



Overall Morningstar Rating



(VLIFX/VLMIX)
Among 511 Mid-Cap Growth Funds
(as of 9/30/24)

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 VLIFX
Institutional VLMIX

Inception Date

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

Total Assets

\$1.9B
(as of 9/30/24)

Top 10 Holdings

(as of 9/30/24)

Table with 2 columns: Company, Weight (%). Lists top 10 holdings including Tyler Technologies Inc, Heico Corp, Monolithic Power Systems Inc, etc.

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?

The Fund returned 9.93% for the quarter ended September 30, 2024, outperforming the Morningstar Mid-Cap Growth Category average return of 6.46%. For the 1-year period, the Fund returned 30.95%, outperforming the Morningstar category's average return of 26.45% by 450 basis points.

When considering longer time periods, we are pleased the Fund is one of only two funds in the Morningstar category that achieved top 25% or better performance for the 1, 3, 5 and 10-year periods and Morningstar's "Low" Risk Rating for the 3, 5 and 10-year periods as of September 30, 2024.

Table showing Percentile Rank in Morningstar Cat. - VLIFX across 1 Year, 3 Year, 5 Year, and 10 Year periods, along with # of Funds in Category and Morningstar Risk Rating.

Source: Morningstar as of 9/30/24

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

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

We believe the Fund's attractive risk/reward relationship 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. In our view, this emphasis on steady growth has minimized the Fund's volatility compared to our peers.

In fact, the Fund's standard deviation, a measure of volatility, ranks the lowest among its peers in the Morningstar Mid-Cap Growth Category for the 3, 5 and 10-year periods ended September 30, 2024.

Table showing Fund (VLIFX) Standard Deviation Rank across 3 Year, 5 Year, and 10 Year periods, along with # of Unique Funds in Morningstar Mid-Cap Growth Cat.

Source: Morningstar as of 9/30/24

Q3: Would you please share some examples of the companies that illustrate the Fund's long-term, lower-risk investment approach?

The Fund's investment process emphasizes companies that have well-run, more predictable business operations and have successfully operated in a variety of market conditions. Companies that have a track record of consistent growth throughout market cycles typically

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have a dominant market position in their niche area, often providing mundane yet essential products and services.

Two portfolio examples include the following companies:

- Waste Connections Inc. (WCN) provides waste and recycling services to commercial, residential and industrial customers. The company operates over 100 landfills and over 80 recycling operations across the U.S. and Canada. The Fund has owned a position in Waste Connections since 2009.
- Casey's General Stores Inc. (CASY) is a more recent addition to the Fund's portfolio, purchased in the second quarter of 2024. Casey's is the third-largest convenience store chain in the U.S. with over 2,600 locations offering fuel, groceries and prepared foods.

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

During the third quarter, we added three companies to the portfolio: Comfort Systems USA Inc. (FIX), which provides heating, ventilation and air conditioning services; Brown & Brown Inc. (BRO), an insurance agent and broker; and Republic Services Inc. (RSG), the second-largest provider of solid waste services in the U.S.

As of September 30, 2024, the Fund owned 41 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 received 5 stars for the 3-, 5- and 10-year periods ended 9/30/24, among 511, 476 and 378 mid-cap growth funds, respectively. © 2024 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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