



Overall  Rating



Among 176 85%+ Equity Allocation Funds
(as of 9/30/22)

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

\$401M
(as of 9/30/22)

Top 10 Holdings

(as of 9/30/22)

Company	Weight (%)
Meta Platforms Inc Class A	2.68
Diamondback Energy Inc	2.68
Alphabet Inc A	2.46
Pioneer Natural Resources Co	2.41
Amazon.com Inc	2.40
Apple Inc	2.25
Bank of America Corp	2.24
Qualcomm Inc	2.15
Visa Inc Class A	2.06
Uber Technologies Inc	2.06

Portfolio Manager Q&A

Value Line Capital Appreciation Fund (VALIX/VLIIX)

Q1: Would you please comment on the stock market in the third quarter of 2022, and how the Fund performed in this period?

In the third quarter, the stock market experienced continued volatility due to several factors including persistent high inflation, interest rate increases by the Federal Reserve, and the ongoing Russian invasion of Ukraine. The broad market, represented by the S&P 500 Index, declined 4.88% for the three months ended September 30, 2022, amid this volatility.

The Fund declined 2.83% while the Morningstar 85%+ Equity Allocation Funds category average declined 5.65% for the quarter ended September 30, 2022. While we are never satisfied with negative performance, the Fund outperformed on a relative basis against both the broad market and its Morningstar category peers in the third quarter.

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

Q2: What factors drove the Fund's performance in the third quarter relative to the S&P 500 Index?

The Fund's outperformance relative to the S&P 500 Index was primarily due to our equity portfolio and cash. As of September 30, 2022, the Fund was allocated to 78% in equities, 13% in fixed income and 9% in cash. Within the equity portfolio, performance was driven by the Fund's sector weightings and stock selection. The Fund's two largest-contributing positive sectors were Health Care and Financials.

The Fund's Health Care positions gained 2%, while the S&P 500's Health Care sector lost 5%. Two companies that were strong contributors to the Fund's performance this quarter were Global Blood Therapeutics, a biopharmaceutical company providing treatments for patients including sickle cell disease, and DexCom Inc. (DXCM), which designs glucose monitoring systems for diabetics.

In the Financials sector, the Fund had an overweight allocation of 13% compared to the Index's 11% weighting. The Fund's Financials positions gained 1% while the Index's Financials sector lost 3%. Two of the Fund's strongest contributing companies in this sector were Coinbase Global Inc. (COIN), a cryptocurrency exchange, and Robinhood Markets Inc. (HOOD), a financial services platform designer.

Value Line Funds

443.279.2015
www.vlfunds.com

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Q3: In the Fund's equity portfolio, how do future sales and earnings growth rates and forward valuation compare with the S&P 500 Index?

As of September 30, 2022, the Fund's equity portfolio had a 3-year projected average annual sales growth rate that was significantly higher than that of the S&P 500 Index, and its 3- to 5-year estimated forward earnings

growth rate was almost double the S&P 500. Despite the higher projected longer-term sales and earnings growth rates versus the Index, the Fund's equity portfolio has a discounted price/earnings ratio over the next 12 months relative to the Index. Accordingly, at the end of the quarter, we believe the Fund's growth-oriented equity portfolio is well positioned for future appreciation and is attractively valued.

	VALIX/VLIIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	14%	9%
3-5-Year Estimated Forward Earnings Growth Rate	23%	12%
Next 12 Months Price/Earnings Ratio ("P/E")	14x	15x
Next 12 Months P/E / 3-5-Yr Earnings Growth Rate ("PEG")	0.6x	1.3x

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 2 stars for the 3- and 5-year periods and 3 stars for the 10-year period ended 9/30/22 among 176, 165 and 118 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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