



Overall Rating



(Investor)

Among 703 50-70% Equity Allocation Funds (as of 9/30/18)

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



Stephen E. Grant

- Over 25 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 2009
- MBA - Fordham University
- BA - State University of New York at Albany

Fund Facts

Symbol

Investor	VLAAX
Institutional	VLAIX

Inception Date

Investor	8/24/93
Institutional	11/1/15

Total Assets

\$427M
(as of 9/30/18)

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX/VLAIX)

Q1: The Fund just celebrated 25 years of performance. What drove the Fund's success over the long term?

We are pleased with the Fund's performance since its inception on August 24, 1993. We believe the Fund has accomplished the goal that Value Line Funds set out to achieve: Create significant value for long-term investors.

In fact, over 25 years, the Fund has more than doubled the average value of the Morningstar 50-70% Equity Allocation Category. A hypothetical \$10,000 investment in the Fund since inception would be worth nearly \$102,000 while the same starting investment in the Morningstar peer category average totaled approximately \$49,000 over the same period as of August 24, 2018.

We believe this successful track record of performance is due primarily to two factors:

- 1) The Fund's flexible equity allocation.** Typically, many balanced funds have a mandate to hold 60% in stocks and 40% in bonds. The Fund has the flexibility to adjust the allocation and dynamically overweight equities or fixed income based on the relative opportunity.
- 2) Stock selection and use of the time-tested Value Line Timeliness and Safety Ranking System.** For the Fund's equity component, we have consistently pursued high-quality companies that have a proven 10+ year history of growth in both earnings and stock price.

Q2: What factors drove the Fund's outperformance in the quarter?

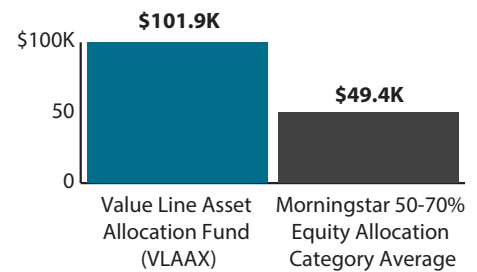
The Fund outperformed the Morningstar 50-70% Equity Allocation Category by 375 basis points in the third quarter as the Fund rose 6.94% compared to 3.19% for the category average. Longer-term the Fund has achieved impressive performance relative to other funds in the Morningstar category over multiple time frames. In fact, the Fund ranks in the top 15% or better for performance for the 1, 3, 5, 10 and 15 year periods as of September 30, 2018.

We believe the Fund's near-term outperformance is due to solid stock selection focused on companies with a demonstrated long-term history of consistent growth in stock price and earnings. In the latest quarter, the Fund's equity holdings in the Technology, Materials and Consumer Discretionary sector performed well and added to the Fund's relative outperformance.

In addition, the Fund was overweight the Industrials sector compared to the Morningstar 50-70% Equity Allocation Category. After a weak second quarter, Industrials was one of the stronger-performing sectors for the quarter ended September 30, 2018.

Double the Value over 25 Years

Hypothetical Growth of \$10K
Since Inception (8/24/93) through 8/24/18*



Q3: As a flexible, hybrid fund, what is your current equity weighting?

As of September 30, 2018, the Fund held 63% in equities and 37% in high quality fixed income and cash. This allocation is higher than the approximately 60% equity weighting of the Morningstar 50-70% Equity Allocation category average. We believe that the Fund benefits from its flexibility to adjust the equity allocation to capture relative opportunity.

The Fund also has the flexibility to invest across market capitalizations and therefore focuses on smaller companies. As of September 30, 2018, the Fund had 53% in large-cap companies and 47% in small- and mid-cap companies. In comparison, the Morningstar 50-70% Equity Allocation Category had over 80% in large-cap companies and only 20% in small- and mid-cap companies at the end of the third quarter.

Value Line Asset Allocation Fund Performance (as of 9/30/18)

	Average Annual Returns				
	1 Year	3 Year	5 Year	10 Year	15 Year
Investor - VLAAX	15.12%	11.59%	9.03%	9.13%	8.45%
Institutional - VLAIX¹	15.40	11.84	9.18	9.21	8.50
60/40 S&P 500/BbgBarc US Agg. Bond Index	9.99	10.77	9.22	8.91	7.51
Morningstar 50-70% Equity Allocation Cat. Avg.	6.75	8.80	6.67	7.58	6.75
Percentile Rank in Morningstar Cat. - VLAAX	1	6	9	14	6
# of Funds in Category	771	703	619	450	260
Morningstar Return		High	High	Above Avg.	

VLAAX Gross/Net Expense Ratio: 1.12%, VLAIX Gross/Net Expense Ratio*: 0.94% / 0.87%

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns. Morningstar Ratings and Rankings based on Investor class shares.

¹Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The inception date of VLAIX is November 1, 2015.

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, 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.

*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) (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from assets attributable to the Institutional Class the 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 Institutional Class's expense ratio is less than the Expense Limitation or, if lower, the expense limitation in effect when the waiver/reimbursement occurred. The Expense Limitation can be terminated or modified before June 30, 2019 only with the agreement of the Fund's board. The Fund's performance would be lower in the absence of such waivers.

The Morningstar Rating™ for funds, or "star rating" is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 5 stars for the 3- and 5-year periods and 4 stars for the 10-year period ended 9/30/18, out of 703, 619 and 450 50-70% 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.

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