



### Value Line Asset Allocation Fund

The only fund, in the Morningstar Aggressive Allocation Category, with top 20% or better performance for the 3, 5, 10 and 15 year periods with “Overall Below Average” risk ended September 30, 2013.\*

Overall **MORNINGSTAR** Rating



Among 337 Aggressive Allocation Funds  
(as of 9/30/13)

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.

#### About the 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 2012
- MBA - Fordham University  
BA - State University of New York at Albany

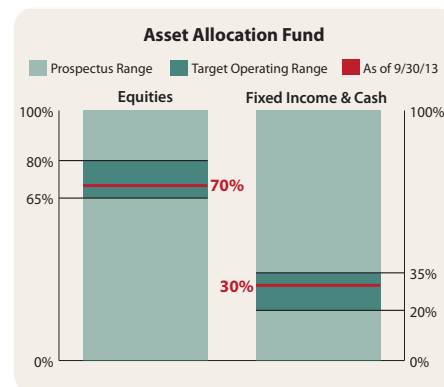
Value Line Asset Allocation Fund is listed  
on the Schwab Mutual Fund OneSource Select List® as of 9/30/13.

## Value Line Asset Allocation Fund (VLAAX)

### Q1: The Fund has increased its equity position to 70% at the end of September. Would you please comment upon your asset allocation?

Since the start of our fiscal year (April 1), we have increased our equity position from approximately 65% to 70%. Our current fixed income position totals approximately 25% with the remainder in cash. Given our flexible mandate, we have the ability to tactically shift our asset allocation to take advantage of opportunities created by the market. This flexibility, in our opinion, provides the Fund with a significant advantage relative to traditional balanced funds that maintain a 60% weighting to equities and 40% allocation to fixed income. As a result, we can focus on assessing relative opportunity between our asset classes.

Our current weighting reflects our opinion that equities hold more total return potential than fixed income securities. The upward interest rate movement experienced over the past few months reinforces our belief that rates will continue to rise modestly over the next 12-18 months. While our fixed income position provides ballast to the portfolio, our goal is to provide an attractive total return to investors and be ever mindful of keeping a low risk profile. On a relative basis, we believe that equities that have demonstrated consistent growth in earnings and in their stock price can provide more total return potential for investors than fixed income.



### Q2: The Asset Allocation Fund's flexible mandate allows the purchase across the equity market cap spectrum. Would you please comment upon your equity allocation?

We believe that we can add value for investors by identifying companies with similar operating characteristics across the market cap spectrum. For companies to be included in the portfolio, they must have a history of demonstrated results over long time periods, generally 10 years or more. We insist that holdings have consistently grown both their earnings and stock price throughout the period.

Even with our stringent selection criteria, we have been able to successfully construct a portfolio of approximately 200 companies that include all three commonly known market caps. Currently, the portfolio includes approximately 40% in large-cap, 40% in mid-cap and 20% in small-cap companies. We believe that having a meaningful asset allocation across market caps provides the Fund with a differentiating factor relative to the other funds in Morningstar's Aggressive Allocation category that tend to be more large-cap bias.



### Q3: Does your selection process favor any particular market cap?

No, we attempt to take advantage of opportunity across a broad universe of stocks. However our insistence on at least a 10 year demonstrated record of consistency will provide a smaller allocation to small caps because many grow to become mid cap holdings. We believe that mid caps represent the “Sweet Spot” of investing because a sufficient operating history is available and the future growth runway can be long.

Our selection criteria gravitates the portfolio to steady-eddy companies. We avoid companies that tend to be more cyclical, headline high-flyers or economically sensitive in nature. Our consistent, long-term growers therefore keep our risk profile low. In fact, we are especially pleased that the Fund maintains an overall “Below Average” Morningstar category risk rating as of September 30, 2013.

#### Fund Performance (as of 9/30/13)

	Average Annual Return			
	1 Year	3 Year	5 Year	10 Year
<b>Asset Allocation (VLAAX)</b>	<b>16.43%</b>	<b>14.56%</b>	<b>9.23%</b>	<b>8.16%</b>
60/40 (S&P 500/Barclays US Aggregate Bond)	10.93	10.89	8.17	6.37
Morningstar Aggressive Allocation Cat. Avg	15.17	10.64	7.87	6.60
<b>Category Rank (%)</b>	<b>35</b>	<b>2</b>	<b>18</b>	<b>8</b>
# of Funds in Category	420	337	300	136
Morningstar Risk	N/A	<b>Low Risk</b>	<b>Low Risk</b>	<b>Below Avg Risk</b>
Expense ratio: 1.25% (Gross) / 1.15%** (Net)				

Source: Morningstar.

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

#### Fund Facts

Symbol:	VLAAX
Total assets (9/30/13):	\$190M
Inception date:	8/24/93
Turnover:	40%

#### Value Line Funds

7 Times Square, 21st Floor  
New York, NY 10036  
443.279.2014  
[www.vlfunds.com](http://www.vlfunds.com)

**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 1-800-243-2729. 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](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.**

**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.**

\* Top 20% performance for the 3, 5, 10 and 15 year periods ended 9/30/13 in Morningstar's Aggressive Allocation Category Average.

\*\* 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 Fund received 5 stars for the 3-, 5- and 10-year periods ended 6/30/13 among 337, 300 and 136 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.

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.