

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on
Form N-Q

Filing Date: **2008-08-29** | Period of Report: **2008-06-30**
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FILER

VALUE LINE ASSET ALLOCATION FUND INC

CIK: **904170** | IRS No.: **133719750** | State of Incorporation: **MD** | Fiscal Year End: **0331**
Type: **N-Q** | Act: **40** | File No.: **811-07702** | Film No.: **081049077**

Mailing Address
220 EAST 42ND STREET
NEW YORK NY 10017-5891

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220 E 42ND ST
NEW YORK NY 10017-5891
2129071500

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file Number 811-7702

The Value Line Asset Allocation Fund, Inc.
(Exact name of registrant as specified in charter)

220 East 42nd Street, New York, NY 10017

Emily D. Washington
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-907-1500

Date of fiscal year end: March 31,2009

Date of reporting period: June 30,2008

Item 1: Schedule of Investments.

A copy of Schedule of Investments for the period ended 6/30/08 is included with this Form.

Value Line Asset Allocation Fund, Inc.

Schedule of Investments (unaudited)

June 30, 2008

Shares

Value

COMMON STOCKS (72.2%)

AEROSPACE/DEFENSE (3.9%)

3,000	Alliant Techsystems, Inc. *	\$	305,040
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12,000	BE Aerospace, Inc. *	279,480
4,000	Boeing Co. (The)	262,880
4,700	DRS Technologies, Inc.	369,984
5,300	Esterline Technologies Corp. *	261,078
4,600	General Dynamics Corp.	387,320
4,000	Goodrich Corp.	189,840
3,500	L-3 Communications Holdings, Inc.	318,045
3,000	Lockheed Martin Corp.	295,980
12,750	Moog, Inc. Class A *	474,810
3,500	Northrop Grumman Corp.	234,150
12,200	Orbital Sciences Corp. *	287,432
8,800	Precision Castparts Corp.	848,056
5,000	Raytheon Co.	281,400
7,000	Rockwell Collins, Inc.	335,720
5,400	Teledyne Technologies, Inc. *	263,466
		5,394,681

APPAREL (1.0%)

12,800	Guess?, Inc.	479,360
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9,000	Phillips-Van Heusen Corp.	329,580
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4,200	VF Corp.	298,956
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6,800	Warnaco Group, Inc. (The) *	299,676
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		1,407,572
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AUTO PARTS (1.2%)

8,600	BorgWarner, Inc.	381,668
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3,300	Eaton Corp.	280,401
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27,000	Johnson Controls, Inc.	774,360
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14,000	LKQ Corp. *	252,980
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		1,689,409
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BANK (0.8%)

16,800	Banco Bilbao Vizcaya Argentaria, S.A. ADR	318,696
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11,000	Bank of Hawaii Corp.	525,800
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12,000	Wells Fargo & Co.	285,000
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		1,129,496
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BANK - CANADIAN (0.4%)

5,500	Bank of Nova Scotia	252,010
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6,800	Royal Bank of Canada	303,756
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555,766

BANK - MIDWEST (0.5%)

12,076	Commerce Bancshares, Inc.	478,934
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4,000	Northern Trust Corp.	274,280
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753,214

BEVERAGE - SOFT DRINK (0.2%)

4,700	Coca-Cola Co. (The)	244,306
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BIOTECHNOLOGY (0.4%)

4,000	Techne Corp. *	309,560
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3,000	United Therapeutics Corp. *	293,250
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602,810

Shares

Value

BUILDING MATERIALS (1.0%)

3,000	Fluor Corp.	\$ 558,240
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10,000	Jacobs Engineering Group, Inc. *	807,000
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1,365,240

CABLE TV (0.4%)

8,000 Rogers Communications, Inc. Class B 309,280

14,000 Shaw Communications, Inc. Class B 285,040

594,320

CHEMICAL - BASIC (0.6%)

5,000 Agrium, Inc. 537,700

7,000 Celanese Corp. Series A 319,620

857,320

CHEMICAL - DIVERSIFIED (1.5%)

4,000 Air Products & Chemicals, Inc. 395,440

10,600 Albemarle Corp. 423,046

5,200 FMC Corp. 402,688

5,000 Monsanto Co. 632,200

5,700 Pall Corp. 226,176

2,079,550

CHEMICAL - SPECIALTY (2.6%)

