



Overall **MORNINGSTAR** Rating



(Investor)

Among 690 50-70% Equity Allocation Funds (as of 3/31/19)

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.

Portfolio Managers



Stephen E. Grant

- Over 25 years of experience
- Fund manager since 1993
- MBA - Wharton
- BA - Stanford University



Jeffrey D. Geffen

- Over 25 years of experience
- Fund manager since 2001
- MBA - Adelphi University
- MA - Columbia University



Liane Rosenberg

- Over 20 years of experience
- Fund manager since 2009
- MBA - Fordham University
- BA - State University of New York at Albany

Fund Facts

Symbol

Investor VLAAX
Institutional VLAIX

Inception Date

Investor 8/24/93
Institutional 11/1/15

Total Assets

\$543M
(as of 3/31/19)

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX/VLAIX)

Q1: Would you please comment on the Fund's outperformance over the Morningstar 50-70% Equity Allocation Funds category average in the first quarter of 2019?

We are pleased that the Fund outperformed its Morningstar peers by nearly 350 basis points for the quarter ended March 31, 2019. The Fund rose 12.37% for this period, while the category average return was 8.89%. In addition, the Fund outperformed its benchmark 60/40 S&P 500/Bloomberg Barclays US Aggregate Bond Index by over 300 basis points for the same time period.

More importantly, the Fund has produced a long-term track record of exceptional performance, ranking in the top decile (10% or better) in its Morningstar category for the 1, 3, 5, 10 and 15 year periods ended March 31, 2019. We are pleased that the Fund is 1 of only 3 funds out of 192 in the Morningstar category to produce such an impressive record over those multiple time periods.

Q2: What drives the Fund's performance over time?

For the equity portion of the portfolio, we select stocks that have a track record of consistent growth in stock price and earnings over 10 years or more. We believe this approach has led to the steady, positive long-term performance. In addition, Value Line Funds' growth style sets us apart from our peers. In our Morningstar peer group, less than 20% of the funds employ a growth style—the majority have a value style or use a blend of value and growth.

Q3: What differentiates the Fund from its balanced fund peers?

In addition to our approach of looking for consistent growth, there are two key differences.

- 1) Flexibility.** Unlike a typical balanced fund with a static allocation of 60% equities and 40% fixed income, we dynamically adjust the Fund's allocation based on relative opportunity. As of March 31, 2019, the Fund held 64% in stocks with 10+ years of consistent growth in both stock price and earnings, and 36% in high-quality fixed income and cash.
- 2) Focus on Smaller Companies.** Based on market capitalization, the Fund has an emphasis on smaller companies compared to the Morningstar 50-70% Equity Allocation category average. Many funds in the category tend to hold a majority in giant-cap companies.

Market Cap Allocation	Giant	Large	Mid	Small
Asset Allocation Fund	18.07%	41.08%	40.02%	0.83%
Morningstar 50-70% Equity Allocation Category	57.30	23.57	15.25	3.59

Source: Morningstar as of 3/31/19

Q4: In what types of companies are you currently finding opportunities for the Fund?

We select individual stocks based on their historical track record of consistent growth in both earnings and stock price. As a result, we have a heavier weighting in the Industrials sector. As of March 31, 2019, we held 17% in the Industrials sector, compared to the Morningstar category average weighting of just 6%.

We also own companies with more predictable results in many sectors that meet our criteria. Specifically, over the quarter, we purchased several new companies, including Financial Services company Aon PLC (AON), a global insurance and human resource provider, and Information Technology software company ServiceNow Inc. (NOW).

Value Line Asset Allocation Fund Performance (as of 3/31/19)

	Average Annual Returns				
	1 Year	3 Year	5 Year	10 Year	15 Year
Investor - VLAAX	13.17	11.14	8.34	12.53	7.84
Institutional - VLAIX¹	13.49	11.42	8.52	12.63	7.90
60/40 S&P 500/BbgBarc US Agg. Bond Index	7.78	8.95	7.75	11.14	6.93
Morningstar 50-70% Equity Allocation Cat. Avg.	3.90	7.44	5.12	9.98	6.00
Percentile Rank in Morningstar Cat. - VLAAX	1	3	3	5	7
# of Funds in Category	758	690	601	439	284
Morningstar Return		High	High	High	
VLAAX Gross/Net Expense Ratio: 1.12%, VLAIX Gross/Net Expense Ratio*: 0.94% / 0.87%					

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns. Morningstar Ratings and Rankings based on Investor class shares.

¹Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The inception date of VLAIX is November 1, 2015.

As of 3/31/19, the Funds top 10 holdings were as follows: Teledyne Technologies, Inc. 1.68%, Heico Corp. 1.63%, Mastercard, Inc. A 1.55%, IDEXX Laboratories, Inc. 1.51%, Waste Connections, Inc. 1.50%, Thermo Fisher Scientific, Inc. 1.43%, Roper Technologies, Inc. 1.43%, Danaher Corp. 1.41%, Mettler-Toledo Int'l, Inc. 1.40%, Accenture PLC Class A 1.34%.

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 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.

*EULAV Asset Management (the "Adviser") and EULAV Securities LLC, the Fund's principal underwriter (the "Distributor"), have agreed to waive certain class-specific fees and/or pay certain class-specific expenses incurred by the Institutional Class so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and any extraordinary expenses incurred in different amounts by the classes) (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from assets attributable to the Institutional Class the reimbursed expenses and/or waived fees (the recoupment period is 3 years from the month in which the waiver/reimbursement occurred) to the extent that the Institutional Class's expense ratio is less than the Expense Limitation or, if lower, the expense limitation in effect when the waiver/reimbursement occurred. The Expense Limitation can be terminated or modified before June 30, 2019 only with the agreement of the Fund's board. The Fund's performance would be lower in the absence of such waivers.

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 3-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 period ended 3/31/19, out of 690, 601 and 439 50-70% 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.

Past performance is no guarantee of future results. Value Line Mutual Funds are distributed by EULAV Securities LLC.

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