



Mitchell Appel
President
Value Line Funds

Dear Fellow Shareholder,

Thank you for choosing Value Line Funds as a part of your diversified investment portfolio. For over half a century, Value Line Funds has championed sound investment principles and helped thousands of investors accomplish their financial goals with our actively managed family of mutual funds.

We hope you enjoy this edition of the **VLFAlert** and thank you for your continued support.

In Unprecedented Times, Precedented Strategies May Be Key to Your Investment Portfolio

“Unprecedented” surely must be among the most apt words to describe the year just ended. A global pandemic that drove a work-at-home, school-at-home, stay-at-home lifestyle. Shortened sports seasons without fans in the arenas. No Summer Olympics. Broadway shut down. Religious services, life milestones and family gatherings held on Zoom. U.S. unemployment at a 50-year low of 3.5% in February 2020 and then at an 80-year high of 14.7% just two months later. Every academic, business, creative and personal endeavor has been affected in previously unimagined ways.

As we say goodbye to 2020, finally, and begin a new year with hope, there remain unknowns. Will we have a divided U.S. government? Will there be a safe and effective vaccine accessible to everyone? Will the economy bounce back not just for the few but for most? Will we be able to gather with friends and family again? Amid this scenario of persistent uncertainty, when it comes to your investment portfolio, **“precedented”** may be the key.

Regardless of the scenario that unfolds in the new year, staying true to a disciplined strategy, a steady investment process and a management team with a strong track record and a long-term perspective may well be the best course for investors of any age, but especially for those nearing or in retirement, to take. For seven decades now, Value Line Funds have offered just that.

A Reliance on Solid Fundamentals. Fundamental analysis, which evaluates the health and the performance of any company by observing the crucial numbers and major economic indicators, is a bedrock of actively-managed investing. That’s why each of the Value Line Funds follows its disciplined investment process while additionally allowing its veteran portfolio managers to exercise their keen judgment within the scope of the investment objectives. Among the goals of fundamental analysis are to forecast the likely future price movements of a particular stock, to help determine a company’s fair value and whether its stock’s then-current market price is above or below that value, to evaluate the company’s management execution skills, to analyze the competitive stance of the company and to determine the company’s financial strength.

Emphasizes Mitchell Appel, President of the Value Line Funds and Chief Executive Officer of EULAV Asset Management, the Funds’ investment adviser, “With a deep understanding of the company, our portfolio managers can take a longer-term view. More patience is gained, and our portfolio managers

are less likely to sell securities during periods of short-term disappointments or temporary distortions of what we believe are likely to be deeper-rooted trends. We use fundamental analysis across our equity, fixed income and hybrid funds.”

A Time-Tested Disciplined Approach. Through 70 years of bulls and bears, Value Line Funds’ portfolio managers have supplemented their active, fundamental analysis with the proprietary ranking systems for which Value Line is so highly regarded. “Since our founding, we’ve sought to cut through the emotional biases that can often cloud investment decisions,” stated Mr. Appel. “In doing so, among the cutting-edge tools we use to complement our investment decisions is the proprietary Value Line research and Ranking Systems for Timeliness™ and Safety™.”

“The Value Line Funds have a long-standing relationship with Value Line’s historic research process, enabling our portfolio managers to utilize the widely-acclaimed Value Line Ranking System as an additional piece of their toolbox in the portfolio stock selection and asset allocation process. It’s a combination approach that has stood the test of time.”

A Distinguished Team of Portfolio Managers. Perhaps most importantly, along with its reliance on solid fundamentals and its deep affinity for sophisticated analytics, EULAV Asset Management recognizes that mutual fund investment

management is a craft practiced by expertly trained and seasoned professionals. Each of the Value Line Funds portfolio managers, each with 25 to 35 years of investment management experience, use their first-hand experience and judgment to supplement the sophisticated decision models used—expertise that can only be gained from navigating both up and down market cycles.

Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past nearly 30 years, Mr. Grant's quantitative/behavioral methodology has driven the success of several equity and hybrid funds. "What's interesting with the Value Line funds I lead is that our process has changed very little over the past 30 years or so. We use the same basic methodology today as when I started, owning stocks with strong technical patterns and running the portfolios for growth with low turnover. With that said, it takes more history with any given stock today to convince us to own it; today's market dictates higher levels of scrutiny and more historical data to determine tomorrow's winners."

Adds Mr. Appel, "We maintain a long-term perspective. Coming off the year we just did and knowing the future remains unclear, perhaps 'precedented' is the most compelling reason of all to consider the Value Line Funds. Value Line Funds have grown into a well-regarded and highly-recognized fund family that includes a wide range of solutions designed to meet virtually any investment goal. To learn more about Steve Grant and our other equity and fixed income portfolio managers, please visit www.vlfunds.com/about/team. And to check out our long-standing track record, I encourage all of our shareholders and those thinking about investing in the Value Line Funds to visit our website at www.vlfunds.com for the latest information available. As we always say, past performance is no guarantee of future results. But we do believe the time-honored approach Value Line Funds offers is an important asset for investors, especially in these challenging and unprecedented times."

Wishing You a Healthy and Safe 2021

Value Line Funds have been serving investors' needs since 1950, through all kinds of market conditions and all combinations of political administrations, through good times and hard times. Know that our long-term commitment to our Fund shareholders remains unchanged.

We thank you for trusting us to be a part of your investment strategy. At this extra-special time of year, we take this moment to express our gratitude to you, our shareholders, for your confidence. And as we move into the new year, we look forward to serving your investment needs just as we have been helping to secure generations' financial futures for 70 years now—based on solid fundamentals, sound investment principles and the power of disciplined and rigorous analytics. Precedented.

We send our best wishes to you and your families for a healthy, safe and prosperous 2021!

Check out our News & Commentary at vlfunds.com for the latest on the Value Line Funds.

For more mutual fund information, call today: 800.243.2729 or visit our website at www.vlfunds.com

Past performance is no guarantee of future results. 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, which can be obtained from your investment representative or by calling 800.243.2729. Please read it carefully before you invest or send money.

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