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VALUE LINE FUND INC
Form N-CSR
March 08, 2004

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_

The Value Line Fund, Inc.

(Exact name of registrant as specified in charter)

220 East 42nd 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, 2003

Date of reporting period: December 31, 2003

Item I. Reports to Stockholders.

A copy of the Annual Report to Stockholders for the period ended is included with this Form.

Item 2. Code of Ethics

(a) The Registrant has adopted a Code of Ethics that applies to its Principal Executive Officers and Principal Financial and Accounting Officer.

(f) Pursuant to item 10(a), the Registrant is attaching as an exhibit a copy of its Code of Ethics that applies to its Principal Executive Officers and Principal Financial and Accounting Officer.

Item 3. Audit Committee Financial Expert.

(a) (1) The Registrant has an Audit Committee Financial Expert serving on its Audit Committee.

(2) The Registrant's Board has designated John W. Chandler, a member of the Registrant's Audit Committee, as the Registrant's Audit Committee Financial Expert. Mr. Chandler is an independent director who is a senior consultant with Academic Search Consultation Service. He spent most of his professional career at Williams College, where he served as a faculty member, Dean of the Faculty, and President (1973-85). He also served as President of

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Hamilton College (1968-73), and as President of the Association of American Colleges and Universities (1985-90). He has previously served as Trustee Emeritus and Chairman of the Board of Trustees of Duke University.

A person who is designated as an "audit committee financial expert" shall not make such person an "expert" for any purpose, including without limitation under Section 11 of the Securities Act of 1933 or under applicable fiduciary laws, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification.

Item 4. Principal Accountant Fees and Services

- (a) Audit Fees 2003 - \$29,140; Audit Fees 2002 - \$39,074
- (b) Audit-Related fees - None
- (c) Tax Preparation Fees 2003 - \$7,040; Tax Preparation Fees 2002 - \$7,604
- (d) All Other Fees - None
- (e) (1) Audit Committee Pre-Approval Policy. All services to be performed for the Registrant by PricewaterhouseCoopers LLP must be pre-approved by the audit committee. All services performed during 2003 and 2002 were pre-approved by the committee.
- (e) (2) not applicable.
- (f) Not applicable.
- (g) Aggregate Non-Audit Fees 2003 - \$7,040; Aggregate Non-Audit Fees 2002 - \$7,604
- (h) Not applicable.

Item 9. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-2(c) under the Act (17 CFR 270.30a-2(c)) based on their evaluation of these controls and procedures as of the date within 90 days of filing date of this report, are 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 10. Exhibits.

- (a) Code of Ethics for Principal Executive and Senior Financial

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Officers attached hereto as Exhibit 100.COE.

- (b) (1) Certification pursuant to Rule 30a-2 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. (Registrant) The Value Line Fund , Inc.

By /s/ Jean B. Buttner

Jean B. Buttner, President

Date: March 8, 2004

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

By: /s/ Jean B. Buttner

Jean B. Buttner, President, Principal Executive Officer

By: /s/ David T. Henigson

David T. Henigson, Vice President, Treasurer, Principal Financial Officer

Date: March 8, 2004

| | |
|--------------------|--|
| 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. |

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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
AUDITORS

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, NY 10036

LEGAL COUNSEL

Peter D. Lowenstein, Esq.
Two Sound View Drive, Suite 100
Greenwich, CT 06830

DIRECTORS

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

OFFICERS

Jean Bernhard Buttner
CHAIRMAN AND PRESIDENT
Nancy L. Bendig
VICE PRESIDENT
Brett Mitstifer
VICE PRESIDENT
Stephen E. Grant
VICE PRESIDENT
David T. Henigson
VICE PRESIDENT AND
SECRETARY/TREASURER
Joseph Van Dyke
ASSISTANT SECRETARY/TREASURER
Stephen La Rosa
ASSISTANT SECRETARY/TREASURER

THIS REPORT IS ISSUED FOR INFORMATION OF 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).

#528237

ANNUAL REPORT

DECEMBER 31, 2003

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THE VALUE LINE

FUND, INC.

[LOGO]

THE VALUE LINE FUND, INC.

TO OUR VALUE LINE

TO OUR SHAREHOLDERS:

After a three-year bear market, 2003 brought welcome relief to equity investors. The Value Line Fund, which had its portfolio more conservatively positioned, a strategy that worked well during the prior 3-year bear market, returned 16.28% for the year, while the Standard & Poor's 500-stock index climbed 28.7%. (1)

The speculative rally that began in mid-March, after the start of the Iraqi war, clearly did not reward the more conservative, high-quality names in the portfolio. Our best efforts to reposition the portfolio from the defensive strategy that worked well during the multi-year downturn which enabled shareholders to more safely weather the bear market was mostly successful. The Value Line Timeliness Ranking System favors stocks with strong relative earnings momentum, positive earnings surprise and strong relative price momentum. The leaders during the early phase of the rally did not rank well and, therefore, were not represented in the Fund. Higher risk technology stocks, many of which had lost half of their market value over the past four years, especially telecom equipment and semiconductor-related issues, are examples of where we were underweight relative to the benchmark due to their poor fundamentals and low Timeliness ranks. However, as technology companies began to report increased year-over-year performance, they were assigned higher Timeliness ranks and we increased our exposure.

