Asset Allocation Fund

Overall MORNINGSTAR Rating

★★★★

Among 815 Moderate Allocation Funds (as of 6/30/15)

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 2014
- 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:	VLAAX
Inception date:	8/24/93
Total assets: *(as of 6/30/15)*	$275M

Value Line Funds

443.279.2014

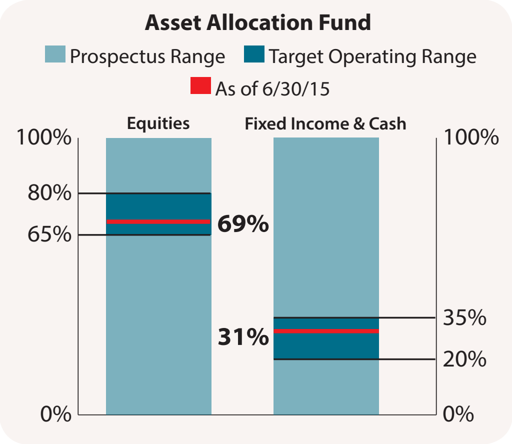
www.vlfunds.com

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX)

Q1: Would you please discuss the Fund's current allocation among stocks, bonds and cash as well as the market capitalization breakdown of the equity sleeve?

Since the first quarter of 2015, the Fund's overall allocation mix remained the same. At the end of June, the Fund had a 69% weighting in stocks and a 24% weighting in bonds, with cash at 7%. We view our current allocation to stocks as an overweight compared to a neutral portfolio allocation of 60%. The Fund's objective is capital appreciation which enables us to have the flexibility to adjust the percentage of equity, fixed income and cash based on relative opportunity.



The Fund's allocation among the market capitalization spectrum remains relatively the same as it was last quarter. With a target of holding 40% in large-cap stocks, 40% in mid-caps and 20% in small-cap equities, the Fund tends to be smaller company biased due to more favorable growth characteristics.

Q2: As a manager across all three market caps, would you please discuss the relative attractiveness among small-, mid- and large-cap stocks?

Although we have target portfolio percentages, we are not overly concerned about adhering to strict market capitalization parameters. Instead, we seek to purchase companies with consistent and predictable operating results that can keep growing regardless of the economic backdrop. We prefer to have a larger percentage of the portfolio in smaller companies because their growth rates tend to be higher and they generally have a longer growth runway.

Q3: What has been the most noticeable change in the Fund's sector allocation over the past year?

While we are still underweight in our percentage allocation to the technology sector versus the S&P 500 Index, we are less so than we have been in the past. About a year ago, the portfolio had approximately 10% allocated to technology stocks as compared to about 18% for the S&P 500 index. Today, our technology allocation has increased to the 15-16% range versus approximately 19-20% for the S&P 500.

However, we would point out that our technology holdings, such as credit card processors, are more "low-tech" in nature. These holdings align with our strategy that looks for companies that possess consistent, historical long-term growth, less volatility and more predictable future growth.

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Q4: Would you please discuss the current maturity and duration of the Fund's fixed income sleeve? What is the relative allocation between corporate bonds and U.S. Treasuries?

As of June 30, 2015, the duration and maturity of the Fund's fixed income sleeve were approximately 5 and 11 years, respectively. In anticipation of a rising rate environment, the Fund's duration was roughly 0.5 years less than our benchmark, the Barclays U.S. Aggregate Bond Index.

The gradual rise in rates that we are anticipating later in 2015 will be predicated on the Federal Reserve's comfort level with overall economic growth trends. Based on this scenario, approximately 40% of the fixed income portion of the portfolio was comprised of corporate obligations—about twice the amount committed to U.S. Treasuries. In addition to enhanced investment income, corporate obligations have less interest rate sensitivity than Treasuries and tend to outperform in this particular environment. Accordingly, we favor corporate bonds and have underweighted our allocation in Treasury obligations.

Value Line Asset Allocation Fund Performance (as of 6/30/15)

	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Asset Allocation Fund (VLAAX)	**4.68%**	**11.47%**	**13.42%**	**7.15%**
60/40 S&P 500/Barclays U.S. Aggregate Bond	5.20	11.12	11.74	6.51
Morningstar Moderate Allocation Cat. Avg.	2.06	10.08	10.38	5.98
Morningstar Category Rank (%)	**13**	**22**	**2**	**12**
# of Funds in Category	917	815	703	472
Morningstar Return	n/a	**Above Avg.**	**High**	**Above Avg.**
Expense Ratio: 1.19% (Gross) / 1.09%* (Net)				

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns.

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.

*For the period August 1, 2013 through July 31, 2015 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, 2015 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 4 stars for the 3 year period, 5 stars for the 5 year period and 4 stars for the 10 year period ended 6/30/15 among 815, 703 and 472 Moderate 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 1993. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**