



Overall  Rating



Among 665 50-70% Equity Allocation Funds (as of 12/31/21)

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 12/31/21)

Top 10 Holdings

(as of 12/31/21)

Company	Weight (%)
Intuit Inc	2.56
Danaher Corp	2.46
Thermo Fisher Scientific Inc	2.19
Intercontinental Exchange	2.17
S&P Global Inc	2.15
Republic Services Inc	2.07
Cintas Corp	2.01
Adobe Inc	1.86
Teledyne Technologies Inc	1.76
Accenture PLC Class A	1.65

Portfolio Manager Q&A

Value Line Asset Allocation Fund (VLAAX/VLAIX)

Q1: Would you please comment on the Fund's performance relative to the Morningstar 50-70% Equity Allocation Funds category average for both the fourth quarter and the year ended December 31, 2021?

We are pleased the Fund produced a strong return of 6.41% for the quarter ended December 31, 2021, outperforming the Morningstar category average return of 4.79% for the same period. For the one-year period ended December 31, 2021, the Fund also produced a solid absolute return of 11.86% although it lagged the category average 13.89% return. We believe the Fund's healthy returns in the recent periods are primarily due to our investment process: The equity portfolio is comprised of high-quality, growth-oriented companies with 10+ years of consistent growth in both stock price and earnings, and the fixed income segment of the Fund invests in primarily high-quality bonds.

Over the long term, this process has provided consistent results for the Fund's investors, with **13 consecutive calendar years of positive total returns**. In fact, the Fund is **one out of only four funds** in the Morningstar 50-70% Equity Allocation Funds category to achieve this feat (out of 136 unique funds). In addition, the Fund's performance is ranked in the **top 20% or better for the 3, 5, 10 and 15-year periods** ended December 31, 2021.

Please 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	66	18	8	8	7
# of Funds in Category	710	665	601	433	325

Source: Morningstar as of 12/31/21

Q2: Would you please comment on the Fund's allocation between equities and fixed income?

Equity markets were strong in 2021, as evidenced by the S&P 500 Index which advanced 28.71% for the year and reached 72 new highs during the year. Given the Fund has the flexibility to adjust its allocation based on relative opportunity, we increased the equity weighting in the fourth quarter. As of December 31, 2021, the Fund held 64% in equities, up from 60% at the end of the prior quarter. In our view, equities provide greater potential growth over the long term relative to fixed income securities. The remaining fixed income allocation included approximately 36% in bonds and cash as of December 31, 2021.

Q3: How does the Fund's equity market cap compare to the Morningstar category?

The Fund has the flexibility to invest in companies of any size in the equity portfolio. The types of companies that meet our investment criteria—10 or more years of consistent growth in stock price and earnings—can be of any size, although our average market cap tends to be smaller relative to our Morningstar category peers.

Value Line Funds

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As of December 31, 2021, the Fund's average market cap was \$63 billion, compared to the Morningstar 50-70% Equity Allocation Funds category average \$126 billion. The category has a larger weighting in "Giant" companies, but we hold the view that, in general, companies on the smaller side offer a longer growth runway.

Q4: What changes were made to the Fund's equity portfolio in Q4?

As we expanded the Fund's equity allocation, we added two companies during the fourth quarter. These included Stryker Corp. (SYK), a company that designs, manufactures and markets medical equipment and devices, including hip and knee replacements; and American Water Works Co. Inc. (AWK), a water and wastewater utility that services customers in 16 states.

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-year period and 5 stars for the 5- and 10-year periods ended 12/31/21, out of 665, 601 and 433 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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