The September quarter was characterized by a more tempered rise in the S&P 500, up 2.6%, and the Dow Jones Industrial Average, up 3.8%, than we had seen in the June period. Again, all of the action was in the high risk, smaller, more speculative names, which we tend to avoid.

Over the course of the year, we have made significant changes in the portfolio. As the economic picture improved, we increased our technology exposure, an area that has shown renewed growth. In addition, we have added to our positions in basic materials and industrials, which should benefit in a cyclical recovery.

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Overall, the firming in business spending, a stabilizing labor market, and relatively low interest rates for the foreseeable future, should be positive for the equity markets. We believe that the Fund is well positioned to benefit in this environment.

We thank you for your continued confidence in Value Line, and we look forward to serving you in the new year.

Sincerely,

/s/ Jean Bernhard Buttner

Jean Bernhard Buttner
Chairman and President

February 16, 2004

(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.

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THE VALUE LINE FUND, INC.

FUND SHAREHOLDERS

ECONOMIC OBSERVATIONS

The U.S. economic recovery, which proceeded at an uninspiring pace in 2002 and the first half of 2003, really took off during last year's third and fourth quarters, when the nation's gross domestic product, buoyed by a strengthening in both consumer spending and capital goods activity, rose at the fastest pace in several years. What's more, early indications are that the economy will continue to press forward at a solid gait in the opening half of 2004, with GDP most likely increasing by more than 4%.

Meanwhile, underpinned by the critical support of the Federal Reserve, which

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continues to maintain its low-interest-rate policies, and boosted also by the stimulative effects of last year's tax reduction and spending programs, the U.S. economy should remain in forward gear throughout the year with GDP maintaining that healthy pace of better than 4%. We currently expect the business expansion to continue into 2005.

Inflation, meantime, remains muted, thanks, in part, to subdued labor costs. Adequate supplies of raw materials are also helping to keep the costs of production low. We note, though, that as the U.S. economy moves further along the recovery trail over the next several years, some modest increases in inflation may emerge. Absent a stronger long-term business recovery than we now envision, or a further sharp rise in oil and gas prices stemming from an escalating conflict in Iraq and elsewhere in the always contentious Middle East, or some severe production cutbacks by the Organization of Petroleum Exporting Countries (OPEC), inflation should generally remain in check through the latter years of this decade. Long-term interest rates should increase modestly over the next several years, but most likely not to the degree that would bring the expansion to a halt.

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THE VALUE LINE FUND, INC.

COMPARISON OF A CHANGE IN VALUE OF A \$10,000 INVESTMENT
IN THE VALUE LINE FUND
AND THE S&P 500 Stock Index*

(FROM 1/1/94 TO 12/31/03)

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*THE STANDARD AND POOR'S 500 INDEX (S&P 500 INDEX) IS AN UNMANAGED INDEX THAT IS REPRESENTATIVE OF THE LARGER-CAPITALIZATION STOCKS TRADED IN THE UNITED STATES.

THE RETURN FOR THE INDEX DOES NOT REFLECT EXPENSES WHICH ARE DEDUCTED FROM THE FUND'S RETURNS.

PERFORMANCE DATA:**

| | AVERAGE ANNUAL TOTAL RETURN | GROWTH OF AN ASSUMED INVESTMENT OF \$10,000 |
|-------------------------------|--------------------------------|--|
| | ----- | ----- |
| 1 year ended 12/31/03 | +16.28% | \$11,628 |
| 5 years ended 12/31/03 | -4.08% | \$ 8,118 |
| 10 years ended 12/31/03 | +6.26% | \$18,355 |

** THE PERFORMANCE DATA QUOTED REPRESENT PAST PERFORMANCE AND ARE NO GUARANTEE OF FUTURE PERFORMANCE. THE AVERAGE ANNUAL TOTAL RETURNS AND GROWTH OF AN ASSUMED INVESTMENT OF \$10,000 INCLUDE DIVIDENDS REINVESTED AND CAPITAL GAINS DISTRIBUTIONS ACCEPTED IN SHARES. THE INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT AN INVESTMENT, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN ITS ORIGINAL COST. THE PERFORMANCE DATA AND GRAPH DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES.

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THE VALUE LINE FUND, INC.

