



Overall  Rating



(VLIFX)
Among 532 Mid-Cap
Growth Funds
(as of 9/30/22)

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

\$423M
(as of 9/30/22)

Top 10 Holdings

(as of 9/30/22)

Company	Weight (%)
Cadence Design Systems Inc	5.78
Gartner Inc	5.39
WR Berkley Corp	4.91
Teledyne Technologies Inc	4.82
American Financial Group Inc	4.51
Tyler Technologies Inc	4.21
Pool Corp	4.04
Arch Capital Group Inc	4.01
Chemed Corp	3.89
Fair Isaac Corp	3.89

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 in the third quarter relative to the Morningstar Mid-Cap Growth Funds category?

During a quarter characterized by high levels of stock market volatility, for the three months ended September 30, 2022, the Fund returned -2.39% while the Morningstar Mid-Cap Growth Funds category returned on average -1.83%. Although we are never satisfied with negative returns or relative underperformance, we believe that longer-term periods are more important to investors. In fact, the Fund outperformed the category by over 1900 basis points on a relative basis for the 1-year period ended September 30, 2022, with a return of -9.70% compared to the category's average return of -29.18%. In addition, over longer-term periods, the Fund's performance surpassed its peers, ranking in the top decile (10% or better) for the 1, 5 and 10-year periods ended September 30, 2022.

We believe this outperformance over multiple, long-term periods is primarily due to our investment approach of owning companies with 10+ years of consistent growth in both stock price and earnings. We are pleased that the Fund has been awarded Morningstar's Overall 5-Star Rating, while maintaining Morningstar's "Low" Risk Ratings for the 3, 5 and 10-year periods ended September 30, 2022, and is 1 out of only 5 funds (out of 131 unique funds in its category) to do so.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. - VLIFX	2	24	7	8
# of Funds in Category	582	532	491	379

Source: Morningstar 9/30/22

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

Q2: What impact does elevated inflation have on the portfolio?

Inflation does not have a direct impact on our investment approach, as we focus on companies that have 10+ years of consistent growth in both stock price and earnings. However, many companies in our portfolio do have revenue pricing power which enables them to navigate inflationary environments successfully. These companies offer added value due to their proprietary products and services, which gives them relative stability in their niche market share.

For example, two portfolio companies are Rollins Inc. (ROL), a pest-control service provider, and Waste Connections Inc. (WCN), which is in the waste management business. Such companies enjoy a strong customer connection with low turnover due to the essential services they provide regardless of the economic environment.

Q3: Why should an investor consider this Fund?

We believe that mid-cap growth companies are a compelling place to invest, as they offer a potentially long growth runway, unlike some large companies that may have already approached their full market share. Also, mid-sized companies often have demonstrated more operational consistency over time compared to smaller companies that may be in earlier stages of development.

Within the mid-cap growth universe, the Fund's investment approach emphasizes companies with 10 or more years of consistent growth, which we believe provides investors with a smoother ride. In fact, when looking at Sharpe ratio, a measure of risk-adjusted return, the Fund ranks in the top 3% among its peers in

the Morningstar Mid-Cap Growth Funds category over the 1, 5 and 10-year periods ended September 30, 2022.

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

The Fund's investment approach is long-term oriented, and we seek to invest in companies we believe offer the best prospects for growth over time. During the third quarter we did not eliminate any positions from the portfolio. We added two new companies: IQVIA Holdings Inc. (IQV), a diagnostics and research provider for the Healthcare sector, and Motorola Solutions Inc. (MSI), which provides communication equipment to public safety departments, schools and other businesses. As of September 30, 2022, the Fund held 32 companies.

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 5 stars for the 3-, 5- and 10-year periods ended 9/30/22, among 532, 491 and 379 mid-cap growth funds, respectively.

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