

Tiernan Thomas J
Form 4
May 04, 2010

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Tiernan Thomas J

(Last) (First) (Middle)

3120 SCOTT BLVD SUITE 130

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SYNAPTICS INC [SYNA]

3. Date of Earliest Transaction
(Month/Day/Year)
04/30/2010

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

President and CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	04/30/2010		F	218 D	\$ 30.62	9,221 D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Tiernan Thomas J 3120 SCOTT BLVD SUITE 130 SANTA CLARA, CA 95054	X		President and CEO	

Signatures

Kermit Nolan, as
attorney-in-fact
05/03/2010

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. per share. This distribution is payable April 27, 2007, to stockholders of record on April 13, 2007, and will have an ex-dividend date of April 11, 2007. The Fund's Managed Distribution Policy includes a quarterly distribution equal to 2.5% of its Net Asset Value, rounded to the nearest penny. You should not draw any conclusion about the Fund's investment performance from the amount of this distribution or from the terms of the Fund's Managed Distribution Policy.

Of the total distribution, approximately \$0.0040 represents net investment income for the first quarter and the remaining undesignated portion is paid from capital surplus. If the Fund's total distributions for the year exceed its net investment income and net realized capital gains for the year, all or a portion of the undesignated distributions may constitute a non-taxable return of capital. A return of capital distribution would not necessarily reflect the Fund's investment performance and should not be confused with yield or income. As of March 31, 2007, the undesignated portion of the distribution would include approximately 42.65% from net realized capital gains and 57.35% from paid in capital.

The amounts and sources of distributions reported in this press release are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of the year and may be subject to changes based on tax regulations.

As of March 30, 2007, the Fund's N.A.V. was \$5.71 and the stock closed at \$6.05, a premium of 5.9545%.

BLUE CHIP VALUE FUND, INC.

STATEMENT OF INVESTMENTS

March 31, 2007 (Unaudited)

	Shares	Cost	Market Value
COMMON STOCKS 106.81%			
CAPITAL GOODS 11.93%			
Aerospace & Defense 4.66%			
General Dynamics Corp.	54,300	\$ 2,889,696	\$ 4,148,520
Raytheon Co.	63,500	2,386,783	3,331,210
		5,276,479	7,479,730
Electrical Equipment 2.01%			
General Electric Co.	91,400	3,275,765	3,231,904
Farm Equipment 1.49%			
CNH Global N.V.	64,200	2,491,878	2,394,018
Industrial Products 3.77%			
ITT Corp.	35,300	1,805,258	2,129,296
Parker Hannifin Corp.	45,500	3,216,607	3,927,105
		5,021,865	6,056,401
TOTAL CAPITAL GOODS		16,065,987	19,162,053
COMMERCIAL SERVICES 3.91%			
IT Services 1.08%			
Computer Sciences Corp.**	33,350	1,572,456	1,738,535
Transaction Processing 2.83%			
First Data Corp.	92,900	2,043,511	2,499,010
The Western Union Co.	92,900	1,712,279	2,039,155
		3,755,790	4,538,165
TOTAL COMMERCIAL SERVICES		5,328,246	6,276,700
COMMUNICATIONS 6.47%			
Networking 2.54%			
Cisco Systems Inc.**	159,700	4,000,220	4,077,141
Telecomm Equipment & Solutions 3.93%			
Nokia Corp.** (ADR)	119,700	1,920,063	2,743,524
QUALCOMM Inc.	83,900	3,552,125	3,579,174
		5,472,188	6,322,698
TOTAL COMMUNICATIONS		9,472,408	10,399,839
CONSUMER CYCLICAL 10.44%			

Explanation of Responses:

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Clothing & Accessories 2.66%

TJX Companies Inc.	158,600	3,759,240	4,275,856
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Department Stores 1.44%

J.C. Penney Co. Inc.	28,200	1,637,670	2,316,912
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Hotels & Gaming 2.25%

Starwood Hotels & Resorts Worldwide Inc.	55,700	2,165,453	3,612,145
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Publishing & Media 2.15%