PORTFOLIO HIGHLIGHTS AT DECEMBER 31, 2003 (UNAUDITED)

TEN LARGEST HOLDINGS

| ISSUE | SHARES | VALUE (IN THOUSANDS) | PERCENTAGE OF NET ASSETS |
|---|---------|-------------------------|-----------------------------|
| | | | |
| Citigroup, Inc. | 141,000 | \$6,844 | 3.2% |
| Medtronic, Inc. | 127,000 | 6,173 | 2.9 |
| Cisco Systems, Inc. | 253,000 | 6,145 | 2.8 |
| Omnicom Group, Inc. | 70,000 | 6,113 | 2.8 |
| Lehman Brothers Holdings Inc. | 75,000 | 5,792 | 2.7 |
| American International Group, Inc. | 87,000 | 5,766 | 2.7 |
| Intel Corp. | 169,000 | 5,442 | 2.5 |
| Dell, Inc. | 136,500 | 4,636 | 2.1 |
| SanDisk Corp. | 75,500 | 4,616 | 2.1 |
| Lowe's Companies, Inc. | 81,000 | 4,487 | 2.1 |

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FIVE LARGEST INDUSTRY CATEGORIES

| INDUSTRY | VALUE (IN THOUSANDS) | PERCENTAGE OF NET ASSETS |
|--|-------------------------|-----------------------------|
| Financial Services - Diversified | \$17,932 | 8.3% |
| Medical Supplies | 13,322 | 6.2 |
| Computer & Peripherals | 10,306 | 4.8 |
| Telecommunications Equipment | 10,026 | 4.6 |
| Securities Brokerage | 9,731 | 4.5 |

FIVE LARGEST NET SECURITY PURCHASES*

| ISSUE | COST (IN THOUSANDS) |
|------------------------------------|------------------------|
| SanDisk Corp. | \$5,708 |
| Lehman Brothers Holdings Inc. | 5,403 |
| Cisco Systems, Inc. | 5,217 |
| Intel Corp. | 5,161 |
| Countrywide Financial Corp. | 3,310 |

FIVE LARGEST NET SECURITY SALES*

| ISSUE | PROCEEDS (IN THOUSANDS) |
|-----------------------------|----------------------------|
| Amgen Inc. | \$7,250 |
| Fifth Third Bancorp | 6,316 |
| Kohl's Corp. | 5,973 |
| Bed Bath & Beyond Inc. | 5,533 |
| HCA, Inc. | 5,438 |

* FOR THE SIX MONTH PERIOD ENDED 12/31/03

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THE VALUE LINE FUND, INC.

SCHEDULE OF INVESTMENTS

| SHARES | VALUE (IN THOUSANDS) |
|-----------------------|-------------------------|
| COMMON STOCKS (96.5%) | |
| ADVERTISING (2.8%) | |

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| | | |
|---------|--|----------------|
| 70,000 | Omnicom Group, Inc. | \$ 6,113 |
| | AEROSPACE/DEFENSE (0.6%) | |
| 23,500 | L-3 Communications Holdings, Inc.* | 1,207 |
| | AUTO PARTS (2.2%) | |
| 31,000 | Autoliv Inc. | 1,167 |
| 60,000 | Lear Corp. | 3,680 |
| | | ----- |
| | | 4,847 |
| | BANK (2.8%) | |
| 42,500 | State Street Corporation | 2,214 |
| 62,500 | Zions Bancorporation | 3,833 |
| | | ----- |
| | | 6,047 |
| | BEVERAGE - | |
| | ALCOHOLIC (0.3%) | |
| 18,000 | Constellation Brands, Inc. Class "A"* | 593 |
| | BEVERAGE - SOFT | |
| | DRINK (0.7%) | |
| 54,000 | Cott Corp.* | 1,513 |
| | BIOTECHNOLOGY (1.1%) | |
| 25,500 | Genentech, Inc.* | 2,386 |
| | BUILDING | |
| | MATERIALS (2.0%) | |
| 90,000 | Jacobs Engineering Group, Inc.* | 4,321 |
| | CHEMICAL - | |
| | DIVERSIFIED (1.2%) | |
| 30,000 | 3M Company | 2,551 |
| | CHEMICAL - | |
| | SPECIALTY (0.5%) | |
| 43,000 | OM Group, Inc.* | 1,126 |
| | COMPUTER & | |
| | PERIPHERALS (4.8%) | |
| 136,500 | Dell, Inc.* | 4,636 |
| | | |
| | | VALUE |
| SHARES | | (IN THOUSANDS) |
| | | ----- |
| 39,500 | Emulex Corp.* | \$ 1,054 |
| 75,500 | SanDisk Corp.* | 4,616 |
| | | ----- |
| | | 10,306 |
| | COMPUTER SOFTWARE & | |
| | SERVICES (3.7%) | |
| 47,000 | Cognizant Technology Solutions Corp. Class "A"* | 2,145 |
| 84,500 | Fiserv, Inc.* | 3,338 |
| 67,000 | VERITAS Software Corp.* | 2,490 |

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| | | |
|---------|--|-------|
| | | ----- |
| | | 7,973 |
| | DIVERSIFIED COMPANIES (2.8%) | |
| 28,000 | Danaher Corp. | 2,569 |
| 47,500 | Fortune Brands, Inc. | 3,396 |
| | | ----- |
| | | 5,965 |
| | DRUG (3.2%) | |
| 35,500 | Gilead Sciences, Inc.* | 2,064 |
| 39,750 | Mylan Laboratories, Inc. | 1,004 |
| 108,500 | Pfizer, Inc. | 3,833 |
| | | ----- |
| | | 6,901 |
| | EDUCATIONAL SERVICES (2.1%) | |
| 60,000 | Career Education Corp.* | 2,404 |
| 68,600 | Education Management Corp.* | 2,130 |
| | | ----- |
| | | 4,534 |
| | ELECTRICAL EQUIPMENT (1.0%) | |
| 61,500 | Rockwell Automation, Inc. | 2,189 |
| | ENTERTAINMENT (0.8%) | |
| 41,000 | Univision Communications, Inc. Class "A"* | 1,627 |
| | ENTERTAINMENT TECHNOLOGY (1.9%) | |
| 86,000 | Electronic Arts Inc.* | 4,109 |

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THE VALUE LINE FUND, INC.

