Value Line
Strategic Asset Management Trust

PROSPECTUS
MAY 1, 2010

VALUE LINE

No-Load Mutual Funds

TABLE OF CONTENTS

Trust Summary

How The Trust Is Managed

Who Manages the Trust

About Your Account

Financial Highlights

What is the Trust's investment objective?

The Trust's investment objective is to achieve a high total investment return consistent with reasonable risk.

What are the Trust's fees and expenses?

These tables describe the fees and expenses you pay in connection with an investment in the Trust. It does not take into account any fees or other expenses of any variable annuity or variable life insurance product. If such fees were reflected, expenses would be higher.

Annual Trust Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	**0.50%**
Distribution and/or Service (12b-1) Fees*	**0.40%**
Other Expenses	**0.12%**
Total Annual Trust Operating Expenses	**1.02%**
Less: 12b-1 Fee Waiver*	**–0.15%**
Total Annual Operating Expenses After Fee Waiver*	**0.87%**

* Effective May 1, 2010 through April 30, 2011, EULAV Securities, Inc. (the "Distributor") has contractually agreed to waive a portion of the Trust's 12b-1 fee in an amount equal to 0.15% of the Trust's average daily net assets. There is no assurance that the Distributor will extend the contractual fee waiver beyond April 30, 2011.

Example

This example is intended to help you compare the cost of investing in the Trust with the cost of investing in other mutual funds. The example assumes that you invest $10,000 in the Trust for the time periods indicated and then redeem all of your shares at the end of those periods (your cost would be the same if you did not redeem your shares). The example also assumes that your investment has a 5% return each year and that the Trust's operating expenses remain the same and that the fee waiver is in effect for one year only. This example assumes that (a) the Trust's total operating expenses remain the same and (b) the Distributor's contractual Rule 12b-1 fee waiver is in effect for year one. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Strategic Asset Management Trust	**$ 89**	**$310**	**$549**	**$1,234**

Portfolio turnover

The Trust pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Trust shares are held in a taxable account. These costs, which are not reflected in annual Trust operating expenses or in the example, affect the Trust's performance. During the most recent fiscal year the Trust's portfolio turnover rate was 16% of the average value of its portfolio.

What are the Trust's principal investment strategies?

To achieve the Trust's goal, the Trust invests in a broad range of common stocks, bonds and money market instruments in accordance with EULAV Asset Management, LLC.'s (the "Adviser") asset allocation strategy based primarily on data derived from proprietary computer models for the stock and bond markets which the Adviser has developed. The Trust attempts to achieve its objective by following an asset allocation strategy that enables the Adviser to periodically shift the assets of the Trust among three types of securities: (a) equity securities, (b) debt securities with maturities of more than one year that are principally rated investment grade (i.e., within the four highest categories of a nationally recognized statistical rating organization) and (c) money market instruments (debt securities with maturities of less than one year). On occasion, the Trust may invest in BBB rated debt securities which may have certain speculative characteristics and in debt securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities, including mortgage-backed securities issued by government sponsored enterprises.

In selecting equity securities for purchase or sale, the Adviser relies on the Value Line Timeliness™ Ranking System or the Value Line Performance™ Ranking System (the "Ranking Systems"). The Ranking Systems compare an estimate of the probable market performance of each stock during the next six to twelve months to that of all of the stocks under review and rank stocks on a scale of 1 (highest) to 5 (lowest). The common stocks in which the Trust invests usually are selected from those securities ranked 1, 2 or 3 by either Ranking System at the time of purchase. There are no set limitations of investments in any category or according to a company's size.

What are the Trust's principal risks?

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose part or all of your investment. The risks vary depending upon the Trust's mix of stocks, bonds and money market securities. Therefore, before you invest in the Trust you should carefully evaluate the risks.

The chief risk that you assume when investing in the Trust is that associated with investing in common stocks and market risk, the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance and reduced demand for the issuer's products or services.

You also assume an interest rate risk, the possibility that as interest rates rise the value of some fixed income securities, especially those securities with longer maturities, may decrease. Mortgage-backed securities and other debt securities may be more volatile than U.S. government securities and may be subject to credit, liquidity and prepayment risk.

