



Overall **MORNINGSTAR** Rating



(Investor)

Among 838 Moderate Allocation Funds (as of 9/30/15)

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the Fund's 3-, 5-, and 10-year (if applicable) Morningstar metrics.

Portfolio Managers



Cindy Starke

- Nearly 20 years of experience
- Fund manager since 2014
- MBA - Fordham University
- BS - Fordham University



Stephen E. Grant

- Over 20 years of experience
- Fund manager since 2014
- MBA - Wharton
- BA - Stanford University



Liane Rosenberg

- Over 20 years of experience
- Fund manager since 2009
- MBA - Fordham University
- BA - State University of New York at Albany

Fund Facts

Symbol	
Investor	VALIX
Institutional	VLIIX
Inception Date	
Investor	10/1/52
Institutional	11/1/15
Total Assets	
	\$349M
	(as of 9/30/15)

Portfolio Manager Q&A

Value Line Income and Growth Fund (VALIX/VLIIX)

Q1: The Fund's allocation continues to favor equities over fixed income. What is the driving force behind a higher weighting in equities?

While the Fund's flexible equity allocation generally fluctuates between 50% and 80%, it had close to a 77% weighting in equities as of September 30, 2015. We anticipate that our weighting will likely remain biased toward stocks in the coming year as long as the U.S. economy continues to grow. Overall, equities appear to offer better relative capital appreciation and attractive dividend income as compared to low yielding fixed income. In addition, bonds may experience some degree of principal volatility when the Federal Reserve inevitably increases interest rates.

We believe large companies with solid organic sales growth will outperform the broader market over time. We favor companies with strong fundamentals that we believe have the potential for attractive capital appreciation and the ability to either initiate a dividend or increase their payout. With regard to specific sectors, we have a bias toward Health Care, Technology and Consumer Discretionary companies for their growth potential. In anticipation of rising interest rates, we have increased our weighting in Financials as higher rates would likely boost banks' profits.

Based on the continuing volatility and uncertainty regarding oil prices, the Fund has an underweight position in the Energy sector. Within the equity holdings, the Fund had an average weight of approximately 2% versus 7% for the S&P 500. With respect to fixed income, the Fund held mostly mid-grade Energy credits in the BBB to A- ratings range. This position was slightly underweight in Energy compared to the Barclay's Aggregate Index.

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Q2: With the Fund's bias toward larger companies, what effect has the stronger dollar had on the equity portfolio?

As might be expected, the stronger dollar had some negative impact on portfolio companies that derive revenue globally. However, the Fund's total foreign exposure has been in line with the overall market with ex-U.S. sales at 38% versus 37% for the S&P 500. In our portfolio decision-making process, we are not focused upon a company's global revenue exposure, nor do we set a limit on the number of global companies that we own. Instead, we focus on sales and earnings growth and the future potential of the company.

Q3: Would you please discuss the Fund's current fixed income portfolio and how it is positioned given an impending increase in interest rates?

The Fund has a current overweight in corporate bonds compared to its benchmark, the Barclays U.S. Aggregate Bond Index. We favor higher quality, investment grade corporate

(continued on next page)

(Q3 Continued)

bonds and the portfolio's average credit quality fell into the BBB to A- range as of September 30, 2015. Although approximately 20% of the fixed income portfolio was invested in Treasuries, we plan to reduce this exposure when a rate increase appears imminent and shorten maturities of Government obligations.

The Fed is likely to put in place its first rate hike since 2006 by the end of 2015, and may continue to raise rates in small increments over an extended period.

Value Line Income and Growth Fund Performance (as of 9/30/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Investor - VALIX	-2.64%	7.74%	7.65%	5.80%
Institutional - VLIIX¹	-2.64%	7.74%	7.65%	5.80%
60/40 S&P 500/Barclays U.S. Aggregate Bond	0.81	8.12	9.23	5.93
Morningstar Moderate Allocation Cat. Avg.	-2.51	6.41	7.33	5.08
Morningstar Category Rank (%) - VALIX	61	25	41	22
# of Funds in Category	929	838	722	481
Morningstar Return		Above Avg.	Average	Above Avg.
Gross Expense Ratio: 1.15% (VALIX), 0.90% (VLIIX)				

Morningstar Ratings and Categories based on risk adjusted returns of Investor class shares.

¹Represents the performance of the Institutional Class shares after November 1, 2015 (inception of the share class) and Investor Class for periods prior to that date.

The performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the fund's short term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Past performance data through the most recent month end is available at www.vlfunds.com or by calling 800.243.2729. You should carefully consider investment objectives, risks, charges and expenses of Value Line Mutual Funds before investing. This and other information can be found in the fund's prospectus and summary prospectus, which can be obtained free of charge from your investment representative, by calling 800.243.2729, or by clicking on the applicable fund at www.vlfunds.com. Please read it carefully before you invest or send money.

The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses. Investment results and the principal value of an investment will vary.

The Morningstar Rating™ for funds methodology rates funds based on an enhanced Morningstar Risk-Adjusted Return measure, which also accounts for the effects of all sales charges, loads, or redemption fees. Funds are ranked by their Morningstar Risk-Adjusted Return scores and stars are assigned using the following scale: 5 stars for top 10%; 4 stars next 22.5%; 3 stars next 35%; 2 stars next 22.5%; 1 star for bottom 10%. Funds are rated for up to three periods: the trailing three-, five-, and 10-years. For a fund that does not change categories during the evaluation period, the overall rating is calculated using the following weights: At least 3 years, but less than 5 years uses 100% three-year rating. At least 5 years but less than 10 years uses 60% five-year rating / 40% three-year rating. At least 10 years uses 50% ten-year rating / 30% five-year rating / 20% three-year rating. The Value Line Income and Growth Fund received 4 stars for the 3-year period, 3 stars for the 5-year period and 4 stars for the 10-year period among 838, 722 and 481 Moderate Allocation Funds respectively, for the period ended 9/30/15.

There are risks associated with investing in small and mid cap stocks, which tend to be more volatile and less liquid than stocks of large companies, including the risk of price fluctuations.

The inception dates of Value Line Mutual Funds range from 1950 to 2015. **Value Line Mutual Funds are distributed by EULAV Securities, LLC. Past performance is no guarantee of future results.**

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