

# EULAV Securities LLC

*Distributor of the Value Line Funds*

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Dear Shareholder:

January 2013

Many states provide shareholders a full or partial exemption for mutual fund income derived from numerous federal obligations. We are providing the following breakdown for that purpose. Your state tax instructions will contain specific directions and you may wish to consult your tax advisor.

## CALENDAR YEAR - 2012

	Income From Direct Federal Obligations*	Income From All Federal Obligations**	Income From GNMAs & FNMA's	Income From Repurchase Agreements	Quarterly % of Fund Assets In All Federal Obligations			
					1st	2nd	3rd	4th
Value Line U.S. Government Money Market Fund, Inc.	0.0000%	0.0000%	27.2414%	62.5037%	37.18%	24.84%	18.93%	0.00%
Value Line Premier Growth Fund, Inc.	0.0000%	0.0000%	0.0000%	0.0720%	0.00%	0.00%	0.00%	0.00%
Value Line Income and Growth Fund, Inc.	8.6021%	9.0959%	2.3926%	0.1348%	17.03%	18.74%	20.57%	20.43%
Value Line Larger Companies Fund, Inc.	0.0000%	0.0000%	0.0000%	0.1918%	0.00%	0.00%	0.00%	0.00%
Value Line Core Bond Fund, Inc. <small>(formerly known as Value Line Aggressive Income Trust)</small>	0.0133%	0.5540%	0.0000%	0.0780%	0.52%	0.54%	0.59%	12.05%
Value Line U.S. Government Securities Fund, Inc.	11.3285%	15.7879%	62.2412%	0.0963%	96.11%	97.43%	97.47%	95.33%
Value Line Small Cap Opportunities Fund, Inc. <small>(formerly known as Value Line Emerging Opportunities Fund, Inc.)</small>	0.0000%	0.0000%	0.0000%	0.5294%	0.00%	0.00%	0.00%	0.00%
Value Line Asset Allocation Fund, Inc.	4.4168%	4.4168%	8.3695%	0.2427%	17.76%	16.42%	17.12%	14.69%

\* Direct Federal Obligations include U.S. Treasury Bills, Notes, Bonds, Certificates and Savings Bonds.

\*\* All Federal Obligations include U.S. Treasury Bills, Notes, Bonds, Certificates and Savings Bonds, Bank for Cooperatives, the Commodity Credit Corporation, the Federal Deposit Insurance Corporation, Federal Farm Credit Banks, the Federal Financing Bank, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks and the Federal Land Bank Association, the Federal Savings and Loan Insurance Corporation, the General Insurance Fund, Government Services Administration, (GSA Public Building Trust Participation Certificates), the Production Credit Association, the Student Loan Marketing Association, the Tennessee Valley Authority, and the U.S. Postal Service. Repurchase Agreements, GNMAs and FNMA's are not included in this calculation.

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