Because the Trust is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. The Adviser's investment strategies may not be able to produce the desired results.

Certain securities may be difficult or impossible to sell at the time and price that the Trust would like. The Trust may have to lower the price, sell other securities instead or forego an investment opportunity. This could have a negative effect on the Trust's performance.

The U.S. government may not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Certain U.S. government securities purchased by the Trust, are not backed by the full faith and credit of the United States and are neither issued nor guaranteed by the U.S. Treasury. The maximum potential liability of the instrumentalities that issue some U.S. government securities held by the Trust may exceed current resources of such instrumentalities including their legal right to receive support from the U.S. Treasury. Consequently, although such instruments are U.S. government securities, it is possible that these issuers will not have the funds to meet their payment obligations in the future causing the Trust to incur a loss.

An investment in the Trust is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For a more complete discussion of risk, please turn to page 11.

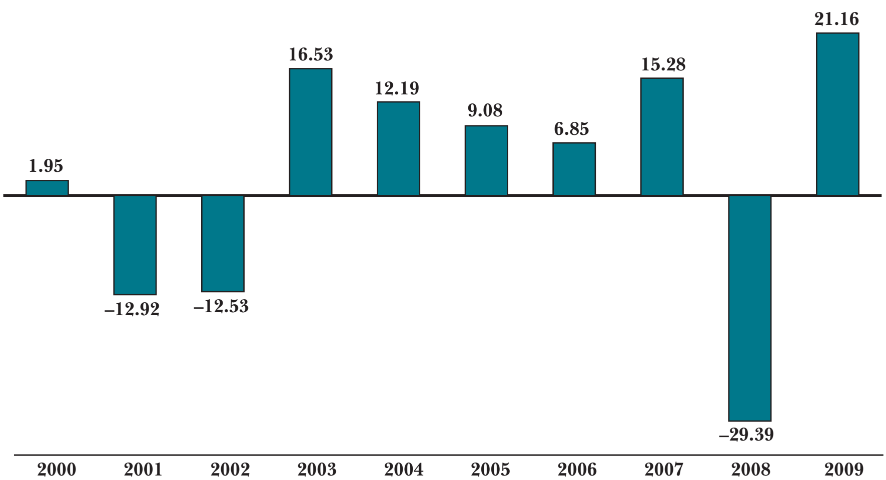
Because the Trust uses the Ranking Systems, there is the risk that securities not covered by the Ranking Systems or lower rated securities will appreciate to a greater extent than those securities in the Trust's portfolio.

The price of Trust shares will increase and decrease according to changes in the value of the Trust's investments. Depending on the Trust's allocation of assets among different types of securities, the Trust's investments may be importantly affected by changes in stock prices, which have historically tended to fluctuate more than bond prices.

How has the Trust performed?

This bar chart and table can help you evaluate the potential risks of investing in the Trust. The bar chart below shows how returns for the Trust's shares have varied over the past ten calendar years, and the table below shows the average annual total returns of these shares for one, five, and ten years. These returns are compared to the performance of the S&P 500® Index which is a broad based market index. The returns are also compared to the performance of the Barclays Capital U.S. Government/Credit Index which measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year. This performance information does not reflect separate account or variable insurance contract fees or charges. If such fees and charges were reflected, the Trust's returns would be less than those shown. All returns reflect reinvested dividends. The Trust's past performance is not necessarily an indication of how it will perform in the future.

Total Returns as of 12/31 each year (%)



Best Quarter:	**Q2 2009**	**+14.52%**
Worst Quarter:	**Q4 2008**	**–17.66%**

Average Annual Total Returns (for the period ended December 31, 2009) (%)

	1 year	5 years	10 years
Value Line Strategic Asset Management Trust	**21.16%**	**2.83%**	**1.56%**
S&P 500® Index*	**26.46%**	**0.42%**	**–0.95%**
Barclays Capital U.S. Government/ Credit Index*	**4.52%**	**4.71%**	**6.34%**

* Reflects no deduction for fees or expenses.

Who manages the Trust?

The Trust's investment adviser is EULAV Asset Management, LLC (the "Adviser" or "EULAV"), a wholly-owned subsidiary of Value Line, Inc. ("Value Line").

