



Overall  Rating



Among 641 50-70% 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 VLAAX
Institutional VLAIX

Inception Date

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

Total Assets

\$1.8B
(as of 3/31/21)

Top 10 Holdings

(as of 3/31/21)

Company	Weight (%)
Intercontinental Exchange	1.81
Teledyne Technologies Inc	1.74
Danaher Corp	1.72
S&P Global Inc	1.65
Adobe Inc	1.65
Mastercard Inc A	1.59
Cintas Corp	1.58
Intuit Inc	1.56
Thermo Fisher Scientific Inc	1.53
Republic Services Inc	1.51

Value Line Funds

443.279.2015

www.vlfunds.com

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX/VLAIX)

Q1: Would you please discuss the Fund's Q1 performance relative to its Morningstar category?

The Fund declined 2.13% in the first quarter of 2021, lagging the Morningstar 50-70% Equity Allocation Funds category average return of 4.18%. The short-term underperformance was due primarily to the stock market's shift to favoring low-quality stocks over high-quality stocks in the first quarter. Low-quality stocks, in general, were impacted the most from the pandemic shutdown whereas the Fund favors high-quality companies with more predictable operating results.

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

While never satisfied with negative absolute performance, we understand the Fund will experience periods of short-term underperformance. When considering longer-term performance, we are pleased the Fund has ranked in the **top 20% or better in its Morningstar category for the 3, 5, 10 and 15-year periods** ended March 31, 2021.

	1 Year	3 Year	5 Year	10 Year	15 Year
Percentile Rank in Morningstar Cat. - VLAAX	92	11	12	7	19
# of Funds in Category	666	641	574	412	305

Source: Morningstar as of 3/31/21

Q2: Would you please comment on the low-quality trend that has impacted the Fund?

When selecting companies for the equity portfolio, we favor high-quality stocks with a history of 10+ years of consistent growth in both stock price and earnings. Since the rebound in Q1 2021 favored lower quality stocks, many of the high-quality stocks we own lagged relative to the market. However, we believe over the long term, high-quality stocks stand to benefit and reward investors over time.

Similarly, the Fund's fixed income portfolio is more heavily weighted to high-quality bonds. As of March 31, 2021, the Fund held 73% in AAA bonds relative to the Morningstar category average weighting of 43% in AAA. We believe our high-quality orientation in both equities and fixed income has contributed to the Fund's impressive track record of 10+ consecutive calendar years of positive total returns.

Q3: How would you describe the Fund's portfolio allocation?

As a flexible allocation fund, we are able to alter the portfolio based on relative opportunities and risks. The Fund's equity allocation increased slightly in the quarter, to 60% of total assets at the end of the first quarter of 2021, from 59% as of December 31, 2020. As of March 31, 2021, the Fund held approximately 36% in fixed income and 4% in cash.

Within the equity portfolio, we seek companies based on their track record of growth, regardless of style classification. As of March 31, 2021, the portfolio held approximately 44% in growth stocks and 55% in blend stocks, as we have found that market fluctuations often cause shifts in valuation. Our primary consideration is to hold companies with consistent and long track records of growth in both stock price and earnings.

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Q4: How does the market capitalization of the Fund's equities compare with the Morningstar 50-70% Equity Allocation category?

Flexibility is a key characteristic of the Fund which enables investment in companies of various sizes. Relative to its Morningstar category peers, the Fund has a higher weighting of mid-cap companies, while most allocation funds focus on much larger companies. We gravitate to mid-cap companies because, in general, they possess a

longer growth runway than larger companies and provide more upside potential for the Fund's investors.

	% of Portfolio	% of Category Avg.
Giant	12.21	48.15
Large	46.21	27.50
Mid	41.14	18.60
Small	0.45	5.76

Source: Morningstar as of 3/31/21

Portfolio Managers

Stephen E. Grant

Co-Portfolio Manager

Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past 30 years, Mr. Grant's unique quantitative/behavioral methodology has driven the success of several equity and hybrid funds. Mr. Grant has a B.A. in Economics from Stanford University and an MBA in Finance from the Wharton School of the University of Pennsylvania.


Jeffrey D. Geffen

Co-Portfolio Manager

Jeff Geffen has been with the Value Line Funds specializing in fixed income since 2001. He has over 25 years of experience. Mr. Geffen received an M.B.A. in Finance from Adelphi University, graduating with honors. He has additional Masters degrees from Columbia University and the University of Pittsburgh.


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 vifunds.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.vifunds.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 (VLAAX) received 4 stars for the 3- and 5-year periods and 5 stars for the 10-year period ended 3/31/21, out of 641, 574 and 412 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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