



Overall  **Rating**



Among 1,138 Large Growth Funds
(as of 6/30/21)

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

\$416M
(as of 6/30/21)

Top 10 Holdings

(as of 6/30/21)

Company	Weight (%)
Amazon.com Inc	5.95
PayPal Holdings Inc	4.76
Facebook Inc A	4.09
Alphabet Inc A	3.93
NVIDIA Corp	3.65
Exelixis Inc	3.50
Visa Inc Class A	3.43
Biohaven Pharmaceutical Holding Co Ltd	3.38
Netflix Inc	2.92
Activision Blizzard Inc	2.87

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: Would you please comment on the Fund's performance for the quarter ended June 30, 2021, as well as the longer term, relative to the S&P 500 Index and the Morningstar Large Growth Funds category?

For the quarter ended June 30, 2021, the Fund produced a solid total return of 8.81%. The Fund outperformed the S&P 500 Index's 8.55% return but lagged the Morningstar Large Growth Funds category average of 10.28%. While we are never satisfied with relative underperformance, we believe longer-term performance is more important for investors. We note that the Fund outperformed the S&P 500 for the 3, 5 and 10-year periods, and outperformed its category average over the 5 and 10-year periods ended June 30, 2021.

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

Q2: What were the primary drivers of the Fund's performance during Q2?

The Fund's largest contributing sector to performance in the second quarter was Information Technology (IT). The Fund benefited from a combination of good stock selection as well as an overweight allocation to this strong performing sector. IT was the second best-performing sector in the Index this quarter, rising nearly 12% for the Index, and up 17% for the Fund. The Fund had a healthy overweight allocation to the technology sector at 37% relative to the S&P 500's weighting of 27%. Some of the Fund's top-performing IT stocks were Nvidia (NVDA, +50%), a computer systems design services company; CrowdStrike (CRWD, +38%), a cybersecurity company; and Shopify (SHOP, +32%), an e-commerce platform for online stores and retailers.

The Fund's largest detracting sector to performance this quarter was Health Care. The Fund had a 21% weighting in the sector, compared to a 13% weighting in the S&P 500. In addition, the Fund's Health Care companies declined on average 2%, while the Index's Health Care positions gained 8%.

Q3: Why should an investor consider this focused growth fund?

We have strong conviction in active management and believe that focusing on our "best 25-50 ideas" in the large-cap growth space is the best way to create longer-term value for our shareholders. We are attracted to fast growing companies that tend to have market leading positions, are driven by secular growth drivers, have unique products and services, and often compete in industries with high barriers to entry. At quarter end, the fund held 43 of these leading growth companies.

"We own leading growth companies we believe are well-positioned for continued success."

Value Line Funds

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As growth focused investors, we like to own companies with high rates of future sales and earnings growth as we believe these are key drivers of share prices over the longer term. As of June 30, 2021, the Fund's 3-year projected average annual sales growth rate was 28%, approximately 2.5x the 11% estimated sales growth rate of the S&P 500. The Fund's 3- to 5-year estimated forward earnings growth rate was 25%, significantly higher than the 17% rate projected for the S&P 500.

Q4: What changes were made to the Fund in Q2?

We continually monitor the risk-reward profile of the companies we own. In the second quarter, we made two changes to the portfolio. We exited our position in Bristol Myers Squibb (BMY) and redeployed that cash into existing positions we felt had better return potential. We added Biogen (BIIB) to the portfolio after the Food and Drug Administration announced approval of its medication, Aduhelm, for the treatment of Alzheimer's disease.

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 2 stars for the 3-year period and 3 stars for the 5- and 10-year periods ended 6/30/21 among 1,138, 1,024 and 761 large growth funds, respectively.

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