



**Overall Morningstar Rating**



(VALIX)

Among 682 Moderate Allocation funds (as of 9/30/24)

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 VALIX  
Institutional VLIIX

**Inception Date**

Investor 10/1/52  
Institutional 11/1/15

**Total Assets**

\$447M (as of 9/30/24)

**Top 10 Holdings**

(as of 9/30/24)

Company	Weight (%)
Meta Platforms Inc Class A	4.23
NVIDIA Corp	4.08
Apple Inc	2.87
MicroStrategy Inc Class A	2.76
Alphabet Inc Class A	2.67
Amazon.com Inc	2.59
Microsoft Corp	2.46
Advanced Micro Devices Inc	2.39
Uber Technologies Inc	2.36
Exact Sciences Corp	1.75

**Value Line Funds**

443.279.2015

www.vlfunds.com

**Portfolio Manager Q&A**

**Value Line Capital Appreciation Fund (VALIX/VLIIX)**

**Q1: How did the Fund perform relative to the Morningstar Moderate Allocation category average in the third quarter and for longer-term periods as of September 30, 2024?**

For the 3-month period ended September 30, 2024, the Fund returned 3.79%, lagging the Morningstar Moderate Allocation Category average return of 5.34%. For the 1-year period, the Fund's return of 30.17% surpassed the category's average 21.99% return by over 800 basis points.

In fact, the Fund ranked in the top 2% in the category for the 1-year period and ranked in the top decile (10% or better) for the 5 and 10-year periods as of September 30, 2024.

	1 Year	5 Year	10 Year
<b>Percentile Rank in Morningstar Cat. – VALIX</b>	<b>2</b>	<b>7</b>	<b>6</b>
# of Funds in Category	733	643	491

Source: Morningstar as of 9/30/24

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

**Q2: What drove the Fund's equity portfolio performance in the third quarter relative to the S&P 500 Index?**

The underperformance of the Fund's equity portfolio relative to the S&P 500 Index was driven by a combination of stock selection and sector allocation. In terms of sectors, the Fund's two largest detractors were Industrials and Financials. The Fund's Industrials companies were relatively flat, up 0.4%, compared to the S&P's Industrials companies which rose 12%. The Fund's Financials companies gained 6% while the Index's sector companies advanced 11%.

On the other hand, the Fund's two largest contributing sectors were Information Technology (IT) and Health Care. The Fund's IT companies rose over 3% while the Index's sector's companies rose less than 2%. In Health Care, the Fund's companies gained 8% and the S&P's companies gained 6%.

Two of the Fund's best positive contributing companies during the quarter were:

- MicroStrategy Inc. (MSTR, +22%) which uses Bitcoin as its treasury asset, develops Bitcoin applications, enterprise analytics and mobility software, artificial-intelligence-powered analytics, data visualization, and cloud-based services.
- Exact Sciences Inc. (EXAS, +61%) specializes in screening and diagnostic tests for several types of cancer, including breast cancer and colorectal cancer.

**Q3: How was the Fund allocated between equities and fixed income as of September 30, 2024?**

The Fund features a flexible allocation, and as of September 30, 2024, the Fund held 67.4% in equities, 28.2% in fixed income and 4.4% in cash. Within the Fund's fixed income allocation, the portfolio includes primarily investment grade securities (rated AAA through

(Continued on next page)

BBB). Approximately 99% of the Fund's debt securities were rated investment grade as of September 30, 2024.

**Q4: How is the Fund different from other allocation Funds?**

The Fund's equity portfolio owns more growth-oriented companies when compared to other funds in the Morningstar Moderate Allocation Category. Approximately 50% of holdings in the Fund's equity portfolio are considered growth companies, compared with approximately 25% growth-oriented companies, on average, in the Morningstar category.

We believe that sales and earnings growth drive share price appreciation over time, and we seek to own a portfolio of companies that can collectively grow their

future sales and earnings at faster rates relative to the S&P 500 Index.

As of September 30, 2024, the Fund's equity portfolio had a 3-year projected average annual sales growth rate that was 1.6X the growth rate of the S&P 500 Index, and the Fund's 3- to 5-year estimated forward earnings growth rate was 1.7X that of the S&P 500.

	VALIX/VLIIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	16%	10%
3-5-Year Estimated Forward Earnings Growth Rate	26%	15%

**Portfolio Managers**



**Cindy Starke**

*Cindy Starke joined Value Line Funds as a portfolio manager in 2014 and has over 25 years of mid and large-cap growth investment experience. Ms. Starke received a BS and an MBA from Fordham University.*



**Liane Rosenberg**

*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 [www.vlfunds.com](http://www.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 three-year period actually has the greatest impact because it is included in all three rating periods. The Fund (VALIX) received 1 star for the 3-year period, 4 stars for the 5-year period and 4 stars for the 10-year period ended 9/30/24 among 682, 643 and 491 Moderate Allocation funds, respectively. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. *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.** Although the information provided in this document has been obtained from sources which EULAV Securities LLC believes to be reliable, it does not guarantee accuracy or completeness of such information.

Value Line, Value Line Logo, Timeliness, Safety are trademarks or registered trademarks of Value Line, Inc. and/or its affiliates in the United States and other countries. Used by permission.