



Overall  Rating



Among 659 50-70% Equity Allocation Funds (as of 6/30/21)

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 6/30/21)

Top 10 Holdings

(as of 6/30/21)

Company	Weight (%)
Danaher Corp	2.09
Intuit Inc	2.03
Adobe Inc	1.99
Intercontinental Exchange	1.96
S&P Global Inc	1.95
Cintas Corp	1.80
Teledyne Technologies Inc	1.79
Thermo Fisher Scientific Inc	1.72
Republic Services Inc	1.70
Mastercard Inc A	1.66

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 Q2 performance relative to its Morningstar category?

For the second quarter of 2021, the Fund generated a positive absolute return of 5.96%, outperforming the Morningstar 50-70% Equity Allocation Funds category average 5.21%. While we are pleased with the Fund's positive quarterly outperformance, as long-term investors, we believe it is more important to strive for attractive risk-adjusted returns over a full market cycle. As such, we are more pleased that the Fund has ranked in the top 15% or better in its Morningstar category for the 3, 5, 10 and 15-year periods ended June 30, 2021.

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

	1 Year	3 Year	5 Year	10 Year	15 Year
Percentile Rank in Morningstar Cat. - VLAAX	97	12	14	9	12
# of Funds in Category	685	659	601	428	318

Source: Morningstar as of 6/30/21

Q2: Would you please comment on the Fund's current allocation between stocks and bonds?

Our investment process is designed to be flexible, investing in high-quality growth-oriented companies with demonstrated track records of consistent, long-term growth in both share price and earnings, and high-quality, investment grade fixed income. One of the considerable advantages of this allocation style is the ability to dynamically adapt the portfolio based on our view of the relative opportunities between the two asset classes.

Currently, our prevailing view of the markets has resulted in the Fund being invested 59% in equities, 37% in fixed income assets, and approximately 4% in cash as of June 30, 2021. These positions are relatively similar to where we started the quarter, as we continue to have confidence that our high-quality equity companies offer significant upside potential, bolstered by the more conservative fixed-income positions that act as a buffer against unpredictable market moves.

Q3: What guides your investment selection process for the Fund?

Within the Fund's equity portfolio, we use our stringent selection criteria to identify and invest in growth-oriented companies with a proven track record of 10+ years of consistent growth in both stock price and earnings. These companies tend to have more predictable operating results and have performed well through various economic cycles. Our investment mandate allows us to seek out the best companies, regardless of market capitalization or sector. We believe our adherence to such high standards results in a portfolio of companies that have demonstrated consistent growth over a full market cycle. Within our fixed income assets, we hold primarily investment grade bonds.

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Q4: The Fund's weighting in the Financial Sector has increased over the quarter. To what do you attribute this increase?

We do not invest based on sector, but rather select stocks on an individual basis that meet our criteria of 10 or more years of consistent growth in stock price and earnings. As a result, we generally avoid stocks within the traditional banking industry, as they often do not have the long-term consistency that meet our rigorous investment standards. However, we have found that

certain capital market companies present much stronger track records and long-term growth prospects.

For example, we own Intercontinental Exchange (ICE), which operates financial exchanges including the New York Stock Exchange, and S&P Global (SPGI), which provides financial data for capital markets, including the widely used S&P credit ratings. We have added to these existing positions, bringing our allocation to the Financial Sector to 16% as of June 30, 2021, in-line with the category average weight in the sector.

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 6/30/21, out of 659, 601 and 428 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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