



Overall **MORNINGSTAR** Rating



(Investor)

Among 1,256 Large Growth Funds
(as of 3/31/19)

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.



Cindy Starke
Portfolio Manager

Ms. Starke has over 20 years of investment experience. She earned a BS and an MBA from Fordham University.

Fund Facts

Symbol

Investor VALLX
Institutional VLLIX

Inception Dates

Investor 3/20/72
Institutional 11/1/15

Total Assets

\$312M
(as of 3/31/19)

Top 10 Holdings

(as of 3/31/19)

Company	Weight (%)
Amazon.com, Inc.	6.26
Visa, Inc. Class A	4.69
Amarin Corp. PLC ADR	4.58
Alphabet, Inc. A	4.32
Alexion Pharmaceuticals, Inc.	3.89
PayPal Holdings, Inc.	3.82
Alibaba Group Holding Ltd. ADR	3.79
Netflix, Inc.	3.76
Facebook, Inc. A	3.73
Celgene Corp.	3.62

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: The Fund outperformed both the S&P 500 Index and the Morningstar Large Growth Funds category average for the quarter ended March 31, 2019. Would you please comment on this outperformance?

We are pleased that the Fund significantly outperformed the S&P 500 by over 600 basis points. The Fund rose 19.9% compared to the Index's return of 13.7% for the quarter. In addition, the Fund surpassed the Morningstar Large Growth funds category average return of 15.7% by over 400 basis points.

Importantly, the Fund has also outperformed its Morningstar peer group over longer time periods. In fact, the Fund ranks in the **top 15% or better in performance for the 1, 3 and 5 year periods** among 1,114 Morningstar Large Growth Funds as of March 31, 2019.

Q2: What drove the Fund's outperformance this quarter?

The Fund's outperformance was driven by good stock selection. Although the Health Care sector was the weakest performing sector in the Index, up approximately 7%, it was the Fund's second-best performing sector, as our Health Care companies gained 25% on average for the quarter, more than triple the S&P's Health Care average return. Notably, the three top contributors to the Fund's performance this quarter were all in the Health Care sector. These included Amarin Corp. (+53%), a biopharmaceutical company focused on cardiovascular health, Celgene Corp. (+47%), a biopharmaceutical company known for its cancer and immunological disease treatments, and Alexion Pharmaceutical (+39%) which specializes in drugs for rare, life-threatening medical conditions.

Information Technology was the Fund's second-largest contributing sector to returns this period. The Fund's Technology holdings rose 26% on average as compared to the S&P's Technology stocks' average gain of 20%. The Fund saw strong performances from our positions in ZenDesk (+46%), ServiceNow (+38%) and Nvidia (+35%). The Fund's third-largest contributing sector to returns was Financials. Although Financials were one of the weaker performing sectors this quarter, up less than 9%, our Financials holdings fared better and produced an average return of 14%.

Q3: As a focused or "best ideas" portfolio, what are some common characteristics of the Fund's companies?

The Fund emphasizes owning a select group of leading large-cap growth companies. We look to own dominant companies that are able to grow their sales and earnings at a faster pace than the market and their peers over the next few years. These are companies that have unique products or services, market leading positions in industries with high barriers to entry, and scalable business models.

As a result of our emphasis on owning dominant and fast-growing companies, the Fund's companies have had higher projected rates of growth and earnings than those in the S&P 500. As of March 31, 2019, the Fund's 3-year projected sales growth rate was 20%, over three times the S&P 500's 6% projected sales growth. The Fund's 3- to 5-year estimated forward earnings growth rate was 22%, double the Index's estimated earnings growth rate of 11%.

Value Line Larger Companies Focused Fund Performance (as of 3/31/19)						
		Average Annual Returns				
	QTD	1 Year	3 Year	5 Year	10 Year	15 Year
Investor - VALLX	19.89	15.10	19.96	14.61	15.95	9.24
Institutional - VLLIX¹	19.91	15.37	20.15	14.67	15.98	9.26
S&P 500 Index	13.65	9.50	13.51	10.91	15.92	8.57
Morningstar Large Growth Category Average	15.67	10.71	15.35	11.26	15.94	8.84
Percentile Rank in Morningstar Cat. - VALLX		13	8	9	50	39
# of Funds in Category		1,397	1,256	1,114	805	574
VALLX Gross/Net Expense Ratio*: 1.19% / 1.15%, VLLIX Gross/Net Expense Ratio*: 2.73%/0.90%						

Morningstar Ratings and Categories based on risk adjusted returns of Investor class shares.

¹*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 VLLIX is November 1, 2015.*

*EULAV Asset Management (the "Adviser") Adviser has contractually agreed to waive certain Fund-wide fees and further assume certain Fund-wide expenses to the extent necessary to limit such expenses (excluding brokerage commissions, interest, taxes, and certain non-routine Fund-wide expenses) to 0.90% of the average daily net assets of each class. In addition, the Adviser and EULAV Securities LLC (the "Distributor") have contractually agreed to waive certain class-specific fees and assume certain class-specific expenses 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 certain non-routine class-specific expenses). The information in the table has been restated to reflect the applicable expense limitation for a class ("Expense Limitation"), each of which can be terminated or modified before June 30, 2019 only with the agreement of the Fund's board. The Adviser and the Distributor may subsequently recover from a class any fees waived and expenses assumed (the recoupment period is 3 years from the month in which the waiver/assumption occurred) to the extent its expense ratio is less than the applicable Expense Limitation or, if lower, the expense limitation in effect when the waiver or assumption occurred. The Fund's performance would be lower in the absence of such waivers.

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 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. 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 received 4 stars for the 3- and 5-year periods and 3 stars for the 10-year period ended 3/31/19 among 1,256, 1,114 and 805 large growth funds, respectively.

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