



**Stephen E. Grant**  
*Portfolio Manager*

Mr. Grant has been Portfolio Manager of the Value Line Premier Growth Fund since 1996. He has over 20 years of experience and currently manages funds containing nearly \$1.6B in net assets. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

**Value Line Premier  
Growth Fund**

Overall **MORNINGSTAR** Rating



Among 645  
Mid-Cap Growth Funds  
(as of 12/31/14)

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: VALSX  
Total assets: \$379M  
Inception date: 5/30/56

**Portfolio Manager Q&A**

**Value Line Premier Growth Fund (VALSX)**

**Q1: With numerous growth funds available to investors, what differentiates the Fund relative to its competition?**

We believe growth investors don't have to be subjected to higher volatility to achieve relative outperformance. Rather, smoother returns can be achieved by focusing on companies with a long track record of demonstrated results. For the Value Line Premier Growth Fund, we invest primarily in mid-cap and select larger companies that have demonstrated their ability to consistently increase their earnings and stock price over a period of 10 years or more.

Focusing on companies with consistent results helps to reduce risk, but investors don't have to necessarily sacrifice return. Historically, the Fund's results-oriented investing style has led to impressive long-term results. As of December 31, 2014, the Fund outperformed the Morningstar Mid-Cap Growth Funds Category over five and 10 years and did so with "Below Average or Low" risk for both time frames.

**We believe growth investors don't have to be subjected to higher volatility to achieve relative outperformance.**

**Q2. Given your growth investing strategy features consistent results, what sectors are predominantly favored?**

Because of the Fund's requirement that companies have a long track record (10+ years) of growth in earnings and stock price, the portfolio typically has a larger position in sectors that tend to have more consistent operating results. For example, the Industrials sector, made of companies that produce, construct and manufacture goods, continues to have the largest sector weighting in the portfolio with an approximate 32% position as of December 31, 2014. The Fund's Industrials weighting was more than three times the weighting in the S&P 500 Index, which totaled approximately 10% as of the fourth quarter of 2014.

The Fund's largest underweight compared to the S&P 500 Index was Technology. With inconsistent earnings pattern and volatile stock price movements, many tech stocks generally do not fit the Fund's highly disciplined investment criteria.

With respect to strong sector rallies, the Fund's defensive positioning can result in short-term underperformance relative to sectors that come in and out of favor more quickly. However, steering clear of short-term volatility can aid results in the long run. For example, during the fourth quarter of 2014, the Fund's underweight in Energy stocks was an area of relative strength for the Premier Growth Fund compared to the S&P 500 Index. In recent months, Energy companies have been hurt by declining oil prices and slowing global growth.



## Portfolio Manager Q&A

### Value Line Premier Growth Fund (VALSX)

#### Q3. How does the Fund's turnover typically compare to that of its peers?

The Fund has a long-term orientation toward a company's operating history and forward prospects. Therefore, we do not focus our decision-making on short-term metrics such as quarterly operating results. As a result, our portfolio turnover is quite low.

As of December 31, 2013, the Fund's portfolio turnover was 11% versus 80% for the Morningstar Mid-Cap Growth Funds Category. With a historical holding period measured in years, we believe the Fund has rewarded shareholders with the potential tax advantages of primarily long-term capital gains distributions and the benefit of lower trading costs.

Value Line Premier Growth Fund Performance (as of 12/31/14)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
<b>Premier Growth Fund (VALSX)</b>	<b>6.75%</b>	<b>16.74%</b>	<b>15.15%</b>	<b>8.88%</b>
S&P 500 Index	13.69%	20.39%	15.45%	7.67%
Morningstar Mid-Cap Growth Category Average	7.00%	18.21%	14.76%	8.29%
<b>Morningstar Category Rank (%)</b>	<b>57</b>	<b>69</b>	<b>43</b>	<b>40</b>
# of Funds in Category	749	645	584	429
Morningstar Risk		<b>Low</b>	<b>Low</b>	<b>Below Avg.</b>
Expense ratio: 1.24%				

*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](http://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](http://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 Fund received 3 stars for the 3 year period and 4 stars for the 5 and 10 year periods ended 12/31/14, out of 645, 584 and 429 mid-cap growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 1993. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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