10,000	Airgas, Inc.	583,900
6,000	Ecolab, Inc.	257,940
2,272	Lorillard, Inc. *	157,132
4,400	Lubrizol Corp. (The)	203,852
4,600	Mosaic Co. (The) *	665,620
11,400	Praxair, Inc.	1,074,336
4,000	Sherwin-Williams Co. (The)	183,720
8,400	Sigma-Aldrich Corp.	452,424
		3,578,924

COMPUTER & PERIPHERALS (0.8%)

10,000	Hewlett-Packard Co.	442,100
9,800	MICROS Systems, Inc. *	298,802
10,000	Western Digital Corp. *	345,300
		1,086,202

**COMPUTER SOFTWARE & SERVICES
(1.6%)**

7,300	Accenture Ltd. Class A	297,256
19,000	ANSYS, Inc. *	895,280

8,000	Concur Technologies, Inc. *	265,840
2,500	Equinix, Inc. *	223,050
5,400	Infosys Technologies Ltd. ADR	234,684
4,200	NAVTEQ Corp. *	323,400
		2,239,510

DIVERSIFIED COMPANIES (4.0%)

6,600	Acuity Brands, Inc.	317,328
22,500	AMETEK, Inc.	1,062,450
8,200	Barnes Group, Inc.	189,338
5,200	Brink's Co. (The)	340,184
4,700	Danaher Corp.	363,310
4,400	Honeywell International, Inc.	221,232
8,000	ITT Corp.	506,640
15,600	McDermott International, Inc. *	965,484
3,600	Parker Hannifin Corp.	256,752

June 30, 2008

Shares		Value
3,000	SPX Corp.	\$ 395,190
4,200	Textron, Inc.	201,306
5,000	United Technologies Corp.	308,500
3,500	Valmont Industries, Inc.	365,015
		5,492,729
DRUG (2.9%)		
4,500	Alexion Pharmaceuticals, Inc. *	326,250
4,800	Allergan, Inc.	249,840
7,400	BioMarin Pharmaceutical, Inc. *	214,452
4,800	Celgene Corp. *	306,576
7,000	Covance, Inc. *	602,140
14,600	Gilead Sciences, Inc. *	773,070
7,800	Immucor, Inc. *	201,864
4,800	Novo Nordisk A/S ADR	316,800

8,500	Perrigo Co.	270,045
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10,000	Pharmaceutical Product Development, Inc.	429,000
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6,000	Teva Pharmaceutical Industries Ltd. ADR	274,800
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3,964,837

E-COMMERCE (0.2%)

4,500	Salesforce.com, Inc. *	307,035
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EDUCATIONAL SERVICES (0.5%)

4,200	ITT Educational Services, Inc. *	347,046
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1,600	Strayer Education, Inc.	334,512
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681,558

ELECTRICAL EQUIPMENT (1.4%)

6,600	Cooper Industries Ltd. Class A	260,700
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6,600	Emerson Electric Co.	326,370
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10,800	FLIR Systems, Inc. *	438,156
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7,200	General Cable Corp. *	438,120
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6,400	Thomas & Betts Corp. *	242,240
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3,200	W.W. Grainger, Inc.	261,760
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1,967,346

ELECTRICAL UTILITY - CENTRAL (0.4%)

2,700 Entergy Corp. 325,296

5,200 ITC Holdings Corp. 265,772

591,068

ELECTRICAL UTILITY - EAST (1.1%)

7,000 Exelon Corp. 629,720

4,500 FirstEnergy Corp. 370,485

5,200 PPL Corp. 271,804

6,000 Public Service Enterprise Group, Inc. 275,580

1,547,589

ELECTRONICS (1.1%)

14,000 Amphenol Corp. Class A 628,320

7,400 Harris Corp. 373,626

8,700 MEMC Electronic Materials, Inc. * 535,398

1,537,344

ENTERTAINMENT TECHNOLOGY (0.2%)

6,000	Dolby Laboratories, Inc. Class A *	241,800
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Shares

Value

ENVIRONMENTAL (0.9%)

15,000	Republic Services, Inc.	\$ 445,500
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8,600	Stericycle, Inc. *	444,620
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10,500	Waste Connections, Inc. *	335,265
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1,225,385

