



### Overall Rating



(Investor)

Among 856 Moderate Allocation Funds (as of 3/31/16)

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



#### 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 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

\$311M  
(as of 3/31/16)

## Portfolio Manager Q&A

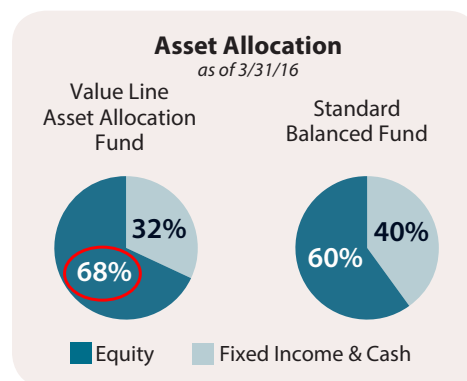
### Value Line Asset Allocation Fund (VLAAX/VLAIX)

#### Q1: Would you please describe how the Fund's flexible approach to asset allocation adjusts during times of market volatility?

While the Fund has the flexibility to adjust the allocation between equities and fixed income, short-term market movements do not necessarily dictate allocation levels. However, we take advantage of market volatility by adding to positions when stocks decline and selling select stocks when prices are higher.

Importantly, the Fund's allocation utilizes the time-tested Value Line asset allocation model which focuses on the longer-term relative opportunity of equities. Over the past several quarters, the equity allocation has remained fairly consistent. As of March 31, 2016, the Fund had an approximate 68% allocation to equities and 32% in fixed income and cash.

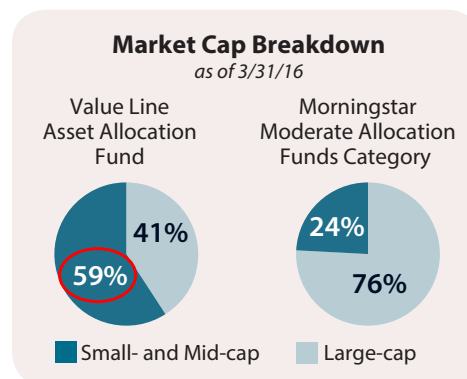
We believe this flexibility provides an inherent and opportunistic advantage for investors compared to Balanced Funds that have a static allocation of 60% in equities and 40% in fixed income.



#### Q2: As of March 31, 2016, the Fund's equity portion held nearly 60% in small- and mid-cap stocks. What are the benefits of holding smaller companies in a balanced fund?

Historically, small- and mid-cap companies have provided attractive long-term performance and faster growth compared to their larger counterparts. Smaller companies tend to be more nimble, reinvesting cash flows back into the business and gaining market share, compared to larger, more mature companies. We believe balanced fund investors can benefit from this growth, while not substantially increasing the volatility often found in this area of the market. The Fund attempts to mitigate this risk by focusing primarily on companies that have 10 years or more of consistent, demonstrated growth in two areas: earnings and stock price. These seasoned, smaller companies with long track records increase our confidence that they can continue to provide outstanding growth, as they generally have enviable products and services and strong market share.

As of March 31, 2016, the Fund's 59% allocation to small- and mid-cap companies is significantly greater compared to the Morningstar Moderate Allocation Funds category average of 24%. It is important to note that a greater weighting in smaller companies is not a stringent requirement; rather, equity selection is determined on a stock-by-stock basis.



#### Q3: Would you please provide an example of the Fund's bottom-up stock selection process?

Dollar Tree (DLTR) is one recent equity addition to the Fund. The large-cap discount retailer with stores in the U.S. and Canada has demonstrated long-term consistent growth in earnings and stock price. Building on its solid track record, the \$19 billion company in market capitalization reported a strong quarter at the end of 2015 and was subsequently added to the portfolio. Conversely, Flowers Foods Inc. (FLO) recently reported weak earnings, contributing to its deteriorating fundamentals. As a result, the \$4 billion market cap producer of packaged bakery foods no longer fit the Fund's criteria and was removed from the portfolio. Our focus on consistently growing companies has helped the Fund's performance land in the top 20% relative to peers in the Morningstar Moderate Allocation Funds Category for the 1, 3, 5 and 10 year periods ended March 31, 2016.

Value Line Asset Allocation Fund Performance (as of 3/31/16)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
<b>Investor - VLAAX</b>	<b>0.31%</b>	<b>7.17%</b>	<b>8.57%</b>	<b>5.96%</b>
<b>Institutional - VLAIX<sup>1</sup></b>	<b>0.40%</b>	<b>7.20%</b>	<b>8.59%</b>	<b>5.97%</b>
60/40 S&P 500/Barclays U.S. Aggregate Bond	1.85	8.09	8.46	6.17
Morningstar Moderate Allocation Cat. Avg.	-2.85	5.22	5.88	4.95
<b>Morningstar Category Rank (%) - VLAAX</b>	<b>11</b>	<b>15</b>	<b>4</b>	<b>17</b>
# of Funds in Category	934	856	744	504
Morningstar Return	n/a	<b>Above Avg.</b>	<b>High</b>	<b>Above Avg.</b>
Gross Expense Ratio: 1.19% (VLAAX), 0.94% (VLAIX)				

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

<sup>1</sup>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](http://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](http://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 Asset Allocation Fund received 4 stars for the 3 year period, 5 stars for the 5 year periods and 4 stars for the 10 year period ended 3/31/16 among 856, 744 and 504 Moderate Allocation funds, respectively.

As of 3/31/16, the Fund held 1.04% in net assets of Dollar Tree.

*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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