



**Value Line
Premier Growth Fund**

Overall Morningstar Rating



Among 644 Mid-Cap Growth Funds (as of 12/31/15)

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.



Stephen E. Grant
Portfolio Manager

Mr. Grant has been Portfolio Manager of the Value Line Premier Growth Fund since 1996 and has over 20 years of investment experience. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

Fund Facts

Symbol: VALSX
Inception date: 5/30/56
Total assets: \$330M
(as of 12/31/15)

Portfolio Manager Q&A

Value Line Premier Growth Fund (VALSX)

Q1: How did the Fund perform compared to its Morningstar Mid-Cap Growth peers and benchmark Index in 2015?

In a volatile market dominated by concerns over collapsing energy prices, Federal Reserve actions and slowing growth in China, the Fund rose 0.25% while the Morningstar Mid-Cap Growth category average fell nearly 1% in 2015. We believe this outperformance was due to our focus on higher-quality growth companies that can provide downside protection in difficult markets. Using a time-tested process based on 60 years of Value Line research, we seek companies that have experienced growth in both earnings and stock price over a full decade or longer. We believe this consistency in growth can help reduce overall volatility. In addition, a company's demonstrated success helps increase our confidence that these companies can continue to grow in the future.

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While mid-sized companies comprise the largest allocation in the portfolio, it is important to note that the Fund has the flexibility to select companies, regardless of capitalization, which exhibit attractive growth characteristics. At year's end, the Fund held approximately 45% and 7% in large- and small-cap companies, respectively.

Compared to its benchmark, the S&P 500 Index, the Fund's one-year return lagged by 113 basis points as of December 31, 2015. However, many mega-cap companies primarily responsible for the S&P 500's return were not included in the portfolio.

Q2: How have falling energy prices affected the portfolio?

Due to few companies in the Energy sector meeting the Fund's growth criteria, the portfolio only had a 2.6% weighting in Energy stocks compared to the 6.5% weighting in the S&P 500 as of December 31, 2015. Although the Fund maintained an underweight to the Energy sector, the Fund was indirectly impacted by energy prices due to its overweight to companies in the Industrials sector.

For example, railroad companies have faced challenges over the past several months due to their exposure to companies in the Energy sector. While many railroads have solid long-term track records, oil and coal shipments have recently declined. Oil shipments were cut due to the significant decline in oil prices and increased supply, and coal shipments decreased due to a declining demand for coal from power plants.

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(Q2 continued)

Based on this development, the Fund sold two Industrials holdings, Chicago Bridge & Iron Company (CBI) and Kirby Company (KEX). However, the portfolio continues to have indirect exposure to energy through the Industrials sector as we believe many of these companies continue to have attractive long-term potential regardless of the price of oil.

Q3: With equities recently experiencing higher volatility, what is your case for a growth stock investment?

We believe many investors benefit by allocating to high-quality growth companies with proven track records. In many cases, these companies provide investors with a smoother ride over the long-term while not compromising the opportunity for excess return. We're pleased the Value Line Premier Growth Fund has historically provided exceptional risk-adjusted results for investors. Over the past 1, 5 and 10 year time frames, the Fund has outperformed the Morningstar Mid-Cap Growth Fund category average and, importantly, had an overall "Below Average" risk rating as of December 31, 2015.

Value Line Premier Growth Fund Performance (as of 12/31/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Premier Growth Fund (VALSX)	0.25%	10.64%	10.78%	7.73%
S&P 500 Index	1.38	15.13	12.56	7.30
Morningstar Mid-Cap Growth Category Average	-0.95	12.82	9.59	7.16
Morningstar Risk		Low	Low	Below Avg.
Expense ratio: 1.23%				

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns.

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 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 Premier Growth Fund received 3 stars for the 3 year period and 4 stars for the 5 and 10 year periods ended 12/31/15, out of 644, 577 and 431 mid-cap 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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