



**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 VALSX  
Institutional VILSX

**Inception Date**

Investor 5/31/56  
Institutional 4/30/20

**Total Assets**

\$471M  
(as of 6/30/21)

**Top 10 Holdings**

(as of 6/30/21)

Company	Weight (%)
Danaher Corp	6.98
Accenture PLC Class A	5.62
Thermo Fisher Scientific Inc	5.58
Mastercard Inc A	5.49
Roper Technologies Inc	4.89
Salesforce.com Inc	4.68
Cintas Corp	4.63
Teledyne Technologies Inc	4.19
S&P Global Inc	3.83
INDEXX Laboratories Inc	3.80

**Value Line Funds**

443.279.2015  
www.vlfunds.com

**Portfolio Manager Q&A**

**Value Line Select Growth Fund (VALSX/VILSX)**

**Q1: Would you please comment on the Fund's performance relative to its Morningstar category in the second quarter of 2021?**

For the three months ended June 30, 2021, the Fund produced a solid total return of 9.09%, lagging the Morningstar Large Growth category average by 119 basis points. While we are not satisfied with short-term relative underperformance, we believe that our lower risk investment approach of selecting high-quality companies with a track record of consistent growth will benefit investors in the long run.

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

**Q2: Why should an investor consider this concentrated, large-cap fund?**

We believe owning a focused portfolio of between 25 and 50 companies allows us to highlight our "best ideas" among large, high-quality growth-oriented companies. By selecting a fewer number of companies with a long-term history of growth, we believe the portfolio has a greater potential for relative outperformance while balancing risk. The types of companies we hold have demonstrated 10+ years of consistent growth in both stock price and earnings. Unlike more volatile, headline-grabbing stocks, we find that companies with this historical track record of success have been able to grow in a variety of market conditions. Relative to the Morningstar Large Growth funds category, the Fund has achieved "Below Average or Low" Risk ratings for the 3, 5 and 10-year periods ended June 30, 2021.

Select Growth Fund (VALSX)	3 Year	5 Year	10 Year
<b>Morningstar Risk Rating</b>	<b>Below Avg</b>	<b>Below Avg</b>	<b>Low</b>

Source: Morningstar as of 6/30/21

**Q3: Would you please comment on how your growth investing approach responds to economic pressures such as inflation?**

Our investment approach favors the selection of high-quality, growth-oriented companies with a consistent, long-term track record. Specifically, we invest in companies that have shown 10 or more years of consistent growth in both stock price and earnings. We find that companies with this track record of consistent growth have demonstrated the ability to grow in various market conditions.

The types of companies we own tend to have proprietary goods and services and have dominant market positions. Their wide moats provide an operating advantage—for example, they have pricing power which can be a benefit when there are concerns about potential rising inflation. If inflationary pressures lead to supply chain cost increases, a company's pricing power gives them the added leverage to raise prices of their proprietary goods or services to offset rising costs.

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#### Q4: What portfolio changes were made to the Fund in the second quarter?

As of June 30, 2021, the Fund held 33 companies. We did not exit any positions or add any new names to the portfolio in the second quarter. We did adjust our weightings in various positions, by trimming some and adding to some, as we have been gradually shifting the average market cap of the portfolio towards large-cap companies.

For example, a few of the high-quality companies we own in this focused portfolio include Danaher Corp. (DHR), which manufactures scientific equipment for life sciences, diagnostics and environmental industries; Mastercard Inc. (MA), the second-largest payment processor in the world; and Accenture PLC (ACN), a global information technology services firm.

#### Portfolio Manager



**Stephen E. Grant**

*Co-Portfolio Manager*

*Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past 30 years, Mr. Grant's unique quantitative/behavioral methodology has driven the success of several equity and hybrid funds. Mr. Grant has a B.A. in Economics from Stanford University and an MBA in Finance from the Wharton School of the University of Pennsylvania.*

**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.**

*There are risks associated with investing in small and mid-cap stocks, which tend to be more volatile and less liquid than stocks of large companies, including the risk of price fluctuations.*

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

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