DECEMBER 31, 2003

| | | |
|---------|--|-------------------------|
| | | ----- |
| | | VALUE (IN THOUSANDS) |
| | FINANCIAL SERVICES - DIVERSIFIED (8.3%) | |
| 87,000 | American International Group, Inc. | \$ 5,766 |
| 141,000 | Citigroup, Inc. | 6,844 |
| 41,333 | Countrywide Financial Corp. | 3,135 |
| 88,000 | MBNA Corp. | 2,187 |
| | | ----- |
| | | 17,932 |
| | HOMEBUILDING (1.0%) | |

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| | | |
|---------|---|----------------|
| 20,000 | Lennar Corp. Class "A" | 1,920 |
| 2,000 | Lennar Corp. Class "B" | 183 |
| | | ----- |
| | | 2,103 |
| | HOTEL - GAMING (0.5%) | |
| 33,000 | International Game Technology..... | 1,178 |
| | HOUSEHOLD | |
| | PRODUCTS (0.5%) | |
| 40,000 | Yankee Candle Company, Inc. (The)* | 1,093 |
| | INFORMATION | |
| | SERVICES (0.6%) | |
| 25,500 | Corporate Executive Board Co. (The)* | 1,190 |
| | INSURANCE - PROPERTY/ CASUALTY (0.9%) | |
| 22,000 | Everest Re Group, Ltd. | 1,861 |
| | INTERNET (1.5%) | |
| 39,000 | Ameritrade Holding Corp.* | 549 |
| 40,500 | eBay, Inc.* | 2,616 |
| | | ----- |
| | | 3,165 |
| | MACHINERY (0.3%) | |
| 43,500 | JLG Industries, Inc. | 663 |
| | MEDICAL SERVICES (3.0%) | |
| 70,000 | Odyssey HealthCare Inc.* | 2,048 |
| 75,000 | Oxford Health Plans, Inc. | 3,263 |
| 29,000 | Sunrise Senior Living, Inc.* | 1,123 |
| | | ----- |
| | | 6,434 |
| | | |
| | | VALUE |
| SHARES | | (IN THOUSANDS) |
| ----- | | |
| | MEDICAL SUPPLIES (6.2%) | |
| 58,500 | Fisher Scientific International, Inc.* | \$ 2,420 |
| 127,000 | Medtronic, Inc. | 6,173 |
| 45,000 | Varian Medical Systems, Inc.* | 3,110 |
| 23,000 | Zimmer Holdings, Inc.* | 1,619 |
| | | ----- |
| | | 13,322 |
| | METALS & MINING - | |
| | DIVERSIFIED (2.3%) | |
| 24,500 | Freeport-McMoRan Copper & Gold, Inc. Class "B" | 1,032 |
| 43,000 | Inco Ltd.* | 1,712 |
| 28,500 | Phelps Dodge Corp.* | 2,169 |
| | | ----- |
| | | 4,913 |
| | NATURAL GAS - | |

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| | | |
|--------|--|-------|
| | DIVERSIFIED (1.6%) | |
| 46,500 | Patina Oil & Gas Corp. | 2,278 |
| 39,500 | XTO Energy, Inc. | 1,118 |
| | | ----- |
| | | 3,396 |
| | OFFICE EQUIPMENT & SUPPLIES (0.5%) | |
| 41,000 | Staples, Inc.* | 1,119 |
| | OILFIELD SERVICES/ EQUIPMENT (1.1%) | |
| 43,500 | Schlumberger Ltd. | 2,380 |
| | PETROLEUM - PRODUCING (1.3%) | |
| 34,000 | Apache Corp. | 2,757 |
| | PHARMACY SERVICES (0.5%) | |
| 32,000 | CVS Corp. | 1,156 |
| | PRECIOUS METALS (1.1%) | |
| 48,000 | Newmont Mining Corp. | 2,333 |
| ----- | | |
| | | 7 |

THE VALUE LINE FUND, INC.

