ValueLine*funds*

3rd Quarter 2021

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund *(VALLX/VLLIX)*

Q1: How did the Fund perform relative to the Morningstar Large Growth Funds category in the third quarter of 2021 as well as for longer-term periods?

The Fund declined 2.80% in the quarter ended September 30, 2021, lagging the Morningstar Large Growth Funds category average decline of 0.07%. While we are never satisfied with periods of negative performance, as well as underperformance relative to our peers, we believe longer-term performance is more important to investors. We maintain conviction in our approach of holding a concentrated portfolio of our "best ideas" that we believe have the potential to outperform the S&P 500 Index over longer-term periods. We are pleased to report that the Fund outperformed the S&P 500 Index for the 3, 5 and 10-year periods ended September 30, 2021.

Please visit the Fund's performance page for complete performance information.

Q2: What factors impacted the Fund's performance in the third quarter?

The Fund's underperformance was driven by a combination of its sector weightings and stock selection. Two sectors, Consumer Discretionary and Information Technology (IT), were the primary detractors from the Fund's performance, while the Health Care sector was a positive contributor for the quarter.

- **Consumer Discretionary**: The Fund held an overweight allocation of 15% in Consumer Discretionary, while the S&P 500 Index had an average weight of 12%. The Fund's holdings in this sector declined nearly 13% while the Index's Consumer Discretionary segment was flat. For example, two companies that negatively impacted the Fund's performance were Peloton Interactive Inc. (PTON -30%), which operates an interactive fitness platform, and Alibaba Group (BABA -35%), the world's largest online and mobile commerce company.
- **IT**: Similarly, the Fund's IT allocation of 38% was overweight the S&P 500's IT weight of 28%. The Fund's IT holdings declined 3% while the Index's IT companies rose approximately 1%. The Fund's largest IT detractor was RingCentral Inc. (RNG -25%) which provides software for communication services.
- **Health Care**: The Fund benefited from its overweight allocation at 21% and stock selection, as our Health Care companies rose almost 6%, while the S&P 500's Health Care companies rose about 1%. Biohaven Pharmaceutical Holding Co. Ltd. (BHVN) was a strong performer for the Fund, up 43%. The company's leading drug, Nurtec ODT, continues to gain share in the large and growing migraine market.

Q3: How is inflation impacting the Fund's holdings?

We believe that high-quality growth investing is compelling for the long term. The Fund features a concentrated portfolio of 25-50 companies that we believe have the potential to outperform over longer-term time periods. Our investment process favors large-cap companies with strong fundamentals, dominant market shares, secular growth drivers, talented management, and sales and earnings growing faster than the S&P 500 Index.

(Continued on next page)

Overall MORNINGSTAR Rating

★★★

Among 1,133 Large Growth Funds
(as of 9/30/21)

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	$399M *(as of 9/30/21)*

Top 10 Holdings
(as of 9/30/21)

Company	Weight (%)
Amazon.com Inc	5.76
Alphabet Inc A	4.29
PayPal Holdings Inc	4.17
Exelixis Inc	4.08
Biohaven Pharmaceutical Holding Co Ltd	4.07
NVIDIA Corp	3.84
Facebook Inc Class A	3.74
Netflix Inc	3.52
Visa Inc Class A	3.40
ServiceNow Inc	3.12

Value Line Funds
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The current economic environment has been impacted by inflation due, in part, to rising wage pressures and supply chain constraints. However, the types of companies we own are generally well positioned to counter inflation, as many of them enjoy dominant positions within their industries. Many of these companies have already incorporated higher wages in their efforts to attract a strong employee base. Also, these companies often have highly desired proprietary goods and services and can pass rising costs through to their customers.

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

As of September 30, 2021, the Fund's 3-year projected average annual sales growth rate was 31%, double the 15% estimated sales growth rate of the S&P 500. The Fund's 3- to 5-year estimated forward earnings growth rate was 22%, significantly higher than the 16% rate projected for the S&P 500. We believe high rates of future sales and earnings growth are key drivers of share price over the longer term.

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 2 stars for the 3- and 5-year periods and 3 stars for the 10-year period ended 9/30/21 among 1,133, 1,024 and 762 large growth funds, respectively.

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