



Overall **MORNINGSTAR** Rating



(Investor)

Among 1,231 Large Growth Funds
(as of 3/31/20)

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

\$243M
(as of 3/31/20)

Top 10 Holdings

(as of 3/31/20)

Company	Weight (%)
Amazon.com Inc	7.04
Facebook Inc A	4.29
ServiceNow Inc	3.93
Netflix Inc	3.74
Activision Blizzard Inc	3.70
Alphabet Inc A	3.62
Exelixis Inc	3.57
Splunk Inc	3.41
Alibaba Group Holding Ltd ADR	3.23
PayPal Holdings Inc	3.22

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: Would you please comment on the Fund's performance relative to the S&P 500 Index and the Morningstar category in Q1?

The Fund declined 15.48% in the quarter ended March 31, 2020. While we are never satisfied with a negative return, the Fund outperformed the S&P 500 Index's return of -19.60% by over 400 basis points during this unprecedented time. The Morningstar Large Growth Funds category lost an average of 15.48% for the quarter, in-line with the Fund's return.

Q2: What are the significant factors that drove the Fund's outperformance relative the S&P 500 Index during the first quarter?

The Fund's outperformance relative to the S&P 500 Index this quarter was due to a combination of sector allocation and stock selection. The top two sectors that contributed to the Fund's performance this period were Information Technology and Communication Services.

- 1. Information Technology (IT).** IT was the best performing sector in the S&P 500 Index during this extremely volatile period. Technology was the largest contributor to the Fund's performance as we benefited from our overweight allocation at 31%, compared to the S&P 500's IT weighting of 24%. In addition, the Fund benefited from stock selection as our IT holdings lost 5% on average for the quarter, nicely ahead of the Index's loss of nearly 12%. Several of the Fund's Technology stocks gained during this tumultuous period, including Nvidia (+12.10%), Slack Technologies (+19.40%), and CrowdStrike (+11.65%).
- 2. Communication Services.** The Fund benefited from an overweight allocation of 18% to Communication Services, relative to the Index's sector weight of approximately 11%. Stock selection was the main driver of our outperformance here as the Fund's Communication Services companies were off about 7%, while the companies in the Index declined nearly 17%. The Fund had some companies that rose during this volatile period including Netflix (+16.05%), Activision Blizzard (+0.10%), and Tencent (+2.25%).

Q3: How are you identifying companies that are positioned for growth in light of the recent volatility and business slowdown due to COVID-19?

We have not changed how we identify companies, as we look at the potential for sales growth and earnings potential for companies over longer time periods of years, not quarters. As disruptive, unexpected and impactful as this pandemic is for companies, we believe the leading growth companies we own are still well positioned for longer term growth and that many of our companies stand to emerge stronger when the pandemic passes. Although we anticipate that many of our companies will need to lower their sales and earnings guidance for 2020 due to the negative impacts of this pandemic and uncertainty on the timing of when things will return to a more normal state, we believe they will be back on a more consistent growth path in 2021. In fact, during the first quarter of 2020, the market was more favorable toward growth companies as the S&P 500 Growth Index, which lost 14.50%, outperformed the S&P 500 Value Index, which declined by 25.34%.

Q4. How do the Fund's growth rates compare to the S&P 500 Index?

The Fund strives to own a portfolio of dominant, secular growth companies that are expected to grow future sales and earnings at a faster pace than the Index. As a result, the Fund's companies have had higher projected rates of growth and earnings than those in the S&P 500.

The Fund's 3-year projected annual average sales growth rate was 25%, approximately 4 times the S&P 500's 6% projected sales growth as of March 31, 2020. The Fund's 3- to 5-year estimated forward earnings growth rate was 23%, more than 2 times the Index's estimated earnings growth rate of 10% for the same time period.

Value Line Larger Companies Focused Fund Performance (as of 3/31/20)						
	Average Annual Returns					
	QTD	1 Year	3 Year	5 Year	10 Year	15 Year
Investor - VALLX	-15.48%	-11.40%	8.50%	8.44%	11.36%	8.06%
Institutional - VLLIX¹	-15.43	-11.20	8.71	8.55	11.41	8.09
S&P 500 Index	-19.60	-6.98	5.10	6.73	10.53	7.58
Morningstar Large Growth Category Average	-15.48	-3.72	8.65	7.64	10.99	7.74
Percentile Rank in Morningstar Cat. - VALLX		92	54	42	46	62
# of Funds in Category		1,358	1,231	1,086	812	564
VALLX Gross/Net Expense Ratio*: 1.18% / 1.15%, VLLIX Gross/Net Expense Ratio*: 3.92%/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") has contractually agreed to waive through June 30, 2020 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 (the "Fund-level Expense Limitation"). In addition, the Adviser and EULAV Securities LLC (the "Distributor") have contractually agreed to permanently 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 "Class Expense Limitation," together with the Fund-level Expense Limitation, the "Expense Limitations"). Each Expense Limitation can be terminated 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 within three years from the month in which the waiver or assumption occurred for such class, 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 3 stars for the 3-, 5- and 10-year periods ended 3/31/20 among 1,231, 1,086 and 812 large growth funds, respectively.

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