



### Overall Rating



(Investor)

Among 679 50-70% Equity Allocation Funds (as of 6/30/19)

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

\$744M  
 (as of 6/30/19)

## Portfolio Manager Q&A

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

#### Q1: Would you please discuss the Fund's outperformance relative to the Morningstar 50-70% Equity Allocation Funds Category for the second quarter?

For the quarter ended June 30, 2019, the Fund provided 321 basis points of outperformance over the Morningstar 50-70% Equity Allocation Category. The Fund gained 6.16% while the category rose 2.95%.

While we are pleased with the Fund's results for the quarter, the longer-term performance is even more impressive. The Fund has been ranked in the top 10% or better within its Morningstar category for the 1, 3, 5, 10 and 15 year periods ended 6/30/2019. In addition, the Fund has had a positive total return for the past 10 consecutive calendar years ended December 31, 2018. We believe this outperformance is a testament to our investment approach of owning companies with 10+ years of consistent growth in both stock price and earnings in the equity portfolio, along with owning high-quality, investment grade securities in the fixed income portfolio.

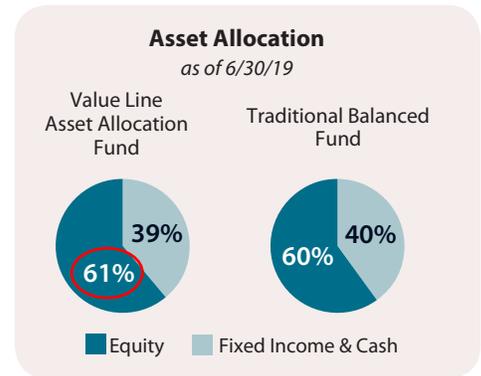
#### Q2: Why should an investor consider the Value Line Asset Allocation Fund for their portfolio?

With the Asset Allocation Fund, we dynamically adjust the weightings among equities, fixed income and cash based on relative opportunity in the stock and bond markets. This flexibility is in contrast to many balanced funds that must adhere to a strict weighting of 60% in equities and 40% in fixed income. The Fund's allocations have changed over time and as of June 30, 2019, the Fund held 61% in equities and 39% in fixed income and cash.

In addition, the equity portfolio has a growth emphasis, as we invest in companies that have a history of consistent growth in stock price and earnings. This differentiates us from other balanced funds. In fact, the majority of funds in the Morningstar 50-70% Equity Allocation category tend to invest in value companies or include a blend of both value and growth holdings.

#### Q3: What type of companies meet your stringent investment criteria?

For the Fund's equity holdings, we look for companies that have a track record of predictable growth—specifically those with a history of 10 or more years of consistent growth in both stock price and earnings. Currently this has led the equity portfolio to hold a 20% weighting in Information Technology, similar to the S&P 500 Index's



21%. Additionally, we favor companies in the fintech industry, which makes up about one third of the Fund's IT holdings. We have recently purchased companies in the Fintech industry, including Total System Services (TSS), the credit card service company; payment processing company World Pay (WP); and Fiserv (FISV), a global provider of financial services technology.

We also continue to own an overweight position in Industrials companies, with 17% in this sector relative to just 9% in the S&P 500. Some of our long-time positions in this sector include Heico Corp. (HEI), an aerospace and electronics company, and waste services company Waste Connections (WCN). We also initiated a position this quarter in Union Pacific (UNP), the railroad holding company.

**Value Line Asset Allocation Fund Performance (as of 6/30/19)**

	Average Annual Returns				
	1 Year	3 Year	5 Year	10 Year	15 Year
<b>Investor - VLAAX</b>	<b>17.35</b>	<b>12.17</b>	<b>9.10</b>	<b>11.87</b>	<b>8.25</b>
<b>Institutional - VLAIX<sup>1</sup></b>	<b>17.66</b>	<b>12.45</b>	<b>9.29</b>	<b>11.97</b>	<b>8.32</b>
60/40 S&P 500/BbgBarc US Agg. Bond Index	9.87	9.51	7.75	10.50	7.20
Morningstar 50-70% Equity Allocation Cat. Avg.	5.73	7.79	5.04	8.93	5.60
<b>Percentile Rank in Morningstar Cat. - VLAAX</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>6</b>
# of Funds in Category	735	679	595	431	290
Morningstar Return		<b>High</b>	<b>High</b>	<b>High</b>	
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.*

*<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 6/30/19, the Funds top 10 holdings were as follows: Heico Corp. 1.69%, Mastercard, Inc. A 1.63%, Accenture PLC Class A 1.51%, Roper Technologies, Inc. 1.50%, Teledyne Technologies, Inc. 1.42%, IDEXX Laboratories, Inc. 1.36%, Fiserv, Inc. 1.33%, TransDigm Group, Inc. 1.31%, Union Pacific Corp. 1.23%, Ansys, Inc. 1.21%.**

**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.**

\*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 6/30/19, out of 679, 595 and 431 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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