Walt Disney Co.	100,500	2,549,316	3,460,215
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	Shares	Cost	Market Value
Restaurants 1.94%			
Darden Restaurants Inc.	75,540	\$ 1,982,868	\$ 3,111,493
TOTAL CONSUMER CYCLICAL		12,094,547	16,776,621
CONSUMER STAPLES 7.22%			
Consumer Products 2.98%			
Colgate-Palmolive Co.	71,800	4,090,497	4,795,522
Food & Agricultural Products 4.24%			
Bunge Ltd.	60,500	2,758,347	4,974,310
Campbell Soup Co.	47,100	1,444,781	1,834,545
		4,203,128	6,808,855
TOTAL CONSUMER STAPLES		8,293,625	11,604,377
ENERGY 9.32%			
Exploration & Production 4.74%			
Occidental Petroleum Corp.	79,700	2,388,264	3,930,007
XTO Energy Inc.	67,200	2,133,990	3,683,232
		4,522,254	7,613,239
Integrated Oils 2.32%			
Marathon Oil Corp.	37,700	1,657,053	3,725,891
Oil Services 2.26%			
Transocean Inc.**	44,400	1,699,961	3,627,480
TOTAL ENERGY		7,879,268	14,966,610
INTEREST RATE SENSITIVE 26.58%			
Integrated Financial Services 3.01%			
Citigroup Inc.	94,100	4,215,956	4,831,094
Money Center Banks 1.76%			
Bank of America Corp.	55,500	2,608,684	2,831,610
Property Casualty Insurance 8.05%			
ACE Ltd.	70,700	3,914,274	4,034,142
American International Group Inc.	67,800	4,364,008	4,557,516
MBIA Inc.	40,100	2,364,032	2,626,149
MGIC Investment Corp.	29,200	1,704,892	1,720,464
		12,347,206	12,938,271
Regional Banks 3.98%			
The Bank of New York Co. Inc.	42,800	1,512,282	1,735,540
SunTrust Banks Inc.	19,800	1,523,951	1,644,192
Wachovia Corp.	54,600	2,810,094	3,005,730

Explanation of Responses:

		5,846,327	6,385,462
Securities & Asset Management	5.41%		
Merrill Lynch & Company Inc.	46,200	2,929,980	3,773,154
Morgan Stanley & Co.	40,400	2,202,335	3,181,904
State Street Corp.	26,700	1,737,516	1,728,825
		6,869,831	8,683,883

	Shares	Cost	Market Value
Specialty Finance 2.74%			
Countrywide			
Financial Corp.	56,900	\$ 1,979,283	\$ 1,914,116
Freddie Mac	41,700	2,663,933	2,480,733
		4,643,216	4,394,849
Thrifts 1.63%			
Washington Mutual Inc.	65,000	2,585,243	2,624,700
TOTAL INTEREST RATE SENSITIVE		39,116,463	42,689,869
MEDICAL - HEALTHCARE 17.58%			
Medical Technology 5.96%			
Medtronic Inc.	96,500	4,752,346	4,734,290
Zimmer Holdings Inc.**	56,700	3,892,049	4,842,747
		8,644,395	9,577,037
Pharmaceuticals 11.62%			
Abbott Laboratories	126,200	5,377,135	7,041,960
Amgen Inc.**	67,200	3,960,607	3,755,136
Barr Pharmaceuticals Inc.**	33,500	1,556,294	1,552,725
Teva Pharmaceutical Industries Ltd. (ADR)	168,800	4,578,345	6,318,184
		15,472,381	18,668,005
TOTAL MEDICAL - HEALTHCARE		24,116,776	28,245,042
TECHNOLOGY 10.56%			
Computer Software 3.62%			
Microsoft Corp.	122,900	3,268,719	3,425,223
VeriSign Inc.**	94,800	2,161,432	2,381,376
		5,430,151	5,806,599
PC s & Servers 2.92%			
International Business Machines Corp.	49,800	4,015,749	4,694,148
Semiconductors 4.02%			
Altera Corp.**	147,000	2,832,663	2,938,530
Intel Corp.	184,200	3,621,541	3,523,746
		6,454,204	6,462,276
TOTAL TECHNOLOGY		15,900,104	16,963,023
TRANSPORTATION 2.80%			
Railroads 2.80%			
Norfolk Southern Corp.	88,800	3,191,056	4,493,280
TOTAL TRANSPORTATION		3,191,056	4,493,280

