



Overall Rating



(VALLX)

Among 1,118 Large Growth Funds
(as of 12/31/23)

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

\$314M
(as of 12/31/23)

Top 10 Holdings

(as of 12/31/23)

Company	Weight (%)
Uber Technologies Inc	6.90
NVIDIA Corp	5.47
Meta Platforms Inc Class A	5.25
Amazon.com Inc	4.65
Alphabet Inc Class A	4.19
Advanced Micro Devices Inc	4.19
Salesforce Inc	3.98
Exact Sciences Corp	3.97
Microsoft Corp	3.86
Booking Holdings Inc	3.36

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: Would you please comment on the stock market's performance in the fourth quarter of 2023 and the 1-year period, and how did the Fund perform in these periods?

Stock market returns were strong in both the fourth quarter of 2023 and for the year, led primarily by large-cap growth stocks including the "Magnificent Seven" companies (Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta Platforms and Tesla.) For example, in the fourth quarter, the Russell 1000 Growth Index rose 14% and the S&P 500 Index rose 12%. Similarly, for the 1-year period in 2023, the Russell 1000 Growth Index rose 43% and the S&P 500 Index rose 26%.

Compared to its peers in the Morningstar Large Growth Category, the Fund outperformed in the fourth quarter of 2023, with a return of 18.30% vs the category's average 13.83%. For the 1-year period, the Fund's return of 59.06% significantly surpassed the category's average of 36.74% by over 2,200 basis points.

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

Q2: Over the 1-year period of 2023, what drove the Fund's performance compared to the S&P 500 Index?

The Fund's outperformance in 2023 versus the Index was driven primarily by stock selection. From a sector perspective, the Fund's two largest contributors were Information Technology and Industrials.

The Fund's Information Technology (IT) holdings gained 100%, surpassing the S&P's IT return of 61% by a wide margin. The Fund's three biggest contributing IT stocks included the following:

- NVIDIA Corp. (NVDA) (+239%) specializes in graphics products for gaming, visualization, data center and automotive industry users.
- CrowdStrike Holdings Inc. (CRWD) (+142%) is a leading cloud-based cybersecurity company providing endpoint security, threat intelligence and cyberattack response services.
- Advanced Micro Devices Inc. (AMD) (+128%) is a semiconductor company that develops computer processors for markets including PCs, gaming consoles and data centers.

The Fund's Industrials holdings gained 149% compared to the Index's 18% gain in the sector. The Fund's sole Industrials holding was Uber Technologies Inc. (UBER), the ride-sharing company that also provides delivery services through its on-demand mobile app.

Q3: Would you please describe the types of growth companies owned in the Fund and how their growth characteristics compare to the broader market?

The Fund is run as a "best ideas" portfolio which consists of 25-50 positions in growth companies that are in various stages of the growth life cycle. The majority of the Fund's holdings, as well as percentage of assets, are typically invested in Established Growth Companies, represented by our longer-term holdings in Microsoft, Visa, and Amazon, among many others. We view Established Growth Companies as leading secular growth companies with above average rates of sustainable longer-term sales and earnings growth, with

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Value Line Funds

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dominant market share positions, competitive advantages, and barriers to entry in the industries where they operate.

To a lesser degree, the Fund also invests in Next-Gen Growth Companies. These are companies we consider to have unique and fast-growing products or services, and we believe they have an opportunity to become much bigger companies over time. In addition, at times we will take advantage of market volatility and purchase holdings in what we consider to be Opportunistic Growth Companies. We generally view these companies as having a favorable risk/return proposition. These may be turnaround growth companies that are misunderstood or mismanaged companies that have sold off significantly despite their longer-term growth opportunity being still very intact and attractive. We view cyclical growth companies

in the opportunistic category as well. Here we may see an opportunity for a company's earnings to significantly increase and a valuation that doesn't reflect this coming opportunity.

Overall, we build a "best ideas" portfolio with companies we believe are very well positioned for future sales and earnings growth. As growth investors, this is of supreme importance to us, as we believe that sales and earnings growth are key drivers of longer-term share price appreciation. Therefore, we seek to own a diversified portfolio of growth companies that can collectively grow their future sales and earnings at faster rates relative to the broad market. As of December 31, 2023, the Fund's equity portfolio had a 3-year projected average annual sales growth rate and a 3- to 5-year estimated forward earnings growth rate that were double the growth of S&P 500.

	VALLX/VLLIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	19%	9%
3-5-Year Estimated Forward Earnings Growth Rate	26%	13%

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 (VALLX) received 2 stars for the 3-year period, 1 star for the 5-year period and 2 stars for the 10-year period ended 12/31/23 among 1,118, 1,031 and 810 large growth funds, respectively. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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