Stephen E. Grant is primarily responsible for the day-to-day management of the Trust's equity portfolio. Jeffrey Geffen is primarily responsible for the day-to-day management of the non-equity portion of the Trust's portfolio. Messrs. Grant and Geffen have been portfolio managers with the Adviser or Value Line during the past five years.

Purchase and sale of Trust shares

You may invest in the Trust only by purchasing certain variable annuity and variable insurance contracts ("Contracts") issued by The Guardian Insurance & Annuity Company, Inc. ("GIAC").

There are no minimum investment requirements.

The Trust's shares are redeemable and you may redeem your shares (sell them back to the Trust) through GIAC by writing to GIAC at P.O. Box 26210, Lehigh Valley, Pennsylvania 18002 by first class mail or 3900 Burgess Place, Bethlehem, Pennsylvania 18017 by overnight or express mail.

Tax information

For federal income tax purposes, the Trust's dividends and capital gain distributions are treated as having been received by GIAC, rather than by the owners of the Contracts ("Contractowners"). Generally, owners of variable contracts are not taxed currently on income or gains realized under such contracts until the income or gain is distributed. Contractowners should consult the prospectus for their GIAC variable annuity or variable life insurance policy or their tax adviser for a discussion of the federal tax consequences of owning a Contract, including the tax consequences associated with withdrawals or other payments from such Contracts.

Payments to broker-dealers and other financial intermediaries

If you purchase the Trust through a broker-dealer or other financial intermediary (such as a bank), the Trust and its related companies may pay the intermediary for the sale of Trust shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Trust over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.

Investment objective

The Trust's investment objective is to achieve a high total investment return consistent with reasonable risk. Although the Trust will strive to achieve this goal, there is no assurance that it will succeed.

Principal investment strategies

Because of the nature of the Trust, you should consider an investment in it to be a long-term investment that will best meet its objective when held for a number of years. The following is a description of how the Adviser pursues the Trust's objective.

The Trust attempts to achieve its objective by following an asset allocation strategy that enables the Adviser to periodically shift the assets of the Trust among three types of securities: (a) equity securities, (b) debt securities with maturities of more than one year (principally investment grade) and (c) money market instruments (debt securities with maturities of less than one year). Allocation of the Trust's assets among these types of securities is determined by the Adviser and is primarily based on data derived from proprietary computer models for the stock and bond markets which the Adviser has developed and other factors which the Adviser deems appropriate. There are no limits on the percentage of the Trust's assets that can be invested in equity, debt or money market securities. When the asset allocation model indicates a preference for equity securities, the percentage of the Trust's total assets invested in equity securities will be increased. Similarly, if the expected total return from equity securities is poor, then a greater percentage of the Trust's assets will be invested in debt or money market securities. The Trust is typically weighted towards equity securities over debt and money market securities.

Investment in equity securities. In selecting securities for purchase or sale, the Adviser relies on the Ranking Systems. The Value Line Timeliness Ranking System has evolved after many years of research and has been used in substantially its present form since 1965. It is based upon historical prices and reported earnings, recent earnings and price momentum and the degree to which the last reported earnings deviated from estimated earnings, among other factors.

The Timeliness Rankings are published weekly in the Standard Edition of The Value Line Investment Survey for approximately 1,700 stocks, including those with large, mid and small market capitalizations. There are a relatively small number of foreign issuers that are included, and stocks that have traded for less than two years are not ranked. On a scale of 1 (highest) to 5 (lowest), the Timeliness Rankings compare an estimate of the probable market performance of each stock during the coming six to twelve months to that of all of the approximately 1,700 stocks under review. The Timeliness Rankings are updated weekly.

The Value Line Performance Ranking System for common stocks was introduced in 1995. The Performance Ranking System evaluates the approximately 1,800 stocks in the Small and Mid-Cap Edition of The Value Line Investment Survey, which consists of stocks with smaller market capitalizations (under $1 billion), mid-cap stocks (between $1 billion and $5 billion in market capitalization) and a relatively small number of foreign issuers. It also evaluates many smaller companies that are not included in that publication. The Performance Ranking System relies on factors similar to those found in the Value Line Timeliness Ranking System except that it does not utilize earnings estimates. The Performance Ranking System uses a scale of 1 (highest) to 5 (lowest) to compare an estimate of the probable market performance of each stock during the coming six to twelve months to that of all of the approximately 1,800 stocks under review.