TOTAL COMMON STOCKS	141,458,480	171,577,414
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	Shares	Cost	Market Value
SHORT TERM INVESTMENTS 0.18%			
Goldman Sachs Financial Square Prime Obligations Fund - FST Shares*	296,660	\$ 296,660	\$ 296,660
TOTAL SHORT TERM INVESTMENTS		296,660	296,660
TOTAL INVESTMENTS	106.99%	\$ 141,755,140	\$ 171,874,074
Liabilities in Excess of Other Assets	(6.99%)		(11,233,779)
NET ASSETS	100.00%		\$ 1 60,640,295

*** Non Income Producing Security.*
ADR American Depositary Receipt.
See accompanying notes to financial statements.

BLUE CHIP VALUE FUND, INC.

COUNTRY BREAKDOWN

As of March 31, 2007 (Unaudited)

Country		Market Value	%
United States	\$	156,087,546	97.17%
Israel		6,318,184	3.93%
Bermuda		4,034,142	2.51%
Finland		2,743,524	1.71%
Netherlands		2,394,018	1.49%
Cash and Cash equivalents		296,660	0.18%
Liabilities in Excess of other Assets		(11,233,779)	(6.99%)
Net Assets	\$	160,640,295	100.00%

Please note the country classification is based on the company head-quarters. All of the Fund's investments are traded on U.S. exchanges.

BLUE CHIP VALUE FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

March 31, 2007 (Unaudited)

ASSETS

Investments at market value	\$ 171,874,074
(identified cost \$141,755,140)	
Dividends receivable	112,028
Interest receivable	904
Other assets	28,877
TOTAL ASSETS	172,015,883

LIABILITIES

Loan payable to bank (Note 4)	11,150,000
Interest due on loan payable to bank	52,590
Advisory fee payable	80,151
Administration fee payable	9,747
Accrued Compliance Officer fees	2,208
Accrued expenses and other liabilities	80,892
TOTAL LIABILITIES	11,375,588
NET ASSETS	\$ 160,640,295

COMPOSITION OF NET ASSETS

Capital stock, at par	\$ 281,311
Paid-in-capital	129,266,664
Undistributed net investment income	113,063
Accumulated net realized gain	860,323
Net unrealized appreciation on investments	30,118,934
NET ASSETS	\$ 160,640,295

SHARES OF COMMON STOCK

OUTSTANDING (100,000,000 shares authorized at \$0.01 par value)	28,131,134
Net asset value per share	\$ 5.71

See accompanying notes to financial statements.

BLUE CHIP VALUE FUND, INC.

STATEMENT OF OPERATIONS

For the Period Ended March 31, 2007 (Unaudited)

INCOME

Dividends (net of foreign withholding taxes of \$2,529)	\$	603,102	
Interest		5,742	
TOTAL INCOME			\$ 608,844

EXPENSES

Investment advisory fee (Note 3)		234,243	
Administrative services fee (Note 3)		25,215	
Interest on outstanding loan payable to bank		135,537	
Legal fees		18,446	
Stockholder reporting		25,115	
Directors fees		17,385	
Transfer agent fees		14,258	
NYSE listing fees		6,530	
Audit and tax preparation fees		6,667	
Chief Compliance Officer fees		5,125	
Insurance and fidelity bond		3,656	
Custodian fees		2,340	
Other		1,264	
TOTAL EXPENSES			495,781
NET INVESTMENT INCOME			113,063

REALIZED AND UNREALIZED

GAIN/(LOSS) ON INVESTMENTS			
Net realized gain on investments			1,631,713
Change in net unrealized appreciation/depreciation of investments			(2,392,579)
NET LOSS ON INVESTMENTS			(760,866)
NET DECREASE IN NET ASSETS			
RESULTING FROM OPERATIONS			\$ (647,803)

See accompanying notes to financial statements.

