



Overall  Rating



(VLIFX)
Among 534 Mid-Cap
Growth Funds
(as of 12/31/22)

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

\$527M
(as of 12/31/22)

Top 10 Holdings

(as of 12/31/22)

Company	Weight (%)
Gartner Inc	5.42
TransDigm Group Inc	4.76
Teledyne Technologies Inc	4.59
Cadence Design Systems Inc	4.57
Fair Isaac Corp	4.54
WR Berkley Corp	4.43
Pool Corp	4.38
IQVIA Holdings Inc	4.05
American Financial Group Inc	4.04
Chemed Corp	3.66

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 fourth quarter and the year relative to the Morningstar Mid-Cap Growth Funds' category?

The Fund produced a solid return of 11.37% for the fourth quarter of 2022, outperforming the Morningstar Mid-Cap Growth Funds category average return of 5.07% by over 600 basis points. For the 1-year period ended December 31, 2022, the Fund's return was -9.56%. Although we are never satisfied with negative performance, the Fund outperformed the Morningstar category's average of -27.79% by a substantial margin.

In addition, the Fund performed well on a relative basis for longer time periods. The Fund's performance ranked in the top decile (10% or better) for the 1, 3, 5 and 10-year periods ended December 31, 2022. We believe this outperformance is primarily due to our investment approach whereby we own companies with 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	4	8	5	6
# of Funds in Category	586	534	499	389

Source: Morningstar 12/31/22

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

Q2: How did the stock market volatility in 2022 affect the Fund's approach to risk management?

The Fund's approach to risk management remained consistent through the market volatility in 2022 as with prior years. Our approach to risk is closely tied to our investment approach. We have found that by owning companies with a consistent track record of growth over a long period of years, our portfolio is subject to fewer periods of extreme ups and downs in performance as compared to our peers. In fact, the Fund is the only mid-growth style fund in the Morningstar Mid-Cap Growth Funds category that has an **Overall 5-Star Rating, "Low" Risk Rating** for the 3, 5 and 10-year periods, and **top decile performance** for the 3, 5 and 10-year periods, as of December 31, 2022.

Q3: Would you please provide examples of types of companies that meet your investment criteria?

Our investment process emphasizes companies with track records of consistent operating results regardless of the economic environment. Generally, the companies we own have achieved 10 or more years of consistent growth in both stock price and earnings. These steady performers often have different characteristics than the types of growth-oriented companies that tend to dominate headlines.

Continued on next page



A few of our holdings in the Information Technology (IT) sector illustrate the types of companies that satisfy our investment criteria. Many of the Fund's IT holdings provide specialized services to other tech-sector companies. For example, Gartner Inc. (IT) provides research and consulting to business executives who are planning their technological initiatives. Cadence Design Systems Inc. (CDNS) provides designs and software for the semiconductor industry. A third example, Teledyne Technologies Inc. (TDY), supports a diverse set of business lines, including instrumentation for environmental applications, digital imaging, aircraft electronics, and engineered systems for defense.

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

During the fourth quarter we added three companies to the portfolio that exhibit the long-term criteria we seek: MSCI Inc. (MSCI), the Financial Services company that provides benchmark indices to asset managers; IDEXX Laboratories Inc. (IDXX), which manufactures diagnostic products and services for pets and livestock; and NICE Ltd. (NICE), a software company servicing the customer engagement and financial crime and compliance markets. From a sell perspective, we exited our position in insurance company Arch Capital Group Ltd. (ACGL) during the quarter.

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 12/31/22, among 534, 499 and 389 mid-cap growth funds, respectively.

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