SCHEDULE OF INVESTMENTS

| SHARES | | VALUE (IN THOUSANDS) |
|---------|----------------------------------|-------------------------|
| ----- | | |
| | PRECISION INSTRUMENT (1.6%) | |
| 39,500 | Agilent Technologies, Inc.* | \$ 1,155 |
| 57,000 | Kronos Inc.* | 2,258 |
| | | ----- |
| | | 3,413 |
| | RECREATION (1.0%) | |
| 44,000 | Harley-Davidson, Inc. | 2,091 |
| | RESTAURANT (0.9%) | |
| 42,500 | CEC Entertainment, Inc.* | 2,014 |
| | RETAIL BUILDING SUPPLY (3.7%) | |
| 100,500 | Home Depot, Inc. (The) | 3,567 |
| 81,000 | Lowe's Companies, Inc. | 4,487 |
| | | ----- |
| | | 8,054 |
| | RETAIL - SPECIAL LINES (2.9%) | |

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| | | |
|---------|------------------------------------|-------|
| 46,000 | Best Buy Co., Inc. | 2,403 |
| 51,500 | Foot Locker, Inc. | 1,208 |
| 50,000 | Guitar Center, Inc.* | 1,629 |
| 46,000 | PETSMART, Inc. | 1,095 |
| | | ----- |
| | | 6,335 |
| | RETAIL STORE (1.0%) | |
| 53,500 | Dollar General Corp. | 1,123 |
| 36,000 | Fred's, Inc. Class "A" | 1,115 |
| | | ----- |
| | | 2,238 |
| | SECURITIES | |
| | BROKERAGE (4.5%) | |
| 29,000 | Legg Mason, Inc. | 2,238 |
| 75,000 | Lehman Brothers Holdings Inc. | 5,792 |
| 29,000 | Merrill Lynch & Co., Inc. | 1,701 |
| | | ----- |
| | | 9,731 |
| | SEMICONDUCTOR (3.7%) | |
| 169,000 | Intel Corp. | 5,442 |
| 66,000 | National Semiconductor Corp.* | 2,601 |
| | | ----- |
| | | 8,043 |

SHARES VALUE
(IN THOUSANDS)

| | | |
|---------|--|----------|
| | SEMICONDUCTOR | |
| | CAPITAL | |
| | EQUIPMENT (1.8%) | |
| 61,000 | Amkor Technology, Inc.* | \$ 1,111 |
| 89,000 | Lam Research Corp.* | 2,875 |
| | | ----- |
| | | 3,986 |
| | STEEL - GENERAL (0.2%) | |
| 18,000 | Carpenter Technology Corp. | 532 |
| | TELECOMMUNICATION | |
| | SERVICES (0.8%) | |
| 64,500 | Nextel Communications, Inc. Class "A"* | 1,810 |
| | TELECOMMUNICATIONS | |
| | EQUIPMENT (4.6%) | |
| 253,000 | Cisco Systems, Inc.* | 6,145 |
| 77,500 | Foundry Networks, Inc.* | 2,120 |
| 47,500 | UTStarcom, Inc.* | 1,761 |
| | | ----- |
| | | 10,026 |
| | THRIFT (1.3%) | |
| 75,000 | New York Community Bancorp, Inc. | 2,854 |
| | TOILETRIES & COSMETICS (1.5%) | |

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| | | |
|----------------------|----------------------------|-----------|
| 49,000 | Avon Products, Inc. | 3,307 |
| | TRUCKING/TRANSPORTATION | |
| | LEASING (1.3%) | |
| 17,200 | Forward Air Corp.* | 473 |
| 86,500 | Hunt (J.B.) Transport | |
| | Services, Inc.* | 2,336 |
| | | ----- |
| | | 2,809 |
| | | ----- |
| TOTAL COMMON STOCKS | | |
| AND TOTAL INVESTMENT | | |
| SECURITIES (96.5%) | | |
| | (Cost \$176,904,000) | \$208,546 |
| | | ===== |

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THE VALUE LINE FUND, INC.

DECEMBER 31, 2003

| PRINCIPAL AMOUNT (IN THOUSANDS) | VALUE (IN THOUSANDS EXCEPT PER SHARE AMOUNT) |
|---------------------------------------|---|
| ----- | |
| REPURCHASE AGREEMENTS (4.2%) | |
| (INCLUDING ACCRUED INTEREST) | |
| \$ 3,000 | Collateralized by \$2,979,000 |
| | U.S. Treasury Bonds 5.25%, |
| | due 2/15/29, with a value of |
| | \$3,062,000 (with UBS |
| | Warburg LLC, 0.84%, dated |
| | 12/31/03, due 1/2/04, delivery |
| | value \$3,000,140) |
| | \$ 3,000 |
| 3,000 | Collateralized by \$2,745,000 |
| | U.S. Treasury Bonds 5.625%, |
| | due 5/15/08, with a value of |
| | \$3,060,000 (with Morgan |
| | Stanley, 0.75%, dated |
| | 12/31/03, due 1/2/04, delivery |
| | value \$3,000,125) |
| | 3,000 |
| 3,000 | Collateralized by \$2,910,000 |
| | U.S. Treasury Bonds 6%, due |
| | 8/15/04, with a value of |
| | \$3,064,000 (with State Street |
| | Bank & Trust Co., 0.73%, |
| | dated 12/31/03, due 1/2/04, |
| | delivery value \$3,000,122) |
| | 3,000 |
| | ----- |
| TOTAL REPURCHASE | |
| AGREEMENTS | |