BLUE CHIP VALUE FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

	For the Period Ended March 31, 2007*	For the Year Ended December 31, 2006
Increase/(decrease) in net assets		
from operations:		
Net investment income	\$ 113,063	\$ 511,118
Net realized gain from securities transactions	1,631,713	4,058,061
Change in net unrealized appreciation/depreciation of investments	(2,392,579) (647,803)	14,782,873 19,352,052
Decrease in net assets		
from distributions to stockholders from:		
Net investment income		(511,118)
Net realized gain on investments		(3,514,240)
Return of capital		(12,139,609) (16,164,967)
Increase in net assets from common stock transactions:		
Net asset value of common stock issued to stockholders from reinvestment of dividends (109,030 and 398,849 shares issued, respectively)	624,742 624,742	2,267,911 2,267,911
NET INCREASE/(DECREASE) IN NET ASSETS	(23,061)	5,454,996
NET ASSETS		
Beginning of year	160,663,356	155,208,360
End of year (including undistributed net investment income of \$113,063 and \$0, respectively)	\$ 160,640,295	\$ 160,663,356

*Unaudited.

See accompanying notes to financial statements.

BLUE CHIP VALUE FUND, INC.

STATEMENT OF CASH FLOWS

For the Period Ended March 31, 2007 (Unaudited)

Cash Flows from Operating Activities

Net increase in net assets from operations	\$	(647,803)
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:		
Purchase of investment securities		(15,997,633)
Proceeds from disposition of investment securities		16,482,990
Net proceeds from disposition of short-term investment securities		10,500
Proceeds from class-action litigation settlements		850
Net realized gain from securities investments		(1,631,713)
Net change in unrealized appreciation on investments		2,392,579
Decrease in dividends and interest receivable		105,289
Increase in other assets		(18,062)
Decrease in advisory fee payable		(3,979)
Decrease in administrative fee payable		(365)
Decrease in accrued Compliance Officer fees		(3,042)
Increase in other accrued expenses and payables		18,963
Net cash provided by operating activities		708,574

Cash Flows from Financing Activities

Proceeds from bank borrowing	7,870,000
Repayment of bank borrowing	(5,000,000)
Cash distributions paid	(3,578,574)
Net cash used in financing activities	(708,574)

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

Supplemental disclosure of cash flow information:

Noncash financing activities not included herein consist of

Explanation of Responses:

reinvestment of dividends and distributions of \$624,742.

See accompanying notes to financial statements.

BLUE CHIP VALUE FUND, INC.

FINANCIAL HIGHLIGHTS

	For the Period Ended March 31, 2007(1)
Per Share Data (for a share outstanding throughout each period)	
Net asset value beginning of period \$	5.73
Investment operations(2)	
Net investment income	(3)
Net gain (loss) on investments	(0.02)
Total from investment operations	(0.02)
Distributions	
From net investment income	
From net realized gains on investments	
Return of capital	
Total distributions	(3)
Capital Share Transactions	
Dilutive effects of rights offerings	
Offering costs charged to paid in capital	
Total capital share transactions	
Net asset value, \$ end of period	5.71
Per share market value, end of period \$	6.05
Total investment return(4) based on:	
Market Value	1.5%(5)
Net Asset Value	(0.4%)(5)
Ratios/Supplemental data:	
Ratio of total expenses to average net assets(6)	1.24%*
Ratio of net investment income to average net	0.28%*

Explanation of Responses:

assets	
Ratio of total	
distributions to average	0.00%*(3)
net assets	
Portfolio turnover rate(7)	9.35%
Net assets end of	
period (in thousands) \$	160,640

See accompanying
notes to financial
statements.

* Annualized.

(1) Unaudited.

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

(3) Due to the timing of quarterly ex-distribution dates, no quarterly distribution was recorded during the period ended March 31, 2007. Please see Note 6 concerning details for the April 2007 distribution.

