



Overall  Rating



(VLIFX)  
Among 519 Mid-Cap  
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 VLIFX  
Institutional VLMIX

Inception Date

Investor 3/1/50  
Institutional 8/11/17

Total Assets

\$851M  
(as of 6/30/23)

Top 10 Holdings

(as of 6/30/23)

Company	Weight (%)
Gartner Inc	5.11
TransDigm Group Inc	5.08
Pool Corp	4.41
Cadence Design Systems Inc	4.15
WR Berkley Corp	4.04
Steris PLC	3.88
IQVIA Holdings Inc	3.85
Fair Isaac Corp	3.82
Monolithic Power Systems Inc	3.53
Teledyne Technologies Inc	3.51

Value Line Funds

443.279.2015  
www.vlfunds.com

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX/VLMIX)

Q1: Would you please comment on the Fund's performance relative to the Morningstar Mid-Cap Growth Funds category average in the second quarter as well as longer term periods?

For the quarter ended June 30, 2023, the Fund underperformed the Morningstar Mid-Cap Growth Funds category average, with a return of 4.82% vs. the category's average 5.82% return. Although we are never satisfied with relative underperformance, we are pleased the Fund has outperformed over longer time periods. Over the 1-year period ended June 30, 2023, the Fund outperformed the category average by over 400 basis points.

In addition, the Fund's performance ranked in the top decile (10% or better) for the 3, 5 and 10-year periods. We believe this relative outperformance over multiple time periods is primarily due to our investment approach of selecting a portfolio of companies with a track record of consistent growth in both stock price and earnings over 10 years or more.

In fact, the Fund is the only mid-growth style fund in the Morningstar Mid-Cap Growth Funds category (among 140 unique funds) that has a "Low" Risk Rating for the 3, 5 and 10-year periods, and top 10% performance for the 3, 5 and 10-year periods, as of June 30, 2023.

	1 Year	3 Year	5 Year	10 Year
<b>Percentile Rank in Morningstar Cat. - VLIFX</b>	<b>18</b>	<b>6</b>	<b>2</b>	<b>3</b>
# of Funds in Category	560	519	486	379

Source: Morningstar as of 6/30/23

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

Q2: Would you please share some examples of the types of companies that meet your stringent investment criteria?

The Fund invests in primarily mid-sized companies that have a 10+ year history of consistent growth in both stock price and earnings. Companies with this type of track record have been successful through a variety of market conditions, and we believe are well positioned for continued growth. A few examples of portfolio companies include:

- Lennox International Inc. (LII) manufactures heating and cooling products for both residential and commercial construction customers. The company's air conditioning products represent the majority of its business, and Lennox generates a large percentage of sales from replacement products.
- Tyler Technologies Inc. (TYL) is a software company that serves local governments such as cities, counties and schools. The company is known primarily for its property tax appraisal and payment solutions.
- Monolithic Power Systems Inc. (MPWR) is a semiconductor company that provides power solutions for an array of industries, including telecommunications, computing and automatic applications. The company focuses on reducing energy consumption in its design systems.

### Q3: How do you manage risk while investing in growth-oriented companies?

We believe in the importance of seeking growth while maintaining a robust approach to risk management. The types of companies we invest in have a long-term track record of success, with well-established business operations and experienced management. In addition, these companies have an ample growth runway.

In our view, investing in companies with this type of consistent growth can lead to a portfolio with long-term growth potential and less volatility for Fund shareholders. In fact, the Fund's risk-adjusted return, as measured by

Sharpe Ratio, exceeds that of our Morningstar category peers over the 3, 5 and 10-year periods ended June 30, 2023. In addition, the Fund has earned Morningstar's "Low" Risk Rating for the same time periods.

	3 Year	5 Year	10 Year
Fund (VLIFX) Sharpe Ratio	0.78	0.75	0.90
Morningstar Mid-Cap Growth Cat. Avg. Sharpe Ratio	0.35	0.40	0.60
Morningstar Risk Rating	<b>Low</b>	<b>Low</b>	<b>Low</b>

Source: Morningstar as of 6/30/2023

### 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 5 stars for the 3-, 5- and 10-year periods ended 6/30/23, among 519, 486 and 379 mid-cap growth funds, respectively.

**Past performance is no guarantee of future results. Value Line Mutual Funds are distributed by EULAV Securities LLC.** Although the information provided in this document has been obtained from sources which EULAV Securities LLC believes to be reliable, it does not guarantee accuracy or completeness of such information.

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