



**Overall**  **Rating**



Among 1,142 Large Growth Funds  
(as of 9/30/22)

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**

\$216M  
(as of 9/30/22)

**Top 10 Holdings**

(as of 9/30/22)

Company	Weight (%)
Amazon.com Inc	4.55
Visa Inc Class A	4.19
Meta Platforms Inc Class A	4.08
Diamondback Energy Inc	3.90
Uber Technologies Inc	3.68
Alphabet Inc Class A	3.63
PayPal Holdings Inc	3.59
Vertex Pharmaceuticals Inc	3.35
Microsoft Corp	3.02
Qualcomm Inc	2.93

**Portfolio Manager Q&A**

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

**Q1: Would you please comment on the stock market in the third quarter of 2022, and how did the Fund perform in this period?**

The stock market experienced continued volatility during the third quarter of this year, responding to several factors such as persistent inflation, interest rate increases by the Federal Reserve, and pressures on energy supplies due to the war between Russia and Ukraine. In this environment, the Fund returned -3.57% for the three months ended September 30, 2022. While we are never satisfied with negative returns, the Fund outperformed, on a relative basis, both the Morningstar Large Growth Funds category average and the S&P 500 Index, which returned -4.09% and -4.88%, respectively.

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

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

The Fund's outperformance relative to the S&P 500 Index in the third quarter was driven by a combination of stock selection and sector allocation. The Fund's positions in the Health Care, Industrials and Financials sectors contributed positively to performance relative to the S&P 500 Index.

- » **Health Care:** The Fund's Health Care sector positions gained 1%, while the S&P 500 Index's Health Care sector declined approximately 5%. Two companies that were strong contributors to the Fund's performance this quarter were Global Blood Therapeutics, a biopharmaceutical company providing treatments for patients including sickle cell disease, and Vertex Pharmaceuticals Inc. (VRTX), a biotechnology company that develops treatments for diseases including cystic fibrosis.
- » **Industrials:** The Fund was underweight the Industrials sector with an approximately 6% allocation compared to the Index's 8% weighting in this sector. The Fund's positions in Industrials gained about 14% while the S&P 500's Industrials sector lost nearly 5%. The Fund's most notable contributor in this sector was Uber Technologies Inc. (UBER), a technology provider known for its ride-sharing platform.
- » **Financials:** The Fund's positions in the Financials sector gained almost 5% while the Index's Financials sector lost 3%. Two of the Fund's strongest contributing companies were Coinbase Global Inc. (COIN), a cryptocurrency exchange, and Robinhood Markets Inc. (HOOD), a financial services platform designer.

**Value Line Funds**

443.279.2015  
[www.vlfunds.com](http://www.vlfunds.com)

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**Q3: Would you please describe the types of companies in the Fund's portfolio?**

The Fund is primarily invested in leading large-cap growth companies. These companies typically have strong brands, compelling products and services, hold dominant market share positions, and attractive long-term sales and earnings growth potential.

As growth investors, we believe that sales and earnings growth drive share price appreciation over longer periods of time. As of September 30, 2022, the Fund's equity portfolio had a 3-year projected average annual sales growth rate that was more than 3X that of the S&P 500 Index, and its 3- to 5-year estimated forward earnings growth rate was double the S&P 500. Notably, despite the higher projected longer-term sales and earnings growth rates, the Fund's equity portfolio has only a slightly higher price/earnings ratio over the next 12 months versus the S&P 500.

	VALLX/VLLIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	34%	9%
3-5-Year Estimated Forward Earnings Growth Rate	24%	12%
Next 12 Months Price/Earnings Ratio ("P/E")	16x	15x

Using a next 12 months P/E / 3-5-year estimated forward earnings growth rate ("PEG") ratio of as a measure of value relative to expected earnings growth, the Fund's equity portfolio PEG ratio is at a discount to its longer-term projected growth at 0.7X, while the S&P 500's PEG ratio is 1.3X or trading at a premium to its longer-term growth rate as of September 30, 2022.

As a result, we believe the Fund's growth equity portfolio is well positioned for future appreciation and is attractively valued.

**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](http://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](http://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- and 5-year periods and 2 stars for the 10-year period ended 9/30/22 among 1,142, 1,060 and 790 large growth funds, respectively.

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