



Overall Morningstar Rating



Among 307 70-85% Equity Allocation Funds
(as of 3/31/21)

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.

Fund Facts

Symbol

Investor VALIX
Institutional VLIIX

Inception Date

Investor 10/1/52
Institutional 11/1/15

Total Assets

\$748M
(as of 3/31/21)

Top 10 Holdings

(as of 3/31/21)

Company	Weight (%)
Exelixis Inc	4.54
Amazon.com Inc	3.07
Facebook Inc A	2.80
Vertex Pharmaceuticals Inc	2.73
Bank of America Corp	2.64
Visa Inc Class A	2.64
Exact Sciences Corp	2.43
Apple Inc	2.37
Alphabet Inc A	2.32
JPMorgan Chase & Co	2.20

Portfolio Manager Q&A

Value Line Capital Appreciation Fund (VALIX/VLIIX)

Q1: Would you please comment on the Fund's performance relative to the Morningstar 70-85% Equity Allocation Funds category average in the first quarter of 2021 as well as longer term periods?

The Fund returned 2.48% in the first quarter of 2021 but underperformed the Morningstar category average return of 5.17%. The Fund's overweight allocation to equities and underweight allocation to fixed income was a strong driver of positive returns during the quarter, as equities largely outperformed fixed income assets. Within the equity portfolio, the Fund's underweight allocation to the Consumer Staples sector and security selection within the Energy sector was a positive contributor to returns. However, the sharp increase in the 10-year Treasury yield during the quarter negatively impacted the valuations of our higher-growth holdings within the Information Technology and the Health Care sectors.

Please visit the Fund's [performance page](#) for complete performance information.

Despite the Fund's relative underperformance versus our peers this quarter, we believe it is important to keep our long-term performance in mind. We are pleased the Fund outperformed its Morningstar peer group over longer-term periods, **ranking in the top 7% within the category for the 1, 3, 5, 10 and 15-year periods** as of March 31, 2020. Additionally, **the Fund is only fund in the category to outperform the S&P 500 Index over the 1, 3 and 5-year periods** ended March 31, 2021.

"The Fund is the only fund in the Morningstar 70-85% Equity Allocation Funds category to outperform the S&P 500 Index over the 1, 3 and 5-year periods."

	1 Year	3 Year	5 Year	10 Year	15 Year
Percentile Rank in Morningstar Cat. - VALIX	7	1	1	2	1
# of Funds in Category	322	307	276	185	137

Source: Morningstar as of 3/31/21

Q2: What is the Fund's current allocation between equity and fixed income, and how does this compare to one year ago?

As of March 31, 2021, the Fund's equity allocation was 84% of assets and 12% in fixed income and approximately 4% in cash reserves. At the end of Q1 2020, the Fund's allocations were 80% in equities, 15% in fixed income, and essentially the same level of reserves.

Value Line Funds

443.279.2015

www.vlfunds.com

Q3: How do the sales and earnings growth rates of the Fund's stocks compare with the S&P 500 Index?

Within the equity portfolio, we own fast-growing companies that we believe are well positioned for future sales and earnings growth, which we view as the key drivers of stock prices over the longer term. As of March

31, 2021, the Fund's 3-year projected average annual sales growth rate was 23%, over twice the estimated sales growth rate of the S&P 500 of 10%. The Fund's 3- to 5-year estimated forward earnings growth rate was 22%, significantly higher than the 15% rate projected for the S&P 500.

Portfolio Managers



Cindy Starke

Co-Portfolio Manager

Cindy Starke joined Value Line Funds as a portfolio manager in 2014 and has over 25 years of mid and large-cap growth investment experience. Ms. Starke received a BS and an MBA from Fordham University.



Liane Rosenberg

Co-Portfolio Manager

Liane Rosenberg has been with Value Line Funds since 2009. She has over 25 years of experience in fixed income portfolio management. Ms. Rosenberg received a BA from State University of New York at Albany and an MBA from Fordham University.

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 www.vlfunds.com or by calling 800.243.2729. You should carefully consider investment objectives, risks, charges and expenses of Value Line Mutual Funds before investing. This and other information can be found in the fund's prospectus and summary prospectus, which can be obtained free of charge from your investment representative, by calling 800.243.2729, or by clicking on the applicable fund at www.vlfunds.com. Please read it carefully before you invest or send money. The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses. Investment results and the principal value of an investment will vary.

The Morningstar Rating™ for funds, or "star rating" is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 5 stars for the 3-, 5- and 10-year periods ended 3/31/21 among 307, 276 and 185 70-85% Equity Allocation funds, respectively.

There are risks associated with investing in small and mid cap stocks, which tend to be more volatile and less liquid than stocks of large companies, including the risk of price fluctuations.

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