**FINANCIAL SERVICES - DIVERSIFIED
(2.4%)**

4,000	Affiliated Managers Group, Inc. *	360,240
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3,300	BlackRock, Inc. Class A	584,100
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9,700	Eaton Vance Corp.	385,672
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2,600	Franklin Resources, Inc.	238,290
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11,000	Leucadia National Corp.	516,340
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2,753	Loews Corp.	129,116
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6,000	Principal Financial Group, Inc.	251,820
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8,700	ProAssurance Corp. *	418,557
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6,800	T. Rowe Price Group, Inc.	383,996
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3,268,131

FOOD PROCESSING (1.2%)

2,600 Bunge Ltd. 279,994

13,300 Flowers Foods, Inc. 376,922

7,200 Hormel Foods Corp. 249,192

7,500 McCormick & Company, Inc. 267,450

2,500 Ralcorp Holdings, Inc. * 123,600

5,400 Wm. Wrigley Jr. Co. 420,012

1,717,170

GROCERY (0.2%)

7,700 Ruddick Corp. 264,187

HOTEL/GAMING (0.9%)

6,000 Bally Technologies, Inc. * 202,800

17,200 Penn National Gaming, Inc. * 552,980

4,500 Vail Resorts, Inc. * 192,735

9,000 WMS Industries, Inc. * 267,930

1,216,445

HOUSEHOLD PRODUCTS (0.6%)

6,400	Church & Dwight Company, Inc.	360,640
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3,000	Energizer Holdings, Inc. *	219,270
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8,500	Tupperware Brands Corp.	290,870
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870,780**HUMAN RESOURCES (0.3%)**

7,000	Watson Wyatt Worldwide, Inc. Class A	370,230
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INDUSTRIAL SERVICES (1.9%)

16,000	C.H. Robinson Worldwide, Inc.	877,440
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17,100	Corrections Corp. of America *	469,737
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10,600	EMCOR Group, Inc. *	302,418
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6,500	FTI Consulting, Inc. *	444,990
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10,400	Geo Group, Inc. (The) *	234,000
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9,000	Quanta Services, Inc. *	299,430
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2,628,015**INFORMATION SERVICES (1.2%)**

5,400	Alliance Data Systems Corp. *	305,370
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5,500	Dun & Bradstreet Corp. (The)	482,020
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5,800	FactSet Research Systems, Inc.	326,888
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2

Value Line Asset Allocation Fund, Inc.

Schedule of Investments (unaudited)

Shares		Value
4,600	IHS, Inc. Class A *	\$ 320,160

15,400	Nuance Communications, Inc. *	241,318
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		1,675,756
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INSURANCE - LIFE (0.8%)

6,300	AFLAC, Inc.	395,640
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11,000	Manulife Financial Corp.	381,810
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6,000	MetLife, Inc.	316,620
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		1,094,070
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INSURANCE - PROPERTY & CASUALTY**(1.2%)**

4,500 ACE Ltd. 247,905

3,900 Arch Capital Group Ltd. * 258,648

5,600 Assurant, Inc. 369,376

5,500 Chubb Corp. (The) 269,555

3,000 SAFECO Corp. 201,480

7,000 Sun Life Financial, Inc. 286,650

1,633,614**INTERNET (0.4%)**

500 Google, Inc. Class A * 263,210

7,200 VeriSign, Inc. * 272,160

535,370**MACHINERY (4.6%)**

7,000 Bucyrus International, Inc. Class A 511,140

3,600 Caterpillar, Inc. 265,752

4,000 Cummins, Inc. 262,080

5,900 Curtiss-Wright Corp. 263,966

4,800	Deere & Co.	346,224
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3,500	Flowserve Corp.	478,450
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9,400	Foster Wheeler Ltd. *	687,610
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6,000	Gardner Denver, Inc. *	340,800
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11,250	IDEX Corp.	414,450
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5,000	Kaydon Corp.	257,050
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7,000	Lennox International, Inc.	202,720
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18,400	Manitowoc Company, Inc. (The)	598,552
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8,600	Robbins & Myers, Inc.	428,882
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9,600	Roper Industries, Inc.	632,448
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5,000	Snap-on, Inc.	260,050
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9,200	Terex Corp. *	472,604
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6,422,778

MARITIME (0.5%)

9,400	Kirby Corp. *	451,200
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7,000	Zoltek Companies, Inc. *	169,750
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620,950

MEDICAL SERVICES (0.7%)

1,200		65,868
	Fresenius Medical Care AG & Co. KGaA ADR	

3,500		243,705
	Laboratory Corporation of America Holdings *	

8,000	Pediatrix Medical Group, Inc. *	393,840
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Shares**Value**