Neither Ranking System eliminates market risk, but the Adviser believes that they provide objective standards for determining expected relative performance for the next six to twelve months. The Trust's investments usually are selected from common stocks ranked 1, 2 or 3 at the time of purchase. Reliance upon the Ranking Systems, whenever feasible, is a fundamental policy of the Trust which may not be changed without shareholder approval. The utilization of the Ranking Systems is no assurance that the Trust will perform similarly to or more favorably than the market in general over any particular period.

Investment in debt securities. The debt securities in which the Trust invests include investment grade debt securities issued by U.S. corporations. Investment grade debt securities are securities rated within one of the four highest categories of a nationally recognized statistical rating organization (that is, rated BBB or higher by Standard & Poor's Rating Group or an equivalent rating by another rating organization), or, if not rated, believed by the Adviser to be of equivalent credit quality. The Trust may also invest in debt securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities.

U.S. Government securities include direct obligations of the U.S. Treasury (such as Treasury bills, Treasury notes and Treasury bonds) or securities issued or guaranteed by U.S. Government agencies or instrumentalities. These obligations, including those which are guaranteed by Federal agencies or instrumentalities, may or may not be backed by the "full faith and credit" of the United States. Agencies and instrumentalities which issue or guarantee securities include: the Federal Farm Credit System and the Federal Home Loan Banks, the Tennessee Valley Authority, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the United States Postal Service, the Government National Mortgage Association, Farmers Home Administration, and the Export-Import Bank.

In selecting debt securities, the Adviser evaluates the credit quality and liquidity of the debt security and its value relative to comparable securities as well as its historic trading level.

Investment in money market instruments. The short-term instruments in which the Trust invests are primarily U.S. government obligations and repurchase agreements.

Non-principal investment strategies

Temporary defensive position

From time to time in response to adverse market, economic, political or other conditions, the Trust may invest without limitation in cash or cash equivalents, debt securities, bonds, or preferred stocks for temporary defensive purposes. This could help the Trust avoid losses, but it may have the effect of reducing the Trust's capital appreciation or income, or both. If this occurs, the Trust may not achieve its investment objective.

There are other non-principal investment strategies discussed in the Statement of Additional Information.

Portfolio turnover

The Trust may engage in active and frequent trading of portfolio securities in order to take advantage of better investment opportunities to achieve its investment objective. This strategy results in higher brokerage commissions and other expenses and may negatively affect the Trust's performance. See "Financial Highlights" for the Trust's most current portfolio turnover rates.

The principal risks of investing in the Trust

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and the risk that you may lose part or all of the money you invest. The risks of investing in the Trust may vary depending on the mix of equity securities, debt securities and money market instruments. Therefore, before you invest in the Trust you should carefully evaluate the risks.

Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity market. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks.

Debt securities represent the contractual obligation of an issuer to make periodic interest payments and to repay the principal upon maturity and are subject to interest rate and credit risks. Interest rate risk is the decline in the market value of debt securities that usually accompanies a rise in interest rates. Credit risk refers to the possibility that a debt security could have its credit downgraded, which may adversely affect the market value of a security, or that the issuer will fail to pay the principal or interest when due. Debt securities are also subject to prepayment risk and call risk.

On occasion, the Trust may invest in BBB rated debt securities which may have certain speculative characteristics. Changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher grade securities. The Trust may continue to hold a debt security if its rating drops.

Mortgage-backed securities and other debt securities may be more volatile than U.S. government securities and may be subject to credit, liquidity and prepayment risk. Prepayments of high interest rate mortgage-backed securities during times of declining interest rates will tend to lower the return of the Trust's investments and could result in losses to the Trust if some securities were acquired at a premium. In addition, during periods of rising interest rates, prepayments of mortgage-backed securities may decline, resulting in the extension of the Trust's average portfolio maturity. As a result, the Trust's portfolio may experience greater volatility during periods of large and sudden changes in interest rates than under normal market conditions.