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| | |
|--|-----------|
| (COST \$9,000,000) | 9,000 |
| | ----- |
| EXCESS OF LIABILITIES OVER | |
| CASH AND OTHER ASSETS (-0.7%) | (1,499) |
| | ----- |
| NET ASSETS (100.0%) | \$216,047 |
| | ===== |
| NET ASSET VALUE, OFFERING | |
| AND REDEMPTION PRICE PER | |
| OUTSTANDING SHARE | |
| (\$216,046,603 DIVIDED BY 15,161,762 SHARES OF | |
| CAPITAL STOCK OUTSTANDING) | \$ 14.25 |
| | ===== |

* NON-INCOME PRODUCING

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
AT DECEMBER 31, 2003

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER

| | (IN THOUSANDS EXCEPT PER SHARE AMOUNT) | |
|--|--|-----------------------------|
| | ----- | |
| ASSETS: | | INVESTMENT INCOME: |
| Investment securities, at value | | Dividends |
| (Cost - \$176,904) | \$208,546 | Interest |
| Repurchase agreements | | Total Income |
| (Cost - \$9,000) | 9,000 | |
| Cash | 97 | EXPENSES: |
| Receivable for securities sold | 4,935 | Advisory fee |
| Dividends receivable | 68 | Service and distribution pl |
| Receivable for capital shares sold | 43 | Transfer agent fees |
| Prepaid insurance expense | 5 | Auditing and legal fees ... |
| | ----- | Printing |
| TOTAL ASSETS | 222,694 | Custodian fees |
| | ----- | Postage |
| LIABILITIES: | | Insurance, dues and other . |
| Payable for securities purchased | 3,618 | Registration and filing fee |
| Payable for capital shares repurchased | 2,812 | Directors' fees and expense |
| Accrued expenses: | | Telephone |
| Advisory fee | 123 | Total Expenses before Cu |
| Service and distribution plan fees | | Credits |
| payable | 46 | Less: Custody Credits .. |
| Other | 48 | |
| | ----- | |

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| | |
|--|-----------|
| TOTAL LIABILITIES | 6,647 |
| | ----- |
| NET ASSETS | \$216,047 |
| | ===== |
| NET ASSETS CONSIST OF: | |
| Capital stock, at \$1.00 par value (authorized 50,000,000, outstanding 15,161,762 shares) | \$ 15,162 |
| Additional paid-in capital | 153,897 |
| Undistributed net realized gain on investments | 15,346 |
| Net unrealized appreciation of investments | 31,642 |
| | ----- |
| NET ASSETS | \$216,047 |
| | ===== |
| NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER OUTSTANDING SHARE (\$216,046,603 DIVIDED BY 15,161,762 SHARES OUTSTANDING) | |
| | \$ 14.25 |
| | ===== |

| |
|---|
| Net Expenses |
| NET INVESTMENT LOSS |
| NET REALIZED AND UNREALIZED (LOSS) ON INVESTMENTS: |
| Net Realized Gain |
| Change in Net Unrealized Appreciation |
| NET REALIZED GAIN AND CHANG UNREALIZED APPRECIATION INVESTMENTS |
| NET INCREASE IN NET ASSETS OPERATIONS |

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | YEAR ENDED DECEMBER 31, 2003 | YEAR ENDED DECEMBER 31, 2002 |
|---|------------------------------------|------------------------------------|
| ----- | | |
| (IN THOUSANDS) | | |
| OPERATIONS: | | |
| Net investment loss | \$ (397) | \$ (790) |
| Net realized gain (loss) on investments | 42,700 | (4,404) |
| Change in net unrealized appreciation | (10,197) | (68,950) |
| | ----- | ----- |
| Net increase (decrease) in net assets from operations | 32,106 | (74,144) |
| | ----- | ----- |
| DISTRIBUTIONS TO SHAREHOLDERS: | | |
| Net realized gain from investment transactions | (22,708) | (2,007) |
| | ----- | ----- |
| CAPITAL SHARE TRANSACTIONS: | | |
| Proceeds from sale of shares | 59,344 | 87,992 |
| Proceeds from reinvestment of distributions to shareholders | 21,413 | 1,895 |
| Cost of shares repurchased | (80,446) | (110,432) |

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| | | |
|---|------------|------------|
| Increase (Decrease) from capital share transactions | 311 | (20,545) |
| TOTAL INCREASE (DECREASE) IN NET ASSETS | 9,709 | (96,696) |
| NET ASSETS: | | |
| Beginning of year | 206,338 | 303,034 |
| End of year | \$ 216,047 | \$ 206,338 |

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

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60 days at the date of purchase are valued at the midpoint 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.

(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, the value of the collateral is marked-to-market 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 or excise tax provision is required.

(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) 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.

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THE VALUE LINE FUND, INC.