(4) Total investment return is calculated assuming a purchase of common stock on the opening periods where there is an increase in the discount or a decrease in the premium of the market value to distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Rights offerings, if any, are assumed for purposes of this calculation to be fully subscribed under the terms of the rights offering. Please note that the Fund's total investment return does not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the sale of Fund shares. Generally, total investment return based on net asset value will be higher than total investment return based on market value in

For the year ended December 31,									
2006		2005		2004		2003		2002	
\$	5.62	\$	5.76	\$	5.58	\$	4.85	\$	6.94
	0.02		0.01		0.03		0.01		0.04
	0.67		0.42		0.71		1.23		(1.40)
	0.69		0.43		0.74		1.24		(1.36)
	(0.02)		(0.02)		(0.03)		(0.01)		(0.04)
	(0.13)		(0.11)		(0.53)				
	(0.43)		(0.44)				(0.50)		(0.52)
	(0.58)		(0.57)		(0.56)		(0.51)		(0.56)
									(0.16)
									(0.01)
									(0.17)
\$	5.73	\$	5.62	\$	5.76	\$	5.58	\$	4.85
\$	5.96	\$	6.31	\$	6.68	\$	6.14	\$	4.59
	4.6%		3.7%		19.2%		46.9%		(32.2%)
	12.9%		7.1%		13.1%		26.4%		(20.6%)
	1.36%		1.33%		1.12%		1.13%		0.93%
	0.32%		0.21%		0.57%		0.27%		0.64%
	10.25%		10.13%		10.16%		10.07%		10.15%
	36.54%		40.96%		115.39%		52.58%		65.86%
\$	160,663	\$	155,208	\$	156,903	\$	150,057	\$	128,713

periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on the net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

(5) Total returns for periods less than one year are not annualized.

(6) For the period ended March 31, 2007 and years ended December 31, 2006, 2005 and 2004, the ratio of total expenses to average net assets excluding interest expense was 0.90%, 0.92%, 0.97% and 0.99% respectively. For all prior years presented, the interest expense if any, was less than 0.01%.

(7) A portfolio turnover rate is the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding short-term investments) for a year and dividing it by the monthly average of the market value of the portfolio securities during the year. Purchases and sales of investment securities (excluding short-term securities) for the period ended March 31, 2007 were \$ 15,997,633 and \$16,482,990, respectively.

BLUE CHIP VALUE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2007 (Unaudited)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Blue Chip Value Fund, Inc. (the Fund) is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company.

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

Security Valuation All securities of the Fund are valued as of the close of regular trading on the New York Stock Exchange (NYSE), currently 4:00 p.m. (Eastern Time), on each day that the NYSE is open. Listed securities are generally valued at the last sales price as of the close of regular trading on the NYSE. Securities traded on the National Association of Securities Dealers Automated Quotation (NASDAQ) are generally valued at the NASDAQ Official Closing Price (NOCP). In the absence of sales and NOCP, such securities are valued at the mean of the bid and asked prices.

Securities having a remaining maturity of 60 days or less are valued at amortized cost which approximates market value.

When market quotations are not readily available or when events occur that make established valuation methods unreliable, securities of the Fund may be valued at fair value determined in good faith by or under the direction of the Board of Directors. Factors which may be considered when determining the fair value of a security include (a) the fundamental data relating to the investment; (b) an evaluation of the forces which influence the market in which the security is sold, including the liquidity and depth of the market; (c) the market value at date of purchase; (d) information as to any transactions or offers with respect to the security or comparable securities; and (e) any other relevant matters.

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

Federal Income Taxes The Fund intends to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to its stockholders. Therefore, no provision has been made for federal income taxes.

The tax character of the distributions paid was as follows:

	Period Ended March 31, 2007	Year Ended December 31, 2006
Distributions paid from:		
Ordinary income	\$	\$ 960,443
Long-term capital gain		3,064,915
Return of capital		12,139,609
Undesignated		
Total	\$ 0	\$ 16,164,967

The tax character of the distributions paid as undesignated will be determined at the fiscal year ending December 31, 2007.

As of March 31, 2007, the components of distributable earnings on a tax basis were as follows:

Undistributed net investment income	\$ 113,063
Accumulated net realized gain	1,631,706
Net unrealized appreciation/(depreciation)	29,347,551
Total	\$ 31,092,320

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

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

The Fund currently maintains a managed distribution policy which distributes at least 2.5% of its net asset value quarterly to its stockholders. These fixed distributions are not related to the amount of the Fund's net investment income or net realized capital gains or losses and will be classified to conform to the tax reporting requirements of the Internal Revenue Code.

