



Overall  **Rating**



Among 1,186 Large Growth Funds
(as of 3/31/21)

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 VALLX
Institutional VLLIX

Inception Dates

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

Total Assets

\$391M
(as of 3/31/21)

Top 10 Holdings

(as of 3/31/21)

Company	Weight (%)
Amazon.com Inc	6.24
Exelixis Inc	5.54
Facebook Inc A	4.74
PayPal Holdings Inc	4.22
Alphabet Inc A	3.79
Visa Inc Class A	3.62
ServiceNow Inc	3.13
Netflix Inc	3.07
Vertex Pharmaceuticals Inc	3.02
Activision Blizzard Inc	2.97

Value Line Funds

443.279.2015

www.vlfunds.com

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 Morningstar Large Growth Funds category and the S&P 500 Index for the first quarter of 2021 and the 1-year period?

For the quarter ended March 31, 2021, the Fund's performance was unchanged, at 0.00%, lagging the Morningstar category's average return of 2.23% and the S&P 500 Index's return of 6.17% for the same period. Despite the Fund's short-term underperformance this quarter, we believe it's important to also look at the Fund's performance over multiple time periods versus just one three-month period. The Fund's 1-year return of 72.72% outperformed both the category average and the Index's returns of 63.57% and 56.35%, respectively. In fact, the Fund has outperformed both the peer group and the Index for the 3, 5 and 10-year periods ended March 31, 2021 as well.

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

Q2: Which sectors impacted the Fund's performance the most in Q1 2021?

From an overall market perspective, the sharp rise in the 10-year Treasury yield in the first quarter impacted short-term investor sentiment and especially large cap growth companies. As a result, many of the faster growing companies we own were negatively impacted, including those in the Information Technology (IT), Consumer Discretionary and Health Care sectors.

The Fund's sector allocation and stock selection within these three sectors were primarily responsible for the Fund's underperformance this quarter:

- 1. Information Technology (IT):** The Fund had an overweight allocation to technology stocks with a 38% weighting as compared to the S&P's IT weighting of 27%. The Fund's IT companies lost an average of 5% while the S&P's tech holdings gained 2%.
- 2. Consumer Discretionary:** Similarly, the Fund's Consumer Discretionary weighting of 16% was higher than the S&P's 13% weighting in the sector. From a performance standpoint, the Fund's holdings lost an average of just under 4%, while the Index's companies gained approximately 3%. Our companies' performance in this sector varied greatly during the quarter. For example, Peloton International (PTON), a leading interactive fitness platform, declined 26% while DraftKings (DKNG), a digital sports entertainment and gaming company, advanced 25%.
- 3. Health Care:** The Fund was overweight the Health Care sector, with a 21% allocation relative to the S&P's 13% sector weighting. The Fund's Health Care companies underperformed, declining nearly 1% on average, while the Index's Health Care companies gained 3%.

(Continued on next page)

Q3: Why should an investor own this focused, large-cap growth fund?

Many large cap growth funds tend to mimic the S&P 500, holding hundreds of stocks in their portfolios. The Value Line Larger Companies Focused Fund is a “best ideas” portfolio that seeks to own from 25 to 50 market leading large growth companies. The Fund held 43 stocks as of March 31, 2021. We believe the Fund is an excellent complement to the S&P 500 Index and better positioned to outperform its Morningstar Large Growth peers over the long term.

Q4: How do the sales and earnings growth rates for the Fund’s holdings compare with those in the S&P 500?

The Fund generally owns companies with above-average sales and earnings growth rates. As of March 31, 2021, the Fund’s 3-year projected average annual sales growth rate was 26%, over twice the 10% estimated sales growth rate of the S&P 500. The Fund’s 3- to 5-year estimated forward earnings growth rate was 24%, significantly higher than the 15% rate projected for the S&P 500. We believe that sales and earnings growth are the primary drivers of share prices over the longer term and that the Fund’s portfolio of faster growing companies when compared to the Index will be rewarded over time.

Portfolio Manager**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.

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 3/31/21 among 1,186, 1,065 and 788 large growth funds, respectively.

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.