DECEMBER 31, 2003

2. CAPITAL SHARE TRANSACTIONS, DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS

Transactions in capital stock were as follows (in thousands except per share amounts):

| | YEAR ENDED DECEMBER 31, 2003 | YEAR ENDED DECEMBER 31, 2002 |
|-------------------|------------------------------------|------------------------------------|
| Shares sold | 4,159 | 4,997 |
| Shares issued to | | |

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| | | |
|--|-----------|----------|
| shareholders in reinvestment of dividends and distributions | 1,520 | 138 |
| | ----- | ----- |
| | 5,679 | 5,135 |
| Shares repurchased | (5,608) | (6,434) |
| | ----- | ----- |
| Net increase (decrease) | 71 | (1,299) |
| | ===== | ===== |
| Distributions per share from net realized gains | \$ 1.6269 | \$.1335 |
| | ===== | ===== |

3. PURCHASES AND SALES OF SECURITIES

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

| | |
|-----------------------------|------------------------------------|
| | YEAR ENDED DECEMBER 31, 2003 |
| | ----- |
| | (IN THOUSANDS) |
| PURCHASES: | |
| Investment Securities | \$256,730 |
| | ===== |
| SALES: | |
| Investment Securities | \$246,862 |
| | ===== |

4. INCOME TAXES

At December 31, 2003, information on the tax components of capital is as follows:

| | |
|---|----------------|
| | (IN THOUSANDS) |
| Cost of investments for tax purposes | \$186,116 |
| | ===== |
| Gross tax unrealized appreciation | \$ 33,767 |
| Gross tax unrealized depreciation | (2,337) |
| | ----- |
| Net tax unrealized appreciation on investments | \$ 31,430 |
| | ===== |
| Undistributed long-term gains | \$ 15,558 |
| | ===== |

Net realized gains/losses differ for financial statement and tax purposes primarily due to differing treatments of wash sales.

The tax composition of distributions to shareholders for the years ended December 31, 2003 and 2002 were all from net long-term capital gains.

Permanent book-tax differences relating to current year net operating loss are reclassified within the composition of the net asset accounts. In the current year the Fund reclassified \$397,000 from accumulated net investment loss to additional paid-in capital. Net assets were not affected by this reclassification.

THE VALUE LINE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

5. INVESTMENT ADVISORY CONTRACT, MANAGEMENT FEES
AND TRANSACTIONS WITH AFFILIATES

An advisory fee of \$1,428,000 was paid or payable to Value Line, Inc., the Fund's investment adviser (the "Adviser"), for the year ended December 31, 2003. This was computed at the rate of .70% of the first \$100 million of the Fund's average daily net assets plus .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. 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 year ended December 31, 2003, fees amounting to \$530,000 were paid or payable to the Distributor under this Plan.

Certain officers and directors of the Adviser and its wholly owned subsidiary, Value Line Securities, Inc. (the Fund's distributor and a registered broker/dealer), are also officers and directors of the Fund. During the year ended December 31, 2003, the Fund paid brokerage commissions totaling \$297,000 to the Distributor, which clears its transactions through unaffiliated brokers.

For the year ended December 31, 2003, the Fund's expenses were reduced by \$1,000 under a custody credit arrangement with the Custodian.

The Adviser and/or affiliated companies and the Value Line, Inc. Profit Sharing and Savings Plan owned 433,050 shares of the Fund's capital stock, representing 2.9% of the outstanding shares at December 31, 2003.

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THE VALUE LINE FUND, INC.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH YEAR:

| | YEARS ENDED DECEMBER 31, | | | |
|---|--------------------------|-----------|-----------|-----------|
| | 2003 | 2002 | 2001 | 2000 |
| NET ASSET VALUE, BEGINNING OF YEAR | \$ 13.67 | \$ 18.49 | \$ 21.37 | \$ 24.12 |
| INCOME (LOSS) FROM INVESTMENT OPERATIONS: | | | | |
| Net investment (loss) income | (.03) | (.05) | (.04) | (.04) |
| Net gains or losses on securities (both realized and unrealized) | 2.24 | (4.64) | (2.70) | (1.11) |
| Total from investment operations | 2.21 | (4.69) | (2.74) | (1.15) |
| LESS DISTRIBUTIONS: | | | | |
| Distributions from net realized gains | (1.63) | (.13) | (.14) | (.14) |
| Total distributions | (1.63) | (.13) | (.14) | (.14) |
| NET ASSET VALUE, END OF YEAR | \$ 14.25 | \$ 13.67 | \$ 18.49 | \$ 24.12 |
| TOTAL RETURN | 16.28% | -25.35% | -12.82% | -12.82% |
| RATIOS/SUPPLEMENTAL DATA: | | | | |
| Net assets, end of year (in thousands) | \$216,047 | \$206,338 | \$303,034 | \$386,034 |
| Ratio of expenses to average net assets (1) | 1.13% | 1.11% | 1.04% | 1.04% |
| Ratio of net investment (loss) income to average net assets | (0.19)% | (0.31)% | (.18)% | (.18)% |
| Portfolio turnover rate | 129% | 33% | 45% | 45% |

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(1) RATIOS REFLECT EXPENSES GROSSED UP FOR CUSTODY CREDIT ARRANGEMENT. THE RATIO OF EXPENSES TO AVERAGE NET ASSETS NET OF CUSTODY CREDITS WOULD HAVE BEEN 1.03% FOR THE YEAR ENDED DECEMBER 31, 2001 AND UNCHANGED FOR THE YEARS ENDED DECEMBER 31, 2003, 2002, 2000, AND 1999.