Denver Investment Advisors LLC (DenverIA) generally seeks to minimize realized capital gain distributions without generating capital loss carryforwards. As such, if the Fund's total distributions required by the fixed quarterly payout policy for the year exceed the Fund's current and accumulated earnings and profits, the excess will be treated as non-taxable return of capital, reducing the stockholder's adjusted basis in

his or her shares. Although capital loss carryforwards may offset any current year net realized capital gains, such amounts do not reduce the Fund's current earnings and profits. Therefore, to the extent that current year net realized capital gains are offset by capital loss carryforwards, such excess distributions would be classified as taxable ordinary income rather than non-taxable return of capital. In this situation, the Fund's Board of Directors would consider that factor, among others, in determining whether to retain, alter or eliminate the managed distribution policy. The Fund's distribution policy may be changed at the discretion of the Fund's Board of Directors. At this time, the Board of Directors has no plans to change the current policy.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Actual results could differ from those estimates.

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

As of March 31, 2007:

Gross appreciation (excess of value over tax cost)	\$	30,458,168
Gross depreciation (excess of tax cost over value)		(1,110,617)
Net unrealized appreciation/(depreciation)	\$	29,347,551
Cost of investments for income tax purposes	\$	142,526,523

3. INVESTMENT ADVISORY AND ADMINISTRATION SERVICES

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

ALPS Fund Services, Inc. (ALPS) and DenverIA serve as the Fund's co-administrators. The Administrative Agreement includes the Fund's administrative and fund accounting services. The administrative services fee is based on an annual rate for ALPS and DenverIA, respectively, of 0.0855% and 0.01% of the Fund's average daily net assets up to \$75,000,000, 0.04%, and 0.005% of the Fund's average daily net assets between \$75,000,000 and \$125,000,000, and 0.02% and 0.005% of the Fund's average daily net assets in excess of \$125,000,000 plus certain out-of-pocket expenses. The administrative service fee is paid monthly.

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

4. LOAN OUTSTANDING

The Fund has a line of credit with The Bank of New York (BONY) in which the Fund may borrow up to the lesser of \$15,000,000 or the maximum amount the Fund is permitted to borrow under the Investment Company Act of 1940. The interest rate resets daily at overnight Federal Funds Rate plus 0.825%. The borrowings under the BONY loan are secured by a perfected security interest on all of the Fund's assets.

Details of the loan outstanding are as follows:

	As of March 31, 2007	Average for Period Ended March 31, 2007
Loan outstanding	\$ 11,150,000	\$ 9,048,556
Interest rate	6.13%*	6.08%
% of Fund's total assets	6.48%	5.26%
Amount of debt per share outstanding	\$ 0.40	\$ 0.32
Number of shares outstanding (in thousands)	28,131	28,129**

**Annualized

**Weighted average

5. NEW ACCOUNTING PRONOUNCEMENTS

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes, that requires the tax effects of certain tax positions to be recognized. FASB Interpretation No. 48 is effective for fiscal periods beginning after December 15, 2006. Management of the Fund currently believes that FASB Interpretation No. 48 will have no impact on the Fund's financial statements.

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 for securities in the Fund's portfolio, 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 adoption of SFAS No. 157 will have on the Fund's financial statement disclosures.

6. SUBSEQUENT EVENT

The Fund declared a distribution of \$0.14 per share on April 2, 2007. The distribution is payable on April 27, 2007. Of the total distribution, approximately \$0.0040 represents net investment income for the first quarter and the remaining undesignated portion is paid from capital surplus. If the Fund's total distributions for the year exceed its net investment income and net realized capital gains for the year, all or a portion of the undesignated distributions may constitute a non-taxable return of capital. A return of capital distribution would not necessarily reflect the Fund's investment performance and should not be confused with yield or income. As of March 31, 2007, the undesignated portion of the distribution would include approximately 42.65% from net realized capital gains and 57.35% from paid in capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of the year and may be subject to changes based on tax regulations.