7,300	Psychiatric Solutions, Inc. *	\$ 276,232
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979,645**MEDICAL SUPPLIES (4.3%)**

2,000	Alcon, Inc.	325,580
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8,000	Bard (C.R.), Inc.	703,600
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5,300	Baxter International, Inc.	338,882
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5,000	Becton, Dickinson & Co.	406,500
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4,500		287,640
	Charles River Laboratories International, Inc. *	

20,000	DENTSPLY International, Inc.	736,000
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5,700	Henry Schein, Inc. *	293,949
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12,400	Hologic, Inc. *	270,320
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7,000	IDEXX Laboratories, Inc. *	341,180
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6,000	Illumina, Inc. *	522,660
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3,800	Intuitive Surgical, Inc. *	1,023,720
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8,000	Owens & Minor, Inc.	365,520
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4,300	Stryker Corp.	270,384
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5,885,935

METALS & MINING DIVERSIFIED (0.3%)

7,400	Allegheny Technologies, Inc.	438,672
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METALS FABRICATING (0.7%)

8,600	Harsco Corp.	467,926
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6,400	Kennametal, Inc.	208,320
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4,000	Shaw Group, Inc. (The) *	247,160
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923,406

NATURAL GAS - DISTRIBUTION (0.5%)

4,400	AGL Resources, Inc.	152,152
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10,500	Southern Union Co.	283,710
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8,100	UGI Corp.	232,551
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668,413

NATURAL GAS - DIVERSIFIED (2.7%)

2,300	EOG Resources, Inc.	301,760
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6,400	Penn Virginia Corp.	482,688
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20,000	Southwestern Energy Co. *	952,200
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29,582	XTO Energy, Inc.	2,026,663
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3,763,311**OILFIELD SERVICES/EQUIPMENT (1.5%)**

4,000	AZZ, Inc. *	159,600
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5,200	Bristow Group, Inc. *	257,348
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3,500	Exterran Holdings, Inc. *	250,215
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12,000	FMC Technologies, Inc. *	923,160
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7,000	Superior Energy Services, Inc. *	385,980
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3,000	Willbros Group, Inc. *	131,430
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2,107,733

June 30, 2008

Shares		Value
PACKAGING & CONTAINER (0.6%)		
7,000	AptarGroup, Inc.	\$ 293,650
4,600	Greif, Inc. Class A	294,538
6,600	Owens-Illinois, Inc. *	275,154
		863,342
PAPER & FOREST PRODUCTS (0.1%)		
7,000	Votorantim Celulose e Papel S.A. ADR	186,970
PETROLEUM - INTEGRATED (0.2%)		
3,300	Total S.A. ADR	281,391
PETROLEUM - PRODUCING (1.6%)		
8,000	Quicksilver Resources, Inc. *	309,120
17,500	Range Resources Corp.	1,146,950
9,500	Tenaris S.A. ADR	707,750
		2,163,820

PHARMACY SERVICES (1.2%)

7,000	CVS Caremark Corp.	276,990
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12,400	Express Scripts, Inc. *	777,728
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5,400	Longs Drug Stores Corp.	227,394
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7,600	Medco Health Solutions, Inc. *	358,720
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1,640,832**POWER (0.4%)**

10,600	Covanta Holding Corp. *	282,914
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10,000	Reliant Energy, Inc. *	212,700
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495,614**PRECISION INSTRUMENT (1.1%)**

4,300	Mettler Toledo International, Inc. *	407,898
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12,000	Thermo Fisher Scientific, Inc. *	668,760
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3,600	Triumph Group, Inc.	169,560
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4,400	Waters Corp. *	283,800
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1,530,018**R.E.I.T. (0.1%)**

6,600	LaSalle Hotel Properties	165,858
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RAILROAD (1.3%)

3,300	Burlington Northern Santa Fe Corp.	329,637
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6,400	Canadian National Railway Co.	307,712
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5,200	Canadian Pacific Railway Ltd.	343,928
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11,400	Kansas City Southern *	501,486
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5,400	Norfolk Southern Corp.	338,418
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1,821,181

RESTAURANT (0.8%)

2,200	Chipotle Mexican Grill, Inc. Class A *	181,764
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4,800	McDonald's Corp.	269,856
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23,550	Sonic Corp. *	348,540
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9,400	Yum! Brands, Inc.	329,846
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1,130,006

RETAIL - AUTOMOTIVE (0.4%)

