



Stephen E. Grant

- Over 20 years of experience
- Fund manager since 1993
- MBA - Wharton
- BA - Stanford University



Jeffrey D. Geffen

- Over 25 years of experience
- Fund manager since 2001
- MBA - Adelphi University
- MA - Columbia University



Liane Rosenberg

- Over 20 years of experience
- Fund manager since 2012
- MBA - Fordham University
- BA - State University of New York at Albany

Asset Allocation Fund

Overall Morningstar Rating



Among 324 Aggressive Allocation Funds (as of 3/31/14)

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.

Fund Facts

Symbol:	VLAAX
Total assets	\$237.4M
Inception date:	8/24/93

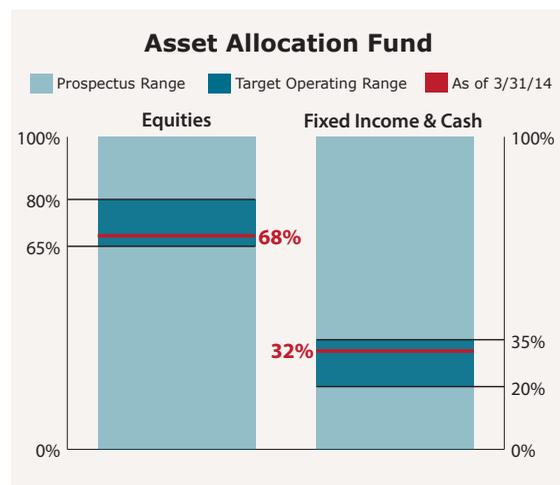
Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX)

Q1: With the Fund's ability to shift among stocks, bonds and cash, how has the allocation mix changed over the past quarter?

Over the past three months as the stock market fluctuated, we have tactically added to or trimmed certain equity positions. Regardless of these changes, the overall asset allocation mix hasn't considerably changed since the beginning of the year. As of March 31, the portfolio held about a 68% weighting in stocks, an approximately 23% allocation to bonds and about 9% in cash.

Of the equity portion, the Fund typically holds stocks that span the small-, mid- and large-capitalization ranges. Specifically, as of the end of the first quarter, the capitalization weighting is around 40% large stocks, 40% mid-cap companies and 20% small companies.



Q2: Given the current allocation mix, how do you view the relative attractiveness of the equity and fixed income markets today?

The Fund's current stock weighting reflects our moderately bullish opinion on the equity market. In general, a neutral view on stocks would result in a lower allocation of around 60% to this asset class. We form this opinion primarily based on our proprietary asset allocation model, which tracks the levels of and trends in stock prices and interest rates. If stock prices continue to climb and long-term interest rates rise, we would likely become more neutral toward equities and decrease the current weighting.

With respect to the fixed income portion of the portfolio, we remain neutral. After experiencing several headwinds in 2013 led by the Federal Reserve's tapering of its bond-buying program, fixed income, as measured by the Barclays U.S. Aggregate Bond Index, returned to positive territory in the first quarter. Bonds benefited from the flight to safety due to the geopolitical turmoil in Russia and Ukraine and the economic weakness in China. Also, in the U.S., inflation remained well-contained and below the Federal Reserve's 2% target.



Q3: In recent weeks the S&P 500 Index declined as many high-profile growth stocks, including many biotechnology and technology equities, sold off. How did the Fund's equity component fare in the recent pullback?

We are a results-oriented investor. Our selection process targets companies that have demonstrated an ability to increase their earnings and stock price consistently over the past 10 years or more. Generally, high-flying or high profile growth stocks have not met this long-term requirement. Instead we favor "steady-eddy" companies, such as those in the Industrials or Materials sectors, that tend to grow their operating results regardless of the economic environment and aren't as susceptible to investor sentiment.

We believe the recent market volatility reinforces the need for many investors to hold an allocation of defensive growth stocks that have experienced consistent and predictable rates of growth based on a 10-year or longer track record. Holding a collection of proven companies with demonstrated results has historically provided less volatility and results in a smoother ride for investors.

Performance (as of 3/31/14)	Average Annual Total Return			
	1 Year	3 Year	5 Year	10 Year
Asset Allocation Fund (VLAAX)	13.22%	11.53%	16.87%	7.59%
60/40 S&P 500/Barclays U.S.Aggregate Bond	13.08	10.28	14.60	6.23
Morningstar Aggressive Allocation Cat. Avg.	15.04	9.05	16.69	6.39
Category Rank (%)	78	5	45	10
# of Funds in Category	401	324	295	164
Expense ratio: 1.25% (Gross) / 1.15%** (Net)				

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 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, 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.

** For the period August 1, 2013 through July 31, 2014 EULAV Securities LLC (the "Distributor") contractually agreed to waive a portion of the Fund's Rule 12b-1 fee in an amount equal to 0.10% of the Fund's average daily net assets. The waiver cannot be terminated before July 31, 2014 without the approval of the Fund's Board of Directors. For various periods, the Distributor similarly waived a portion of the Fund's Rule 12b-1 fee. The Fund's performance would be lower in the absence of such waivers.

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 Asset Allocation Fund received 5 stars for the 3-year period, and 4 stars for the 5-year and 10-year period ended 3/31/14 among 324, 295 and 164 Aggressive Allocation funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 1993. Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.

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