



Overall  Rating



Among 1,133 Large Growth Funds (as of 9/30/21)

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

\$475M (as of 9/30/21)

Top 10 Holdings

(as of 9/30/21)

Table with 2 columns: Company, Weight (%). Lists top 10 holdings including Danaher Corp, Thermo Fisher Scientific Inc, Accenture PLC Class A, etc.

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 for the third quarter of 2021?

We are pleased the Fund's return surpassed the Morningstar Large Growth Funds category average by over 300 basis points in the third quarter ended September 30, 2021, as the Fund returned 3.50% while the category return was essentially flat. We believe this relative outperformance is primarily due to our investment process of owning companies with 10+ years of consistent growth in both stock price and earnings. Not only has the investment process contributed to short-term outperformance, but we have also experienced compelling long-term results. In fact, the Fund has produced 12 consecutive calendar years of positive total returns, for the years 2009 through 2020.

Please visit the Fund's performance page for complete performance information.

Q2: How do individual stock qualities and sector trends inform your investment decisions?

Our investment approach is based on individual stocks, rather than based on broad sector trends. We own high-quality companies with long-term, consistent track records, regardless of their sector classification. Specifically, we own companies that have demonstrated 10 or more years of consistent growth in both stock price and earnings.

At times, this high-quality selection criteria leads the portfolio to a larger weighting in certain sectors. For example, the portfolio's largest sector weighting is Information Technology (IT), at 35% of the portfolio as of September 30, 2021. We own a select handful of high-quality IT stocks with consistent growth results over time. We do not own volatile IT companies that are driving headlines as they increase overall portfolio risk.

Rather, our companies possess dominant market positions through their specialized offerings and have demonstrated they can maintain their successful business models regardless of the economic environment. For example, two of our IT holdings are Accenture PLC (ACN), a multinational company specializing in IT services and consulting; and Salesforce.com (CRM), a cloud-based software company providing customer relationship management service.

Q3: How does the Fund's investment process impact its risk profile?

As a result of our investment criteria of owning companies with 10 or more years of consistent growth in both stock price and earnings, the Fund aims to have a lower risk profile relative to its peers in the Morningstar Large Growth Funds category. We find that owning companies with such consistent, long-term track records has helped the portfolio to have smoother performance results over time with lower risk. In fact, Morningstar has awarded the Fund "Below Average" or "Low" Risk ratings for the 3, 5 and 10-year periods ended September 30, 2021.

Table with 4 columns: Select Growth Fund (VALSX), 3 Year, 5 Year, 10 Year. Row 1: Morningstar Risk Rating, Below Avg, Below Avg, Low.

Source: Morningstar as of 9/30/21

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Q4: What changes were made to the portfolio in Q3?

The Fund is a focused portfolio of between 25 and 50 companies that have demonstrated consistent results over many years. With our long-term perspective, we are highly selective of the companies we choose to add to the portfolio. We added one company, Stryker

Corporation, to the portfolio in the third quarter. Stryker (SYK) designs and manufactures a variety of medical equipment, supplies and devices. We have watched this company for many years and determined that it now meets our stringent criteria of 10+ years of steady growth in stock price and earnings. As of September 30, 2021, the Fund held 34 stocks.

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 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.

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 9/30/21, out of 1,133, 1,024 and 762 large growth funds, respectively.

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