2,200	AutoZone, Inc. *	266,222
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Shares

Value

7,000	Copart, Inc. *	\$	299,740
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565,962

RETAIL - SPECIAL LINES (1.1%)

5,000	Aeropostale, Inc. *		156,650
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7,000	Coach, Inc. *		202,160
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10,000	Dick's Sporting Goods, Inc. *		177,400
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12,000	GameStop Corp. Class A *		484,800
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9,000	TJX Companies, Inc. (The)		283,230
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9,000	Urban Outfitters, Inc. *		280,710
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1,584,950

RETAIL BUILDING SUPPLY (0.2%)

5,500	Fastenal Co.		237,380
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RETAIL STORE (0.5%)

4,200	Costco Wholesale Corp.		294,588
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11,000	Nordstrom, Inc.		333,300
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627,888

SECURITIES BROKERAGE (0.5%)

1,700	Goldman Sachs Group, Inc. (The)	297,330
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1,700	IntercontinentalExchange, Inc. *	193,800
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9,450	Raymond James Financial, Inc.	249,385
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		740,515
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SHOE (0.5%)

2,500	Deckers Outdoor Corp. *	348,000
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5,400	NIKE, Inc. Class B	321,894
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		669,894
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STEEL - GENERAL (0.3%)

6,000	Nucor Corp.	448,020
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TELECOMMUNICATION SERVICES (2.1%)

12,000	American Tower Corp. Class A *	507,000
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4,000	BT Group PLC ADR	158,920
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9,000	Crown Castle International Corp. *	348,570
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3,600	Millicom International Cellular S.A. *	372,600
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5,000	Mobile TeleSystems ADR	383,050
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3,000	Telefonica S.A. ADR	238,740
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13,000	TW Telecom, Inc. *	208,390
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16,000	Vimpel-Communications ADR	474,880
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7,200	Vodafone Group PLC ADR	212,112
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2,904,262

TELECOMMUNICATIONS EQUIPMENT

(0.8%)

6,600	Anixter International, Inc. *	392,634
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7,000	CommScope, Inc. *	369,390
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5,900	Comtech Telecommunications Corp. *	289,100
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1,051,124

THRIFT (0.4%)

30,457	Hudson City Bancorp, Inc.	508,023
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TOBACCO (0.2%)

4,300	British American Tobacco PLC ADR	297,775
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Schedule of Investments (unaudited)

Shares		Value
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TOILETRIES & COSMETICS (0.2%)

2,000	Chattem, Inc. *	\$ 130,100
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9,000	Luxottica Group S.p.A. ADR	209,970
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340,070

TRUCKING (0.6%)

8,400	Hunt (J.B.) Transport Services, Inc.	279,552
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9,400	Landstar System, Inc.	519,068
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798,620

WIRELESS NETWORKING (0.5%)

3,000	Itron, Inc. *	295,050
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12,000	SBA Communications Corp. Class A *	432,120
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727,170

TOTAL COMMON STOCKS	100,000,307
(Cost \$71,287,854)	

Principal Amount	Value
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U.S. GOVERNMENT AGENCY OBLIGATIONS (12.6%)

\$ 1,000,000		1,003,232
	Federal Home Loan Bank, 4.25%, 9/12/08	
3,000,000		3,073,941
	Federal Home Loan Bank, 5.00%, 9/18/09	
3,000,000		2,976,522
	Federal Home Loan Bank, 3.25%, 3/25/11	
1,000,000	Federal Home Loan Mortgage Corp., 4.25%, 7/15/09	1,013,657
2,500,000	Federal Home Loan Mortgage Corp., 5.75%, 1/15/12	2,653,570
1,000,000	Federal Home Loan Mortgage Corp., 4.50%, 1/15/13	1,018,251
819,696	Federal Home Loan Mortgage Corp., Gold PC Pool# J03316, 5.00%, 9/1/21	811,636
2,000,000	Federal Home Loan Mortgage Corporation, 5.13%, 7/15/12	2,089,984
1,455,691	Federal National Mortgage Association, 5.00%, 11/1/34	1,402,496
1,446,877	Government National Mortgage Association, 5.50%, 1/15/36	1,442,746
	TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS	17,486,035
	(Cost \$17,116,589)	

Principal Amount	Value
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TOTAL INVESTMENT SECURITIES	
(84.8%)	117,486,342
(Cost \$88,404,443)	

REPURCHASE AGREEMENTS (1) (15.4%)

