



Overall  **Rating**



Among 1,124 Large Growth Funds
(as of 3/31/22)

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

\$328M
(as of 3/31/22)

Top 10 Holdings

(as of 3/31/22)

Company	Weight (%)
Amazon.com Inc	5.24
Alphabet Inc Class A	4.14
Diamondback Energy Inc	3.95
Exelixis Inc	3.85
Microsoft Corp	3.37
Qualcomm Inc	3.25
Visa Inc Class A	3.23
NVIDIA Corp	3.15
Uber Technologies Inc	3.14
Meta Platforms Inc Class A	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 average in the first quarter of 2022?

The Fund declined 10.83% in the quarter ended March 31, 2022, roughly in-line with the Morningstar category average decline of 10.76%. In the first three months of this year, the markets have experienced a high degree of volatility, primarily due to inflation, supply chain constraints, changes in the expected pace of Fed interest rate hikes and geopolitical issues spurred by Russia's invasion of Ukraine. Despite the increase in nearer-term uncertainties, we remain committed to our longer-term oriented investment process focused on owning primarily large-cap growth companies with strong brands, compelling products and services with dominant market share positions, and attractive long-term growth potential.

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

Q2: What drove the Fund's performance in the first quarter versus the S&P 500 Index?

The Fund underperformed the S&P 500 Index's decline of 4.60% this quarter driven by a combination of stock selection and sector allocation. On a sector basis, relative to the S&P 500 Index, the Fund's positions in the Health Care sector contributed positively to performance, while the performance of the Information Technology and Communication Services sectors were the Fund's largest detractors.

- » **Health Care:** Stock selection and an overweight allocation to the Health Care sector were positive contributors to returns. With a weight of 18% relative to the Index's 13% weight, the Fund's holdings gained 4% outperforming the S&P's Health Care holdings loss of 3%. Two companies that were strong contributors to the Fund's performance were Exelixis Inc. (EXEL), a biopharmaceutical firm that develops treatments for cancer, and Vertex Pharmaceuticals Inc. (VRTX), a biotechnology company that develops treatments for diseases including cystic fibrosis.
- » **Information Technology (IT):** The Fund was overweight the IT sector with an approximately 35% weight compared to the S&P 500's 28% weight in this sector. The Fund's IT stocks declined 15% on average while the Index's stocks declined about 8%. The two largest detracting stocks in this sector were Shopify Inc. (SHOP), which offers an e-commerce platform, and PayPal Holdings Inc. (PYPL), a leading digital payments provider.
- » **Communication Services:** The Fund was negatively impacted by a combination of an overweight sector allocation and stock selection within this sector. The Fund had a 17% weighting to Communication Services stocks which declined 19%, whereas the Index had a 10% sector weighting and these holding declined 12%. The Fund saw weak performances from its holdings in Netflix Inc. (NFLX) and Roku Inc. (ROKU).

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Q3: What changes were made to the portfolio in the first quarter?

We made several opportunistic changes to the portfolio during the first quarter. The Fund held 46 companies as of March 31, 2022.

- » **New Positions:** We initiated positions in Bank of America Corp. (BAC), Goldman Sachs Group Inc. (GS), Coinbase Global Inc. (COIN), Okta Inc. (OKTA), Micron Technology (MU) and Match Group Inc. (MTCH).
- » **Positions Sold:** We exited our positions in Activision Blizzard Inc. (ATVI), Adobe Inc. (ADBE) and Starbucks Corp. (SBUX).

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

We believe that future sales and earnings growth rates are important drivers of stock price over the longer term. As of March 31, 2022, the Fund's 3-year projected average annual sales growth rate was 19%, more than double the 9% estimated sales growth rate of the S&P 500. The Fund's 3- to 5-year estimated forward earnings growth rate was 26%, approximately 1.5x the 18% rate projected for the S&P 500.

Portfolio Manager



Cindy Starke

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 1 star for the 3-year period and 2 stars for the 5- and 10-year periods ended 3/31/22 among 1,124, 1,025 and 765 large growth funds, respectively.

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