With respect to U.S. government securities supported only by the credit of the issuing agency or an additional line of credit with the U.S. Treasury, such as Freddie Mac and Fannie Mae securities, there is no guarantee that the U.S. government will provide support to such agencies and such securities may involve greater risk of loss of principal and interest than securities issued or guaranteed by the U.S. government. Although the U.S. government recently provided financial support to Fannie Mae and Freddie Mac, there can be no assurance that it will continue to support these or any other government sponsored enterprises in the future if it is not obligated to so by law.

During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Trust to reinvest in lower yielding securities. This is known as call or prepayment risk. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (the estimated period until the security is paid in full) and reduce the value of the security. This is known as extension risk.

Certain securities may be difficult or impossible to sell at the time and price that the Trust would like. The Trust may have to lower the price, sell other securities instead or forego an investment opportunity. This could have a negative effect on the Trust's performance.

The Trust's use of the Ranking Systems involves the risk that the Ranking Systems may not have the predictive qualities anticipated by the Adviser or that over certain periods of time the price of securities not covered by the Ranking Systems, or lower ranked securities, may appreciate to a greater extent than those securities in the Trust's portfolio. Because the Trust is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully.

Please see the Statement of Additional Information for a further discussion of risks. Information on the Trust's recent portfolio holdings can be found in the Trust's current annual, semi-annual or quarterly reports. A description of the Trust's policies and procedures with respect to the disclosure of the Trust's portfolio securities is also available in the Statement of Additional Information.

The business and affairs of the Trust are managed by the Trust's officers under the oversight of the Trust's Board of Trustees.

Investment Adviser

The Trust's investment adviser is EULAV Asset Management, LLC, a subsidiary of Value Line located at 220 East 42nd Street, New York, NY 10017. EULAV also acts as investment adviser to the other Value Line mutual funds and furnishes investment counseling services to private and institutional clients, with combined assets of approximately $2.3 billion as of March 31, 2010.

Value Line was organized in 1982 and is the successor to substantially all of the operations of Arnold Bernhard & Co., Inc., which with its predecessor has been in business since 1931. On May 5, 2009, the Distributor, a subsidiary of Value Line, changed its name from "Value Line Securities, Inc." to "EULAV Securities, Inc." No other changes were made to the Distributor's organization, including its operations and personnel. Another subsidiary of Value Line publishes The Value Line Investment Survey and other publications.

On November 4, 2009, the Securities and Exchange Commission ("SEC"), Value Line, the Distributor and two former directors and officers of Value Line settled a matter related to brokerage commissions charged by the Distributor to certain Value Line mutual funds ("Funds"), from 1986 through November of 2004 involving alleged misleading disclosures provided by Value Line to the Boards of Directors/Trustees and shareholders of the Funds regarding such brokerage commissions. Value Line paid disgorgement, interest and penalty of $43.7 million in connection with the settlement, which amounts are expected to constitute a "Fair Fund" to be distributed to investors in the Funds who were disadvantaged by such brokerage practices. Value Line will bear all costs associated with any Fair Fund distribution, including retaining a third-party consultant approved by the SEC staff to administer any Fair Fund distribution. Value Line has informed the Funds' Board that it continues to have adequate liquid assets, and that the resolution of this matter will not have a materially adverse effect on the ability of Adviser or the Distributor to perform their respective contracts with the Funds.

Management fees

For managing the Trust and its investments, the Adviser is paid a fee at an annual rate of 0.50% of the Trust's average daily net assets.

A discussion regarding the basis for the Trust's Board of Trustees approval of the investment advisory agreement is available in the Trust's most recent semi-annual report to the shareholders for the six month period ended June 30.

Portfolio management

Stephen E. Grant is primarily responsible for the day-to-day management of the Trust's equity portfolio. Jeffrey Geffen is primarily responsible for the day-to-day management of the non-equity portion of the Trust's portfolio. Messrs. Grant and Geffen have been portfolio managers with the Adviser or Value Line during the past five years. There is additional information in the Statement of Additional Information about the portfolio managers' compensation, other accounts they manage and their ownership of Trust shares.

