



Overall Rating



(Investor)

Among 721 50-70% Equity Allocation Funds (as of 3/31/17)

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

\$306M
(as of 3/31/17)

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX/VLAIX)

Q1: Would you please describe how the Fund differs from an allocation and composition perspective compared to its balanced fund peers?

Over the first quarter of 2017, the Fund's equity allocation hovered near 70% as we took advantage of short-term price setbacks to add to our positions. At the end of the quarter, 69% of the Fund was allocated to equities, essentially the same percentage as the prior quarter, while the remaining 31% of the Fund's assets were invested in high-quality, investment grade fixed income and cash.

Unlike many of its peers that have a static 60/40 traditional allocation between stocks and bonds in the Morningstar 50-70% Equity Allocation Fund Category, the Fund has the flexibility to adjust its equity allocation based on relative opportunity. Currently, we remain moderately bullish on equities, monitoring our holdings to make sure they meet our stringent criteria.

In addition, while the Fund can invest across all market capitalizations, it favors smaller companies. As of March 31, 2017, the equity portfolio consisted of approximately 61% small- and mid-cap growth oriented companies, while the remaining 39% was invested in large-cap growth stocks. Most other balanced funds have a significant bias toward large-cap stocks that are both growth and value oriented.

We believe that smaller companies can make a significant performance difference in a flexible balanced fund. In fact, the Fund outperformed the Morningstar 50-70% Equity Allocation Category average for the past 3, 5, and 10 year periods ended March 31, 2017.

Q2: How might inflationary pressures affect the Fund's equity holdings?

We do not believe an inflationary environment would significantly affect the Fund's equity holdings as we seek companies that have consistently been able to grow both earnings and stock price over a period of 10 years or more. As a result, we believe many of the Fund's holdings have experienced management teams, desirable products or services and sustainable competitive advantages that help provide greater control over their future growth.

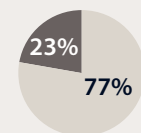
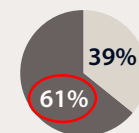
Given this selection process focused on high-quality stocks, the portfolio is often overweighted in sectors including Industrials and Consumer Staples. As of March 31, 2017, Industrials and Consumer Staples comprised nearly 30% and over 11% of the Fund, respectively. By comparison, the Fund's Morningstar Category had only an 11% and a 9% weighting in Industrials and Staples at the end of the first quarter of 2017.

Small Companies = Big Difference

Market Capitalization as of 3/31/17

Value Line Asset Allocation Fund

Morningstar 50-70% Equity Allocation Category



■ Small- and Mid-Cap ■ Large-Cap

Source: Morningstar

Q3: Would you please discuss a holding that represents an ideal fit for your investment approach?

In the Healthcare sector, IDEXX Laboratories, Inc. fits our investment process of long-term consistent growth. The company develops, manufactures and distributes products and provides services for the companion animal veterinary, livestock and poultry, dairy and water testing markets. IDEXX also sells a line of portable electrolytes and blood gas analyzers for the human point-of-care medical diagnostics market.

The company has placed itself in the 'humanization of pets' market niche, as pet owners are often willing to spend substantially more when it comes to the welfare of their pets. Over the past 10 years, IDEXX has experienced consistent earnings and stock price growth and, in the first quarter, the stock was a positive contributor to the Fund's performance, as its price appreciated over 30%.

Value Line Asset Allocation Fund Performance (as of 3/31/17)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Investor - VLAAX	9.18%	5.88%	8.53%	6.42%
Institutional - VLAIX¹	9.47	6.01	8.61	6.45
60/40 S&P 500/BbgBarc US Agg. Bond Index	10.48	7.29	8.92	6.21
Morningstar 50-70% Equity Allocation Cat. Avg.	10.53	4.43	7.04	5.06
Morningstar Category Rank (%) - VLAAX	69	19	18	14
# of Funds in Category	824	721	616	424
Morningstar Return		Above Avg.	Above Avg.	Above Avg.
VLAAX Gross/Net Expense Ratio: 1.18%, VLAIX Gross/Net Expense Ratio*: 2.91% / 0.93%				

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

¹Indicates 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) during the period March 17, 2016 through July 31, 2017 (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. The Expense Limitation can be terminated or modified before July 31, 2017 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 three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 4 stars for the 3-, 5- and 10-year periods ended 3/31/17 among 721, 616 and 424 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.

As of March 31, 2017, the Fund held 2.12% in IDEXX Laboratories, Inc.

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.