



**Overall**  **Rating**



Among 1,117 Large Growth Funds (as of 6/30/23)

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 VALSX  
Institutional VILSX

**Inception Date**

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

**Total Assets**

\$387M  
(as of 6/30/23)

**Top 10 Holdings**

(as of 6/30/23)

Company	Weight (%)
Cintas Corp	6.73
TransDigm Group Inc	5.79
Accenture PLC Class A	5.62
Costco Wholesale Corp	4.72
Salesforce Inc	4.46
S&P Global Inc	4.32
Mastercard Inc Class A	4.30
Danaher Corp	4.02
Cadence Design Systems Inc	4.02
Roper Technologies Inc	4.00

**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 the Morningstar Large Growth Funds category average in the second quarter?**

For the quarter ended June 30, 2023, the Fund's absolute return of 6.92% underperformed the Morningstar Large Growth Funds category average return of 10.97%. While we are never satisfied with relative underperformance, we believe that long-term returns are more important for investors. In the second quarter of 2023, the stock market headlines were dominated by a handful of mega-cap companies that disproportionately drove index returns. However, our approach to the Fund's portfolio is more focused on seeking steady returns over long-term periods. In fact, the Fund has produced positive total returns in 9 of the past 10 calendar years through 2022.

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

**Q2: How does the Fund's investment approach impact its risk profile?**

When selecting companies for the portfolio, we look for companies with a track record of 10 or more years of consistent growth in both stock price and earnings. These companies generally offer specialized services or possess a dominant market share within their niche areas, have healthy balance sheets, and capable management teams. We believe that these companies with a long-term history of success through various market cycles are well positioned to deliver consistent results.

We believe that our long-term oriented, disciplined investment approach results in less volatility compared to our peers. In fact, the Fund has achieved **Morningstar's "Below Average" Risk Rating** for the 3, 5 and 10-year periods as of June 30, 2023.

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

The Fund is a concentrated "best ideas" portfolio of primarily large-cap companies with 10+ years of consistent growth in both stock price and earnings. Representative examples include:

- **Costco Wholesale Corp. (COST):** Costco is a warehouse club with over 800 stores worldwide. The club enjoys a large, loyal customer base of both individual and business members, and sells a diverse range of products including food, fuel and ancillary services.
- **Cadence Design Systems Inc. (CDNS):** Cadence is a software company which provides electronic design automation software and other intellectual property that are used in semiconductor chip design.

As of June 30, 2023, the Fund was comprised of 32 companies.

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#### Q4: How does market cap play a role in the Fund's portfolio selection?

The Fund's portfolio generally has a smaller average market cap and invests in fewer of the mega-cap companies compared to the broad category of Morningstar Large Growth Funds. By investing in smaller

large-cap companies, our holdings tend to have ample room for continued growth. As a result, the Fund's average market cap of \$92B is markedly smaller than the category average market cap of \$226B as of June 30, 2023.

#### Portfolio Manager



**Stephen E. Grant**

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 4 stars for the 3- and 5-year periods and 3 stars for the 10-year period ended 6/30/23, out of 1,117, 1,032 and 791 large growth funds, respectively.

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