



Overall **Morningstar** Rating



(VALSX)
Among 1,020 Large
Growth Funds
(as of 12/31/24)

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

\$424M
(as of 12/31/24)

Top 10 Holdings

(as of 12/31/24)

Company	Weight (%)
Costco Wholesale Corp	6.98
TransDigm Group Inc	6.95
Cintas Corp	6.51
ServiceNow Inc	5.91
Motorola Solutions Inc	5.23
Accenture PLC Class A	4.92
Cadence Design Systems Inc	4.75
Stryker Corp	4.26
Trane Technologies PLC Class A	4.18
Intercontinental Exchange Inc	4.11

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 Category in 2024?

For the 12 months ended December 31, 2024, the Fund produced a total return of 12.20%, which lagged the Morningstar Large Growth Category average return of 28.96%. Although the Fund underperformed on a relative basis, we believe that a long-term approach emphasizing high-quality companies and lower risk is more important to investors. Our long-term approach focuses on companies with a 10+ year history of consistent growth in both stock price and earnings, rather than on headline-grabbing companies. We believe this approach leads to lower risk over the long term.

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

Q2: Would you please describe the Fund's investment process and provide an example?

Our investment approach emphasizes companies with 10 or more years of consistent growth in stock price and earnings. These types of companies have demonstrated operating success in a variety of economic conditions, generally possess healthy fundamentals, and have strong management. We believe that such steady characteristics make these companies more likely to continue to grow.

A portfolio example is Costco Wholesale Corp. (COST), the warehouse club retailer. Costco's membership base has steadily grown over the past 10 years, from 76 million in 2014 to nearly 137 million members in 2024. The company's store locations have also increased, and the company now operates 897 warehouses in the U.S. and several other countries.

We believe that it is important to invest in companies with room for growth. In general, the Fund's portfolio is comprised of companies with a smaller market capitalization compared to our Morningstar category peers. In fact, as of December 31, 2024, the Fund's average market cap was \$115B, compared to the Morningstar Large Growth category average market cap of \$588B.

Q3: How does the Fund's risk profile compare to other Large Growth funds?

The Fund seeks long-term outperformance and we strive to provide a "smoother ride" for investors' growth portfolios. By owning companies with consistent growth over multiple years, we have achieved an attractive risk rating compared to our Morningstar category peers. In fact, the Fund has earned Morningstar's "Below Average" Risk Rating for the 3, 5 and 10-year periods ended December 31, 2024. In addition, the Fund has lower standard deviation, a measure of volatility, compared to the Morningstar Large Growth category average for the same time periods.

	3 Year	5 Year	10 Year
Fund (VALSX) Standard Deviation	19.28	19.69	16.05
Morningstar Large Growth Funds Cat. Avg. Standard Deviation	21.66	21.39	17.82
Morningstar Risk Rating	Below Avg.	Below Avg.	Below Avg.

Source: Morningstar as of 12/31/24

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Q4: What changes were made to the Fund in Q4?

During the fourth quarter, we added one company, Progressive Corp. (PGR), the auto insurance company. Progressive is one of the largest auto insurers in the U.S. and has almost 20 million personal auto policies.

During the quarter, we exited our position in Union Pacific Corp. (UNP), the largest public railroad in North America, as the company no longer met our stringent investment criteria.

As of December 31, 2024, the Fund held 27 companies.

Portfolio Manager



Stephen E. Grant

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 (VALSX) received 3 stars for the 3-year period and 2 stars for the 5- and 10-year periods ended 12/31/24, out of 1,020, 952 and 748 large growth funds, respectively. © 2025 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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