How to buy and sell shares

You may invest in the Trust only by purchasing certain variable annuity and variable insurance contracts ("Contracts") issued by GIAC. The Trust continuously offers its shares to GIAC's separate accounts at the net asset value per share next determined after a proper purchase request has been received by GIAC. GIAC then offers to owners of the Contracts ("Contractowners") units in its separate accounts which directly correspond to shares in the Trust. GIAC submits purchase and redemption orders to the Trust based on allocation instructions for premium payments, transfer instructions and surrender or partial withdrawal requests which are furnished to GIAC by such Contractowners. Contractowners can send such instructions and requests to GIAC at P.O. Box 26210, Lehigh Valley, Pennsylvania 18002 by first class mail or 3900 Burgess Place, Bethlehem, Pennsylvania 18017 by overnight or express mail. The Trust redeems shares from GIAC's separate accounts at the net asset value per share next determined after receipt of a redemption order from GIAC.

The accompanying prospectus for a GIAC variable annuity or variable life insurance policy describes the allocation, transfer and withdrawal provisions of such Contract.

■ Distribution plan

In accordance with Rule 12b-1 under the Investment Company Act of 1940, the Trust has adopted a Service and Distribution Plan (the "Plan"). Under the Plan, the Trust may pay the Distributor a fee at an annual rate of 0.40% of the Trust's average daily net assets. The fee is paid to finance activities of the Distributor, principally intended to result in the sale of shares of the Trust. These activities include, among other things: providing incentives and compensation to GIAC to make the Trust available to the owners of Contracts and to provide personal services to those owners who fund their Contracts with shares of the Trust; providing administrative support services to the Trust in connection with the distribution of the Trust's shares for use in funding Contracts; paying costs incurred in conjunction with marketing Trust shares, such as the expense incurred by GIAC, the Distributor, or affiliates of the Distributor of preparing, printing and distributing disclosure documents and promotional materials in connection with the funding of Contracts with Trust shares; holding seminars and sales meetings designed to promote the distribution of Contracts funded with Trust shares, to the extent permitted by applicable laws, rules or regulations; and training sales personnel of GIAC regarding the Trust. The fees payable to the Distributor under the Plan are payable without regard to actual expenses incurred, which means that the Distributor may earn a profit under the Plan. The Distributor has contractually agreed to waive a portion of the Trust's Rule

12b-1 fee in an amount equal to 0.15% of the Trust's average daily net assets through April 30, 2011. There can be no assurance that the Distributor will extend the contractual fee waiver beyond such date. Because Rule 12b-1 fees are paid out of the Trust's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than if you paid other types of sales charges.

From time to time, the Adviser or the Distributor, directly or through an affiliate, may use its own resources to pay promotional and administrative expenses in connection with the offer and sale of Trust shares, or to make payments to third parties that provide assistance in selling Trust shares or that provide support services to owners who fund their Contracts with shares of the Trust. These amounts would be in addition to amounts paid by the Trust.

■ Net asset value

The Trust's net asset value ("NAV") per share is determined as of the close of regular trading on the New York Stock Exchange (the "Exchange") each day the Exchange is open for business. The Exchange is currently closed on weekends, New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and on the preceding Friday or subsequent Monday if any of those days falls on a Saturday or Sunday, respectively. NAV is calculated by adding the market value of all the securities and assets in the Trust's portfolio, deducting all liabilities, and dividing the resulting number by the number of shares outstanding. The result is the NAV per share. Securities for which market prices or quotations are readily available are priced at their market value. Securities for which market valuations are not readily available are priced at their fair value by the Adviser pursuant to policies and procedures adopted by the Board of Trustees. The Trust will use the fair value of a security when the closing market price on the primary exchange where the security is traded no longer accurately reflects the value of a security due to factors affecting one or more relevant securities markets or the specific issuer. The use of fair value pricing by the Trust may cause the NAV to differ from the NAV that would be calculated using closing market prices. There can be no assurance that the Trust could obtain the fair value assigned to a security if it sold the security at approximately the time at which the Trust determined its NAV. Investments which have a maturity of less than 60 days are priced at amortized cost which represents fair value. The amortized cost method of valuation involves valuing a security at its cost and accruing any discount or premium over the period until maturity, regardless of the impact of fluctuating interest rates on the market value of the security.