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS
OF THE VALUE LINE FUND, INC.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Value Line Fund, Inc. (the "Fund") at December 31, 2003, the results of its operations 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. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and

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evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York

February 19, 2004

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THE VALUE LINE FUND, INC.

2003 TAX NOTICE TO SHAREHOLDERS (UNAUDITED)

For the year ended December 31, 2003 the Fund distributed \$22,707,898 of long-term capital gain to shareholders.

MANAGEMENT OF THE FUND

MANAGEMENT INFORMATION

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 and oversees a total of 15 portfolios. 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 |
|------------------------|----------|--------------------------|---|
| ===== | | | |

INTERESTED DIRECTORS*

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| | | | |
|---------------------------------|--|------------|---|
| Jean Bernhard Buttner Age 69 | 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"). |
|---------------------------------|--|------------|---|

| | | | |
|--|----------|------------|--|
| Marion N. Ruth 5 Outrider Road Rolling Hills, CA 90274 Age 68 | Director | Since 2000 | Real Estate Executive: President, Ruth Realty (real estate broker); Director of the Adviser since 2000. |
|--|----------|------------|--|

NON-INTERESTED DIRECTORS

| | | | |
|--|----------|------------|--|
| John W. Chandler 1611 Cold Spring Rd. Williamstown, MA 01267 Age 80 | Director | Since 1991 | Consultant, Academic Search Consultation Service, Inc.; Trustee Emeritus and Chairman (1993-1994) of the Board of Trustees of Duke University; President Emeritus, Williams College. |
|--|----------|------------|--|

| | | | |
|---|----------|------------|--|
| Frances T. Newton 4921 Buckingham Drive Charlotte, NC 28209 Age 62 | Director | Since 2000 | Customer Support Analyst, Duke Power Company. |
|---|----------|------------|--|

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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 DIRE HELD BY DI |
|------------------------|----------|--------------------------|---|--------------------------|
|------------------------|----------|--------------------------|---|--------------------------|

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| | | | | |
|--|----------|------------|---|--------------------------------------|
| Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 Age 72 | Director | Since 2000 | Professor of History, Williams College, 1961 to 2002; President Emeritus since 1994 and President, 1985-1994; Chairman (1993-1997) and Interim President (2002) of the American Council of Learned Societies. | Berkshire Insurance of America |
| David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age 68 | Director | Since 1997 | Visiting Professor of Classics, Williams College, since 1999; President Emeritus, Skidmore College since 1999 and President, 1987-1998. | None |
| Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age 64 | Director | Since 1985 | Chairman, Institute for Political Economy. | A. Schulma (plastics) |
| Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age 54 | Director | Since 1996 | Senior Financial Advisor, Hawthorne, since January 2001; Chairman, Radcliffe College Board of Trustees, 1990-1999. | 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 HELD |
|------------------------|----------|--------------------------|---|---------------|
|------------------------|----------|--------------------------|---|---------------|

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OFFICERS

| | | | |
|-----------------------------|---|------------|---|
| Nancy L. Bendig Age 48 | Vice President | Since 2003 | Portfolio Manager with the Adviser since 2003 and from 1993 to 1999; Portfolio Manager-First Vice President, Avatar Associates (investment management), 1999-2003. |
| Brett Mitstifer Age 41 | Vice President | Since 2003 | Portfolio Manager with the Adviser since 2003; Executive Vice President, Hovey, Youngman Associates (investment management), 2001-2003; Portfolio Manager, Bankers Trust, 1997-2000. |
| Stephen Grant Age 50 | Vice President | Since 2001 | Portfolio Manager with the Adviser. |
| David T. Henigson Age 46 | Vice President, Secretary and Treasurer | Since 1994 | Director, Vice President and Compliance Officer of the Adviser; Director and Vice President of the Distributor; Vice President, Secretary and Treasurer of each of the 14 Value Line Funds. |

* 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; MRS. RUTH IS AN INTERESTED PERSON BY VIRTUE OF BEING A DIRECTOR OF 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 VALUE LINE FUND, INC.

THE VALUE LINE FAMILY OF FUNDS

1950 -- THE VALUE LINE FUND seeks long-term growth of capital. Current income is a secondary objective.

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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 SPECIAL SITUATIONS FUND seeks long-term growth of capital. No consideration is given to current income in the choice of investments.

1972 -- VALUE LINE LEVERAGED GROWTH INVESTORS' 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.

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 offers investors a choice of two portfolios: The Money Market Portfolio and The National Bond Portfolio. 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 fund 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.

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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, 24 HOURS A DAY, 7 DAYS A WEEK, OR VISIT US AT WWW.VALUELINE.COM. READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST OR SEND MONEY.

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