\$	11,300,000	With Morgan Stanley, 1.50%, dated 6/30/08, due 7/1/08, delivery value \$11,300,471 (collateralized by \$8,245,000 U.S. Treasury Bonds 8.875%, due 8/15/17, with a value of \$ \$11,511,076)	11,300,000
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10,000,000	With State Street Bank & Trust, 1.05%, dated 6/30/08, due 7/1/08, delivery value \$10,000,292 (collateralized by \$10,300,000 U.S. Treasury Bills 2.10%, due 12/11/08, with a value of \$10,202,402)	10,000,000
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TOTAL REPURCHASE

AGREEMENTS	21,300,000
(Cost \$21,300,000)	

EXCESS OF LIABILITIES OVER CASH AND OTHER ASSETS (-0.2%)	(301,727)
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\$ 138,484,615

NET ASSETS (100%)

NET ASSET VALUE OFFERING AND REDEMPTION

PRICE, PER OUTSTANDING SHARE	\$ 20.73
(\$138,484,615 ÷ 6,679,691 shares outstanding)	

* Non-income producing.

(1) The Fund's custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, it is the Fund's policy to mark-to-market the collateral on a daily basis to ensure the adequacy of the collateral. In the event of default of the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

ADR American Depositary Receipt.

Total Cost	Appreciation	Depreciation	Total Net Unrealized Appreciation
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\$109,704,443	\$32,555,419	\$(3,473,520)	\$29,081,899
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The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"), effective April 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 - quoted prices in active markets for identical investments

Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value during the three months ended June 30, 2008 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value techniques: multi-dimensional relational pricing model, option adjusted spread pricing and estimated the price that would have prevailed in a liquid market for an international equity given information available at the time of evaluation.

The following is a summary of the inputs used as of June 30, 2008 in valuing the Fund's investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 - Quoted Prices	\$ 113,829,464	-
Level 2 - Other Significant Observable Inputs	24,956,878	-
Level 3 - Significant Unobservable Inputs	-	-
Total	\$ 138,786,342	-

*Other financial instruments include futures, forwards and swap contracts.

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

	Investments in Securities	Other Financial Instruments
Balance as of 03/31/08	\$ -	\$ -
Accrued discounts/premiums	-	-

Realized gain/loss and change in unrealized appreciation/depreciation	-	- *
Net purchases/sales	-	-
Net transfers in and/or out of Level 3	-	-
Balance, as of 06/30/08	\$ -	\$ -
Net change in unrealized appreciation/depreciation from investments still held as of 06/30/08	\$ -	\$ -

*The realized gain/loss earned during the period ended 06/30/08 for other financial instruments was \$-.

Item 2. Controls and Procedures.

- (a) The registrant’s principal executive officer and principal financial officer have concluded that the registrant’s disclosure controls and procedures (as defined in rule 30a-2(c) under the Act (17 CFR 270.30a-2(c)) based on their evaluation of these controls and procedures as of the date within 90 days of filing date of this report, are approximately designed to ensure that material information relating to the registrant is made known to such officers and are operating effectively.
- (b) The registrant’s principal executive officer and principal financial officer have determined that there have been no significant changes in the registrant’s internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including corrective actions with regard to significant deficiencies and material weaknesses.

Item 3. Exhibits:

- (a) Certifications of principal executive officer and principal financial officer of the registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Mitchell E. Appel
 Mitchell E. Appel, President

Date: August 29, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Mitchell E. Appel
 Mitchell E. Appel, President, Principal Executive Officer

By: /s/ Emily D. Washington
 Emily D. Washington, Treasurer, Principal Financial Officer

Date: August 29, 2008

CERTIFICATIONS

I, Mitchell E. Appel, Chairman and President of the Value Line Asset Allocation Fund, Inc. certify that:

1. I have reviewed this report on Form N-Q of the Value Line Asset Allocation Fund, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report:
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c)) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 29, 2008

/s/ Mitchell E. Appel

Mitchell E. Appel

President

Value Line Asset Allocation Fund, Inc.

CERTIFICATIONS

I, Emily D. Washington, Treasurer of the Value Line Asset Allocation Fund, Inc. certify that:

1. I have reviewed this report on Form N-Q of the Asset Allocation Fund, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report:
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: August 29, 2008

/s/ Emily D. Washington

Emily D. Washington

Treasurer

Value Line Asset Allocation Fund, Inc.