



Overall **MORNINGSTAR** Rating



(Investor)

Among 1,519 Large Growth Funds
(as of 9/30/15)

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.



Cindy Starke
Portfolio Manager

Ms. Starke has nearly 20 years of investment experience. She earned a BS and an MBA from Fordham University.

Fund Facts

Symbol

Investor VALLX
Institutional VLLIX

Inception Date

Investor 3/20/72
Institutional 11/1/15

Total Assets

\$233M
(as of 9/30/15)

Top 10 Holdings (as of 9/30/15)

Company	Weight (%)
Facebook, Inc.	5.32
Celgene Corp.	4.70
Alphabet, Inc.	4.65
Starbucks Corp.	4.60
Activision Blizzard, Inc.	3.65
Vertex Pharmaceuticals, Inc.	3.55
Apple, Inc.	3.51
Visa, Inc.	3.46
Amazon.com, Inc.	3.38
Biogen, Inc.	3.25

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: The Fund is comprised of companies that represent your “best ideas.” What are the benefits of a focused portfolio in the large-cap growth space?

We believe we can add relative outperformance in the large-cap growth area of the market by holding a focused portfolio of high conviction ideas, i.e., leading large-cap companies with strong, well-known brands, leading market share positions, and above-average sales and earnings growth. While many funds in Morningstar’s Large Growth category hold more than 100 stocks, the Fund owns only 44 as of September 30, 2015. The Fund’s top holdings include strong brands such as Apple, Facebook, Starbucks and Visa.

By focusing our efforts on companies that we believe represent substantial growth opportunities, the portfolio’s estimated 3- to 5-year sales and earnings growth rates are significantly higher than those of the S&P 500 Index. As of the end of the third quarter 2015, the Fund’s portfolio companies are expected to grow sales and earnings at a rate of 18.4% and 21.0%, respectively. The S&P 500’s projected longer term growth of sales and earnings are significantly less at 5.0% and 11.0%, respectively.

We’re pleased that the Fund’s focused growth approach has added value over the past 12 months. The Fund’s total return was 4.48% as compared to the S&P 500’s loss of 0.61% and the Morningstar Large Growth category gain of 1.36% for the year ended September 30, 2015.

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Q2: What impact might the global slowdown, particularly in China, have on portfolio companies that possess strong brands?

We believe that companies that have desirable products and possess well-known and respected brands will likely be in a better competitive position regardless of whether the global economy experiences weak or strong growth. We saw this in some of our companies most recent earnings results. For example, China’s recent setbacks had little impact on Nike, leading global athletic apparel and footwear company. Nike reported sales growth of approximately 30% in the country on a year-over-year basis. Starbucks also enjoyed double-digit sales growth in China and the Asia-Pacific. These two companies exemplify the power of a strong brand and the impressive growth that can be experienced even in an uncertain global economic environment.

Most global companies have exposure to China and despite the country’s near-term challenges, we believe China holds much promise. Even with slower growth, the Chinese market remains one of the fastest-growing in the world. With the potential for China’s urban middle class population to reach 850 million by 2030, this market represents an attractive long-term growth opportunity for many of our portfolio companies.

Q3: The equity market experienced a volatile third quarter. Would you please discuss specific sectors that performed well on a relative basis and those that lagged?

In the third quarter, the primary factors that contributed to the Fund's smaller loss than the S&P 500 Index resulted from the portfolio having:

1. Little exposure to the Energy sector, which declined over 17% during the quarter.
2. Overweight allocation to some of the top-performing sectors of Information Technology (IT) and Consumer Discretionary. IT comprised 29% of the Fund compared to 20% for the benchmark, the S&P 500. In the Consumer Discretionary sector, the Fund was significantly overweight at 26% versus the S&P 500 at 13%.

While we were pleased that our stock selection and sector allocations benefited the Fund on a relative basis, a lack of exposure to Utilities, the best performing sector during the quarter, detracted from performance. Additionally, the Fund's holdings in Health Care underperformed, primarily due to pharmaceutical pricing concerns. However at quarter's end, the Fund held an overweight allocation of about 30% in Health Care versus the S&P 500 weighting of approximately 15%. We believe this sector's underperformance was largely attributed to short-term overreaction by investors. As a result, Health Care sector valuations remain attractive and select companies, we believe, represent compelling opportunities.

Value Line Larger Companies Focused Fund Performance (as of 9/30/15)

	QTD	Average Annual Returns			
		1 Year	3 Year	5 Year	10 Year
Investor - VALLX	-5.67%	4.48%	13.80%	13.13%	6.03%
Institutional - VLLIX¹	-5.67%	4.48%	13.80%	13.13%	6.03%
S&P 500 Index	-6.44	-0.61	12.40	13.33	6.80
Morningstar Large Growth Category Average	-6.69	1.36	12.52	12.64	6.96
Morningstar Category Rank (%) - VALLX		20	26	41	75
# of Funds in Category		1,689	1,519	1,339	929
Morningstar Risk			Below Avg.	Below Avg.	Below Avg.
Expense ratio: VALLX: 1.23% (Gross) / 1.13%* (Net) VLLIX: 0.98% (Gross)					

Morningstar Ratings and Categories based on risk adjusted returns of Investor class shares.

¹Represents the performance of the Institutional Class shares after November 1, 2015 (inception of the share class) and Investor Class for periods prior to that date.

*Effective May 1, 2015 to June 30, 2016, EULAV Securities LLC (the "Distributor") has contractually agreed to waive a portion of the Fund's 12b-1 fee equal to 0.10% of the Fund's average daily net assets. This waiver can be terminated or changed before June 30, 2016 only with the approval of the Fund's board and the Distributor. The Fund's performance would be lower in the absence of such waivers.

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.

The Morningstar Rating™ for funds methodology rates funds based on an enhanced Morningstar Risk-Adjusted Return measure, which also accounts for the effects of all sales charges, loads, or redemption fees. Funds are ranked by their Morningstar Risk-Adjusted Return scores and stars are assigned using the following scale: 5 stars for top 10%; 4 stars next 22.5%; 3 stars next 35%; 2 stars next 22.5%; 1 star for bottom 10%. Funds are rated for up to three periods: the trailing three-, five-, and 10-years. For a fund that does not change categories during the evaluation period, the overall rating is calculated using the following weights: At least 3 years, but less than 5 years uses 100% three-year rating. At least 5 years but less than 10 years uses 60% five-year rating/ 40% three-year rating. At least 10 years uses 50% ten-year rating / 30% five-year rating / 20% three-year rating. The Value Line Larger Companies Focused Fund received 4 stars for the 3 year period and 3 stars for the 5 and 10 year periods ended 9/30/15 among 1519, 1339 and 929 large growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2015. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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