



Overall Rating



(Investor)

Among 380 70-85% Equity Allocation Funds

(as of 6/30/16)

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

\$307M
(as of 6/30/16)

Portfolio Manager Q&A

Value Line Income and Growth Fund (VALIX/VLIIX)

Q1: How do you differentiate the Value Line Income and Growth Fund from traditional balanced funds comprised of 60% equities and 40% bonds?

We believe the Income and Growth Fund differs from its peers in the Morningstar 70-85% Equity Allocation Funds category in two primary ways:

1. Focus on leading large-cap growth stocks. The Fund's equity portfolio is predominantly comprised of large-cap growth stocks. We seek well-known, industry leading companies that have the ability to deliver above average sales and earnings growth in the coming years. We believe these companies are well-positioned for superior capital appreciation over the long term and have the management teams and balance sheets to steer this growth.

2. Flexible allocation strategy. The Fund has the flexibility to adjust its allocation among equities, fixed income and cash depending on the relative opportunity. As of June 30, 2016, the Fund had 79% allocated to equities and 21% to fixed income and cash.

While we believe these distinctions provide a strategic advantage for investors, in the short-term, prices of growth-oriented companies can experience pullbacks during volatile periods. For example, over the first half of 2016, growth stocks underperformed value stocks due to the uncertainty regarding the Federal Reserve's interest rate policy, global growth concerns and the unexpected outcome of the Brexit vote. Despite this volatility, we believe the companies in the Fund have solid business fundamentals and future growth opportunities, even in a more uncertain world, which gives us confidence that they are well-positioned to outperform over longer term, full market cycles.

Q2: Does the Fund favor certain sectors over others due to your focus on owning leading growth companies?

The Fund's equity portfolio tends to overweight faster growing sectors of the market including Information Technology, Health Care and Consumer Discretionary, compared to the Morningstar 70-85% Equity Allocation Funds category. These sectors tend to have higher levels of innovation, significant global market opportunity or sustainable secular growth prospects. As a result, the top equity holdings reflect this sentiment.

Alternatively, the Fund is likely to have little to no exposure in sectors such as Energy, Industrials, Materials or Utilities. We often find companies in these sectors relatively unattractive as they do not possess the growth characteristics we are looking for to support higher future share prices.

"The companies in our portfolio exhibit strong fundamentals, which gives us confidence that they are well-positioned to outperform over full market cycles."

(continued on next page)

Q3: What are your thoughts regarding the market in the second half of 2016?

We expect to see an acceleration in earnings and sales growth in the second half of the year. For the overall S&P 500 Index, we anticipate that this improvement in earnings growth should improve sentiment toward growth companies which we mentioned had lagged so far this year. In addition, we believe that merger and acquisition activity will likely pick up again for growth companies due to the high levels of cash on many companies' balance sheets, continued low interest rates and the scarcity of sales growth for many large corporations.

The U.S. economy appears to be on firm footing, especially when comparing our economy to many other countries around the world. However, we expect continued market volatility due to the uncertainty surrounding the U.S. presidential election, concerns about slowing global growth and the Fed's adjustments to the interest rate policy. While there may or may not be additional interest rate increases in 2016, speculation and changes in expectations foster continued uncertainty.

Value Line Income and Growth Fund Performance (as of 6/30/16)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Investor - VALIX	-3.59%	6.07%	6.28%	5.69%
Institutional - VLIIX¹	-4.19	5.85	6.15	5.63
60/40 S&P 500/Barclays U.S. Aggregate Bond	4.79	8.61	8.76	6.50
Morningstar 70-85% Equity Allocation Cat. Avg.	-1.68	6.08	6.14	4.73
Morningstar Category Rank (%) - VALIX	75	53	45	22
# of Funds in Category	451	380	310	234
Morningstar Return		Average	Average	Above Avg.
VALIX Expense Ratio: 1.15%, VLIIX Gross/Net Expense Ratio*: 6.19%/0.90%				

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.

*EULAV Asset Management (the "Adviser") and EULAV Securities LLC, the Fund's principal underwriter (the "Distributor"), have agreed to waive certain class-specific fees and/or pay certain class-specific expenses incurred by the Institutional Class so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and any extraordinary expenses incurred in different amounts by the classes) during the period March 17, 2016 through June 30, 2017 (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from the Fund reimbursed expenses and/or waived fees (within 3 years after the fiscal year end in which the waiver/reimbursement occurred) to the extent that the Fund's expense ratio is less than the Expense Limitation. The Expense Limitation can be terminated or modified before June 30, 2017 only with the agreement of the Fund's board. The Fund's performance would be lower in the absence of such waivers.

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 Fund received 3 stars for the 3 and 5-year periods and 4 stars for the 10-year period ended 6/30/16 among 380, 310 and 234 70-85% Equity Allocation funds, respectively.

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 2016. **Value Line Mutual Funds are distributed by EULAV Securities, LLC. Past performance is no guarantee of future results.**

Value Line, Value Line Logo, Timeliness, Safety are trademarks or registered trademarks of Value Line Inc. and/or its affiliates in the United States and other countries. Used by permission.