



**Overall Morningstar Rating**



(VALIX)

Among 700 Moderate Allocation funds (as of 12/31/23)

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**

\$444M  
(as of 12/31/23)

**Top 10 Holdings**

(as of 12/31/23)

Company	Weight (%)
Meta Platforms Inc Class A	2.88
Alphabet Inc Class A	2.71
Uber Technologies Inc	2.71
NVIDIA Corp	2.63
Microsoft Corp	2.29
Amazon.com Inc	2.27
Visa Inc Class A	1.65
Apple Inc	1.61
Booking Holdings Inc	1.60
Exelixis Inc	1.52

**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 in the fourth quarter and 1-year periods compared to the Morningstar Moderate Allocation Category?**

For the 3-month period ended December 31, 2023, the Fund returned 13.52%, outperforming the Morningstar Moderate Allocation Category average return of 8.60%. For the year, the Fund's return of 34.44% surpassed the category's average 13.78% return by over 2,000 basis points.

In fact, the Fund ranked in the top 1% in the category for 2023 and ranked in the top decile (10% or better) for the 5 and 10-year periods as of December 31, 2023.

	1 Year	5 Year	10 Year
<b>Percentile Rank in Morningstar Cat. – VALIX</b>	<b>1</b>	<b>6</b>	<b>5</b>
# of Funds in Category	754	658	493

Source: Morningstar as of 12/31/23

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

**Q2: What drove the Fund's equity portfolio performance relative to the S&P 500 Index in 2023?**

With respect to the Fund's equity portfolio, the Fund's 2023 outperformance relative to the S&P 500 was driven primarily by stock selection. The two largest contributing sectors were Information Technology (IT) and Industrials.

**IT:** The Fund's IT holdings gained 88% compared to the Index's sector holdings which gained 61%. The Fund's three biggest positive contributors in this sector were CrowdStrike Holdings (CRWD), Advanced Micro Devices (AMD), and Splunk Inc. (SPLK). CrowdStrike (+142%) is a cybersecurity company that provides cloud-based solutions for endpoint security, threat intelligence, and cyberattack response. AMD (+128%) designs and develops semiconductor processors for PCs, gaming consoles and servers. Splunk (+68%) is a cloud-based software company that provides security, compliance, and analytics.

**Industrials:** The Fund's Industrials companies rose 91% while the Index's Industrials companies rose 18%. Two of the Fund's biggest positive contributors were Uber Technologies Inc. (UBER) and Lyft Inc. (LYFT). Uber (+149%) provides ride-sharing and delivery services through its mobile app platform. Lyft (+36%) is the second-largest ride-sharing company in the U.S. and Canada, and also offers bike- and scooter-sharing services.

**Q3: How was the Fund's portfolio allocated between equities and fixed income as of December 31, 2023?**

At year-end, the Fund held 65% in equities and 35% in fixed income and cash. Within the Fund's fixed income allocation, the portfolio includes primarily investment grade securities (rated AAA through BBB). Approximately 98% of the Fund's debt securities were rated investment grade as of December 31, 2023.

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**Q4: What differentiates the Value Line Capital Appreciation Fund from other allocation funds?**

Within the equity portfolio, the Fund typically has an emphasis on growth companies. Among the Fund's peers in the Morningstar Moderate Allocation Category, less than 30% have a primarily growth investing style for their equity portfolios.

We strive 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 we believe that sales and earnings growth drive share price appreciation over time. As of December 31, 2023, the Fund's equity portfolio had a 3-year projected average annual sales growth rate that was 2X the rate of the S&P 500. The Fund's equity portfolio had a 3- to 5-year estimated forward earnings growth rate that was 1.5X the rate of the S&P 500.

	VALIX/VLIIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	18%	9%
3-5-Year Estimated Forward Earnings Growth Rate	20%	13%

**Portfolio Managers**

**Cindy Starke**

*Co-Portfolio Manager*

*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**

*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 [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, 3 stars for the 5-year period and 4 stars for the 10-year period ended 12/31/23 among 700, 658 and 493 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.*

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