



Overall **MORNINGSTAR** Rating



(Investor)

Among 1,197 Large Growth Funds
(as of 12/31/20)

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.



Cindy Starke
Portfolio Manager

Ms. Starke has over 20 years of investment experience. She earned a BS and an MBA from Fordham University.

Fund Facts

Symbol

Investor VALLX
Institutional VLLIX

Inception Dates

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

Total Assets

\$401M
(as of 12/31/20)

Top 10 Holdings

(as of 12/31/20)

Company	Weight (%)
Amazon.com Inc	6.74
Facebook Inc A	4.02
PayPal Holdings Inc	3.97
Exelixis Inc	3.80
ServiceNow Inc	3.63
Alphabet Inc A	3.14
Netflix Inc	3.10
NVIDIA Corp	2.99
Activision Blizzard Inc	2.89
Visa Inc Class A	2.78

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 and the year ended December 31, 2020, relative to both the Morningstar Large Growth Funds category and the S&P 500 Index?

We are pleased with the Fund's return of 14.01% for the quarter ended December 31, 2020, outperforming the Morningstar category's average return of 12.52% and the S&P 500 Index which was up 12.15%. In addition, the Fund produced a notable absolute and relative return of 45.98% for the year ended December 31, 2020, outperforming the Morningstar category's average return of 34.82% and more than doubling the S&P 500 Index's gain of 18.40%.

Over longer time periods, the Fund has also outperformed both the Morningstar category average and the S&P 500 Index for the 3, 5 and 10-year periods as of December 31, 2020.

Q2: Would you please comment on the drivers of this impressive performance in 2020?

The primary driver of the Fund's outperformance during 2020 was adept stock picking. Asset allocation also very beneficial to returns. The three sectors with the most significant contribution to the Fund's outperformance this year were as follows:

- 1. Information Technology (IT).** IT was the Fund's top contributing sector for the year, as our technology companies gained an average of 92% for the year, handily outperforming the S&P's average gain of approximately 44% for the IT sector. The Fund's top-performing IT companies had extremely strong returns in 2020, including the cybersecurity company, CrowdStrike (CRWD +325%), cloud communications platform, Twilio (TWLO +244%), and multi-channel commerce platform, Shopify (SHOP +144%).
- 2. Communication Services.** The Fund's communication services companies gained an average of 52%, more than double the S&P's sector gain of approximately 24%. Some of our strongest performers were social media company, Twitter (TWTR +89%), the streaming content platform, Netflix (NFLX +67%), and interactive video game company, Activision Blizzard (ATVI +57%).
- 3. Consumer Discretionary.** The Fund's Consumer Discretionary companies rose 61% on average in 2020, while the S&P's Consumer Discretionary companies rose 33% on average. Our best performers in the sector included leading interactive fitness platform, Peloton Interactive (PTON +88%), and e-commerce company, Amazon (AMZN +76%).

Q3: Can you mention a recent buy and sale in the Fund and the portfolio growth rates at year end?

During the fourth quarter, we sold Slack Technologies, known for its team collaboration software, after its shares moved higher on the announcement that the company will be acquired by Salesforce (CRM), another company we own in the Fund. We initiated a position in Global Blood Therapeutics (GBT) on a sharp pullback in its share price. GBT is a biopharmaceutical company targeting sickle cell disease with its drug, Oxbryta. As of December 31, 2020, the Fund held 43 companies.

The Fund's portfolio companies have higher projected rates of sales and earnings than the S&P 500. As of December 31, 2020, the Fund's 3-year projected sales growth rate was 23%, over 2.5X the 9% rate of the S&P 500. The Fund's 3- to 5-year estimated forward earnings growth rate was 24%, double the S&P 500's rate of 12%.

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Value Line Larger Companies Focused Fund Performance (as of 12/31/20)

	QTD	Average Annual Returns			
		1 Year	3 Year	5 Year	10 Year
Investor - VALLX	14.01%	45.98%	22.95%	20.04%	16.44%
Institutional - VLLIX¹	14.07	46.36	23.24	20.28	16.53
S&P 500 Index	12.15	18.40	14.18	15.22	13.88
Morningstar Large Growth Category Average	12.52	34.82	20.21	18.04	14.66
Percentile Rank in Morningstar Cat. - VALLX		18	31	28	27
# of Funds in Category		1,289	1,197	1,070	789
VALLX Gross/Net Expense Ratio*: 1.16% / 1.15%, VLLIX Gross/Net Expense Ratio*: 2.75%/0.90%					

Morningstar Ratings and Categories based on risk adjusted returns of Investor class shares.

¹*Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The inception date of VLLIX is November 1, 2015.*

*EULAV Asset Management (the "Adviser") has contractually agreed to waive through June 30, 2021 certain Fund-wide fees and further assume certain Fund-wide expenses to the extent necessary to limit such expenses (excluding brokerage commissions, interest, taxes, and certain non-routine Fund-wide expenses) to 0.90% of the average daily net assets of each class (the "Fund-level Expense Limitation"). In addition, the Adviser and EULAV Securities LLC (the "Distributor") have contractually agreed to permanently waive certain class-specific fees and assume certain class-specific expenses so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and certain non-routine class-specific expenses) (the "Class Expense Limitation," together with the Fund-level Expense Limitation, the "Expense Limitations"). Each Expense Limitation can be terminated with the agreement of the Fund's Board. The Adviser and the Distributor may subsequently recover from a class any fees waived and expenses assumed within three years from the month in which the waiver or assumption occurred for such class, to the extent its expense ratio is less than the applicable Expense Limitation or, if lower, the expense limitation in effect when the waiver or assumption occurred. The Fund's performance would be lower in the absence of such waivers.

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 12/31/20 among 1,197, 1,070 and 789 large growth funds, respectively.

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