



Overall  Rating



(VLIFX)
Among 520 Mid-Cap
Growth Funds
(as of 9/30/23)

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

\$947M
(as of 9/30/23)

Top 10 Holdings

(as of 9/30/23)

Company	Weight (%)
Steris PLC	4.95
West Pharmaceutical Services Inc	4.51
Gartner Inc	4.47
TransDigm Group Inc	4.27
Pool Corp	4.26
WR Berkley Corp	4.10
Waste Connections Inc	4.10
Heico Corp	3.99
MSCI Inc	3.79
Lennox International Inc	3.75

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 outperformance relative to the Morningstar Mid-Cap Growth Funds category average in the third quarter as well as longer-term periods?

During the quarter characterized by downward stock market volatility, we are pleased the Fund outperformed on a relative basis, as the Fund declined 4.02% while the Morningstar Mid-Cap Growth Funds category fell 5.32% on average. Over longer time periods, the Fund's performance ranked in the top 10% or better in the Morningstar category for the 1, 3, 5 and 10-year periods ended September 30, 2023.

We believe this relative outperformance is largely due to our investment process of owning companies that have 10 or more years of consistent growth in both stock price and earnings.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. – VLIFX	8	5	4	3
# of Funds in Category	558	520	491	390

Source: Morningstar as of 9/30/23

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

Q2: Would you please describe the Fund's approach to managing risk?

We believe that a lower-risk approach to long-term growth investing is important to investors. Our portfolio is comprised of companies that have demonstrated consistent growth over the long-term—generally 10+ years of consistent growth in both stock price and earnings. This steady growth emphasis, in our view, minimizes the Fund's risk profile, and results in attractive risk-adjusted returns over time. The Fund's Sharpe Ratio, a measure of risk-adjusted return, exceeds that of our Morningstar category peers over the 3, 5 and 10-year periods as of September 30, 2023.

	3 Year	5 Year	10 Year
Fund (VLIFX) Sharpe Ratio	0.53	0.56	0.81
Morningstar Mid-Cap Growth Cat. Avg. Sharpe Ratio	0.10	0.28	0.51
Morningstar Risk Rating	Low	Low	Low

Source: Morningstar as of 9/30/2023

In fact, the Fund is the only mid-growth style fund in the Morningstar Mid-Cap Growth Funds category (among 111 unique funds) that has both 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 September 30, 2023.

Continued on next page

Q3: The Fund's largest sector at the end of the quarter was Technology, with a weight of 35%. Would you please share some examples of the types of Technology companies your investment process favors?

As with all of our portfolio companies, we look for those that have a 10+ year track record of consistent growth in both stock price and earnings. We believe this track record criteria is a clear indicator of well-run companies that can operate successfully in a variety of market conditions.

When it comes to technology, we find many companies that meet our criteria, but they may not be the types of companies that are often in the headlines. More often, they are businesses that provide products and services supporting the operations of other companies,

organizations, or governments. Some portfolio examples include:

- Motorola Solutions Inc. (MSI): Motorola serves public safety departments, schools, hospitals and businesses with its communications equipment. The company's radio infrastructure is widely used, and the company has customers across the United States and in over 100 countries.
- Tyler Technologies Inc. (TYL): Tyler provides software to schools and municipalities, including court management systems, payments, and tax assessment services.
- CDW Corp. (CDW): This company's products include hardware and software solutions for businesses, governments, education and healthcare customers.

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 9/30/23, among 520, 491 and 390 mid-cap growth funds, respectively.

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