman, President and Chief Executive Officer of Value Line, Inc. (the Adviser) and Value Line Publishing, Inc. Chairman and President of each of the 14 Value Line Funds and Value Line Securities, Inc. (the Distributor).	Value Line, Inc.

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Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
<b><u>Non-Interested Directors</u></b>				
John W. Chandler 1611 Cold Springs Road Williamstown, MA 01267 Age 83	Director	Since 1991	Consultant, Academic Search Consultation Service, Inc. (1994-2004); Trustee Emeritus and Chairman (1993-1994) of the Board of Trustees of Duke University; President Emeritus, Williams College.	None
Frances T. Newton 4921 Buckingham Drive Charlotte, NC 28209 Age 65	Director	Since 2000	Customer Support Analyst, Duke Power Company.	None
Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 Age 75	Director	Since 2000	Professor of History, Williams College, (1961-2002); Professor Emeritus since 2002. President Emeritus since 1994 and President, (1985-1994); Chairman (1993-1997) and Interim President (2002-2003) of the American Council of Learned Societies. Trustee since 1997 and Chairman of the Board since 2005, National Humanities Center.	None
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age 71	Director	Since 1997	Visiting Professor of Classics, Williams College, since 1999; President Emeritus, Skidmore College since 1999 and President, (1987-1998).	None

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*The Value Line Fund, Inc.*

**Management of the Fund**

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age 68	Director	Since 1983	Chairman, Institute for Political Economy.	None
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age 58	Director	Since 1996	Senior Financial Advisor, Veritable L.P. (Investment Adviser) since 2004; Senior Financial Advisor, Hawthorn, (2001-2004).	None
<b><u>Officers</u></b>				
David T. Henigson Age 49	Vice President/ Secretary/	Since 1994	Director, Vice President and Compliance Officer of the	

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Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
Stephen R. Anastasio Age 48	Chief Compliance Officer  Treasurer	Since 2005	Adviser. Director and Vice President of the Distributor. Vice President, Secretary and Chief Compliance Officer of each of the 14 Value Line Funds. Controller of the Adviser until 2003; Chief Financial Officer of the Adviser (2003-2005); Treasurer of the Adviser since 2005; Treasurer of each of the 14 Value Line Funds.	
Howard A. Brecher Age 53	Assistant Treasurer/ Assistant Secretary	Since 2005	Director, Vice President and Secretary of the Adviser. Director and Vice President of the Distributor.	

\* *Mrs. Buttner is an interested person as defined in the Investment Company Act of 1940 by virtue of her positions with the Adviser and her indirect ownership of a controlling interest in the Adviser.*

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

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

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*The Value Line Fund, Inc.*

## The Value Line Family of Funds

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

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

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

**1972** *Value Line Larger Companies Fund*'s sole investment objective is to realize capital growth.

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

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

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

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

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

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

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

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

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

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

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

For more complete information about any of the Value Line Funds, including charges and expenses, send for a prospectus from Value Line Securities, Inc., 220 East 42nd Street, New York, New York 10017-5891 or call 1-800-243-2729, 9am - 5pm CST, Monday - Friday, or visit us at [www.vlfunds.com](http://www.vlfunds.com). Read the prospectus carefully before you invest or send money.

### Item 2. Code of Ethics

N/A

### Item 3. Audit Committee Financial Expert.

N/A

### Item 4. Principal Accountant Fees and Services

N/A

### Item 11. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-2(c) under the Act (17 CFR 270.30a-2(c))) based on their evaluation of these controls and procedures as of a date within 90 days of the
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filing date of this report, are appropriately designed to ensure that material information relating to the registrant is made known to such officers and are operating effectively.

- (b) The registrant's principal executive officer and principal financial officer have determined that there have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including corrective actions with regard to significant deficiencies and material weaknesses.

### Item 12. Exhibits.

- (a) (1) Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2) attached hereto as Exhibit 99.CERT.
- (2) Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached hereto as Exhibit 99.906.CERT.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Jean B. Buttner  
Jean B. Buttner, President

Date: August 30, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Jean B. Buttner  
Jean B. Buttner, President, Principal Executive Officer

By: /s/ Stephen R. Anastasio  
Stephen R. Anastasio, Treasurer, Principal Financial Officer

Date: August 30, 2007

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