



## Overall Rating



(Investor)

Among 640 50-70% Equity Allocation Funds (as of 3/31/20)

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

\$1.1B  
 (as of 3/31/20)

## Portfolio Manager Q&A

### Value Line Asset Allocation Fund (VLAAX/VLAIX)

#### Q1: Would you please comment on the Fund's outperformance relative to the Morningstar 50-70% Equity Allocation category average in the first quarter of 2020?

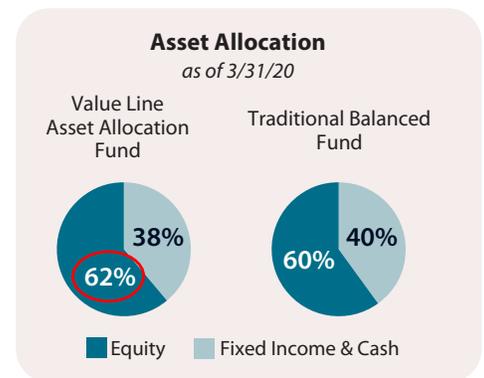
We are pleased the Fund performed well relative to its Morningstar category peers in the quarter ended March 31, 2020. While the Fund lost 9.72%, it outperformed by over 500 basis points relative to the category, which declined 14.74% for the three months ended March 31, 2020.

In fact, despite the recent period of unprecedented market volatility, the Fund has produced superior long-term results, as it **ranks in the top decile (10% or better) for the 1, 3, 5, 10 and 15 year periods**, among its peers in the Morningstar 50-70% Equity Allocation Category, as of March 31, 2020. Impressively, the Fund is 1 of only 4 funds (out of 276 in the category) to accomplish this performance feat.

#### Q2: What drove this outperformance in the midst of extreme volatility?

We believe this relative outperformance was primarily due to two factors:

- 1. Flexible asset allocation:** The Fund has the flexibility to adjust its allocation between equities and fixed income based on relative opportunity. During the quarter, we exercised this flexibility while taking advantage of market swings to add to select, high-quality companies at what we perceived as attractive prices, as well as selling certain positions during short-term rallies. As of March 31, 2020, the Fund held 62% in equities and 38% in high-quality fixed income and cash.



- 2. Growth-oriented investment process:** We have relied on our time-tested investment process of owning companies with a history of 10 or more years of consistent growth in both stock price and earnings. Accordingly, the equity portfolio consists of companies that have demonstrated success in a variety of stock markets and economic cycles.

#### Q3: What changes did you make to the equity portfolio as a result of the market volatility?

We are long-term investors and aim to hold high-quality names for a period of years. Therefore, short-term market volatility does not impact our investment process. However, the wild swings in the stock market provided some opportunities to reposition our weightings in several companies.

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In the first quarter, we added one new stock to the equity portfolio: Shopify (SHOP) which provides a proprietary e-commerce platform for retailers. Other purchasing activity included adding to select holdings at relatively attractive prices. We also opportunistically trimmed certain positions to take advantage of short-term rallies. For example, we trimmed our position in Church & Dwight (CHD), which manufactures household cleaning and personal care products, as the stock price advanced quickly in the current environment.

From a sector perspective, the Fund's weightings also did not change significantly. Through our process of owning companies with a history of 10+ years of consistent growth in both stock price and earnings, we often tend to own companies in the Information Technology and Industrials sector. As of March 31, 2020, the Fund's largest sector weightings were Information Technology (23%) and Industrials (16%), compared to the Morningstar 50-70% Equity Allocation Funds category average weightings of 11% and 6%, respectively.

**Value Line Asset Allocation Fund Performance (as of 3/31/20)**

	Average Annual Returns					
	QTD	1 Year	3 Year	5 Year	10 Year	15 Year
<b>Investor - VLAAX</b>	<b>-9.72%</b>	<b>0.75%</b>	<b>8.21%</b>	<b>6.77%</b>	<b>9.58%</b>	<b>7.36%</b>
<b>Institutional - VLAIX<sup>1</sup></b>	<b>-9.68</b>	<b>0.99</b>	<b>8.46</b>	<b>7.00</b>	<b>9.70</b>	<b>7.44</b>
60/40 S&P 500/BbgBarc US Agg. Bond Index	-10.88	-0.39	5.32	5.63	8.08	6.58
Morningstar 50-70% Equity Allocation Cat. Avg.	-14.74	-7.01	1.48	2.40	5.75	4.54
<b>Percentile Rank in Morningstar Cat. - VLAAX</b>		<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>6</b>
# of Funds in Category		687	640	561	413	276
Morningstar Return			<b>High</b>	<b>High</b>	<b>High</b>	
VLAAX Gross/Net Expense Ratio: 1.07%, VLAIX Gross/Net Expense Ratio: 0.82%						

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

*<sup>1</sup>Italics 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 3/31/20, the Funds top 10 equity holdings were as follows: Danaher Corp. 1.73%, Roper Technologies Inc. 1.69%, Accenture PLC Class A 1.60%, Thermo Fisher Scientific Inc. 1.56%, Ecolab Inc. 1.53%, Fiserv Inc. 1.51%, Teledyne Technologies Inc. 1.48%, Tyler Technologies Inc. 1.40%, Mastercard Inc. A 1.39%, Union Pacific Corp. 1.35%.**

**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](http://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](http://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 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 3/31/20, out of 640, 561 and 413 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.*

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