Frequent purchases and redemptions of Trust shares

Frequent purchases and redemptions of the Trust's shares entail risks, including the dilution in value of the Trust shares held by long-term shareholders, interference with the efficient management of the Trust's portfolio, and increased brokerage and administrative costs. Because the Trust does not accommodate frequent purchases and redemptions of Trust shares, the Trust's Board of Trustees has adopted policies and procedures to prohibit investors from engaging in late trading and to discourage excessive and short-term trading practices that may disrupt portfolio management strategies and harm Trust performance.

Although there is no generally applied standard in the marketplace as to what level of trading activity is excessive, the Trust may consider trading in its shares to be excessive if an investor:

- sells shares within 30 days after the shares were purchased; or
- enters into a series of transactions that is indicative of a timing pattern strategy.

In order to seek to detect frequent purchases and redemptions of Trust shares, the Distributor monitors selected trades. If the Distributor determines that an investor or a client of a broker has engaged in excessive short-term trading that may be harmful to the Trust, the Distributor will ask the investor or broker to cease such activity and may refuse to process purchase orders (including purchases by exchange) of such investor, broker or accounts that the Distributor believes are under their control.

While the Distributor uses its reasonable efforts to detect excessive trading activity, there can be no assurance that its efforts will be successful or that market timers will not employ tactics designed to evade detection. Neither the Distributor, the Adviser, the Trust nor any of the Trust's service providers may enter into arrangements intended to facilitate frequent purchases and redemptions of Trust shares. Frequently, shares are held through omnibus accounts maintained by financial intermediaries such as brokers and retirement plan administrators, where the holdings of multiple shareholders, such as all the clients of a particular broker, are aggregated. The ability to monitor trading practices by investors purchasing shares through omnibus accounts, including insurance company separate accounts, is dependent upon the cooperation of the financial intermediary in observing the Trust's policies. Consequently, it may be more difficult for the Trust to detect market timing activity, through such accounts.

However, the Trust, through its agent, has entered into an information sharing agreement with each financial intermediary, which provides, among other things, that the financial intermediary shall provide, promptly upon the Trust's request, certain identifying and transaction information regarding all Contractowners. Should the Trust detect market timing activity, it may terminate the account or prohibit future purchases or exchanges by a Contractowner. Because omnibus accounts, such as your insurance company separate account, apply their own market timing policies with respect to their Contractowners, you will be subject to the policies on frequent trading and the restrictions set forth in your Contract. As a result, there is a risk that different Contractowners may be treated differently and some level of market timing activity could occur.

Dividends, distributions and taxes

The Trust intends to pay dividends of all or substantially all of its net investment income and to distribute all or substantially all of its realized capital gains annually in order to comply with Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), as discussed further below. All dividends and capital gains distributions will be automatically reinvested, at net asset value, by GIAC's separate accounts in additional shares of the Trust.

For federal income tax purposes, dividends and capital gain distributions from the Trust are treated as received by GIAC rather than by Contractowners. Under the Code, generally dividends and net short-term capital gain distributions from the Trust are treated as ordinary income and distributions of net long-term capital gains are treated as long-term capital gain. The insurance company should consult its own tax advisers regarding the tax treatment of dividends and capital gain distributions it receives from the Trust. Generally, owners of variable contracts are not taxed currently on income or gains realized under such contracts until the income or gain is distributed. Contractowners should read the prospectus for GIAC's variable annuities and variable life insurance policies for a discussion of the federal income tax consequences of owning a Contract, including the tax consequences associated with withdrawals or other payments from such Contracts to Contractowners.

The Trust has elected to be treated, has qualified, and intends to continue to qualify each year as a regulated investment company under Subchapter M of the Code. As such, the Trust must satisfy federal tax requirements relating to the sources of its income, diversification of its assets and distribution of its assets to shareholders. As long as the Trust meets such requirements, it will not be subject to U.S. federal income tax on any net investment income and net capital gains that it distributes.

In addition, the Trust also intends to comply with certain diversification requirements imposed by the Code on separate accounts of insurance companies relating to the tax-deferred status of variable contracts. More specific information on these diversification requirements is contained in the Trust's Statement of Additional Information.

Tax laws are subject to change, so we urge you to consult your tax adviser about your particular tax situation and how it might be affected by current tax law.

The financial highlights table is intended to help you understand the Trust's financial performance for the past five years. Certain information reflects financial results for a single Trust share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the Trust assuming reinvestment of all dividends and distributions. This information has been derived from the Trust's financial statements which were audited by PricewaterhouseCoopers, LLP, whose report, along with the Trust's financial statements, is included in the Trust's annual report, which is available upon request by calling 800-221-3253.

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each year:

	Years Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of year	$ 14.36	$ 23.67	$ 23.16	$ 22.22	$ 20.46
Income (loss) from investment operations:					
Net investment loss	0.14	0.20	0.28	0.24	0.20
Net gains or (losses) on securities (both realized and unrealized)	2.67	(6.44)	3.22	1.23	1.65
Total from investment operations	2.81	(6.24)	3.50	1.47	1.85
Less distributions:					
Dividends from net investment income	(0.17)	(0.30)	(0.24)	(0.21)	(0.09)
Distributions from net realized gains	(1.28)	(2.77)	(2.75)	(0.32)	—
Total Distributions	(1.45)	(3.07)	(2.99)	(0.53)	(0.09)
Net asset value, end of year	$ 15.72	$ 14.36	$ 23.67	$ 23.16	$ 22.22
Total return*	21.16%	(29.39)%	15.28%	6.85%	9.08%
Ratios/Supplemental Data:					
Net assets, end of year (in thousands)	$362,955	$355,887	$605,133	$628,674	$711,012
Ratio of expenses to average net assets(1)	1.02%	1.00%	0.95%	0.97%	0.95%
Ratio of expenses to average net assets(2)	0.87%	0.84%	0.78%	0.88%	0.95%
Ratio of net investment loss to average net Assets	0.81%	0.82%	1.06%	0.87%	0.84%
Portfolio turnover rate	16%	24%	26%	26%	33%

* Total returns do not reflect the effects of charges deducted under the terms of the Guardian Insurance and Annuity Company, Inc.'s (GIAC) variable contracts. Including such charges would reduce the total return for all years shown.

(1) Ratio reflects expenses grossed up for custody credit arrangement and grossed up for the waiver of a portion of the service and distribution plan fees by the Distributor. The ratio of expenses to average net assets net of custody credits, but exclusive of the waiver of a portion of the service and distribution plan fees by the Distributor, would have been 0.99% for the year ended December 31, 2008 and would not have changed for the other years shown.

(2) Ratio reflects expenses net of the custody credit arrangement and net of the waiver of a portion of the service and distribution plan fees by the Distributor.

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For more information

Additional information about the Trust's investments is available in the Trust's annual and semi-annual reports to shareholders. In the Trust's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Trust's performance during its last fiscal year. You can find more detailed information about the Trust in the current Statement of Additional Information dated May 1, 2010, which has been filed electronically with the SEC and which is legally a part of this prospectus. The Trust's Statement of Additional Information, annual and semi-annual shareholder reports are not available on the Trust's website because the Trust's shares are not available for sale directly to investors. Investors may invest in the Trust only by purchasing certain variable annuity and variable insurance contracts issued by The Guardian Insurance & Annuity Company, Inc. ("GIAC").

The Trust's annual and semi-annual shareholder reports are available from GIAC's website at: http://www.guardianinvestor.com/public/products/prospectus.aspx. Additionally, free copies of the Trust's Statement of Additional Information or its annual or semi-annual shareholder reports are available by contacting GIAC at 7 Hanover Square, New York, NY 10004 or calling toll-free 800-221-3253.

Reports and other information about the Trust are available on the EDGAR Database on the SEC Internet site (http://www.sec.gov), or you can get copies of this information, after payment of a duplicating fee, by electronic request at the following e-Mail address: publicinfo@SEC.gov, or by writing to the Public Reference Section of the SEC, Washington, D.C. 20549-1520. Information about the Trust, including its Statement of Additional Information, can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. You can get information on operation of the public reference room by calling the SEC at 1-202-551-8090.

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