



**Larger Companies
Focused Fund**

Overall  Rating



Among 1,533 Large Growth Funds
(as of 6/30/15)

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: VALLX
Inception date: 3/20/72
Total assets: \$228M
(as of 6/30/15)

Top 10 Holdings (as of 6/30/15)

Company	Weight (%)
Facebook, Inc.	4.88
Celgene Corp.	4.84
Starbucks Corp.	4.51
Biogen, Inc.	4.16
Apple, Inc.	4.01
Google, Inc.	3.78
Activision Blizzard, Inc.	3.07
Harley-Davidson, Inc.	2.96
Medivation, Inc.	2.90
Gilead Sciences, Inc.	2.87

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX)

Q1: For the 12 months ending June 30, 2015, the Fund gained 12.9% compared to 7.4% for the S&P 500 Index. What drove the outperformance?

Over the past year, large-cap growth investors have been rewarded with higher returns relative to large-cap value and core investors. The Fund's outperformance during this period was driven by a combination of good stock selection and our focus on owning leading large-cap growth companies. We believe in this continued slow global growth environment, companies with strong fundamentals and above average sales and earnings growth will continue to be rewarded.

The Value Line Larger Companies Focused Fund's concentrated portfolio of high-quality and fast growing large-cap growth companies is well positioned to continue to prosper, with estimated 3- to 5-year sales and earnings growth rates for the portfolio that are significantly higher than the growth estimates for companies in the S&P 500 Index. As of June 30, 2015, the Fund's companies are expected to grow sales and earnings at 14% and 19%, respectively, versus 5% and 11% projected for the S&P 500.

Q2: Would you discuss a holding that fits these strong growth characteristics?

Celgene, a top 5 holding within the Fund, is a good example of a fast growing and high-quality large-cap growth company. Celgene, a biotechnology leader, reported better-than-expected results for the second quarter with revenue growth of 22% and earnings-per-share growth of 37%. Margins continue to expand and the company increased forward guidance. Sales of the company's largest product, Revlimid, which treats multiple myeloma and other cancers, grew 19% over the second quarter of last year. This is impressive growth from a product that was approved by the FDA in 2006.

Earlier in July, Celgene announced the over \$7 billion dollar acquisition of biopharmaceutical company, Receptos, which has a late-stage drug in development called Ozanimod. Ozanimod is in trials to treat ulcerative colitis and multiple sclerosis, and if approved, could result in annual sales of \$4 billion or greater. We believe this acquisition shows that Celgene's management is focused on creating value for shareholders by sustaining high levels of earnings growth over the longer term. We like that the company has the flexibility to develop drugs in-house, as well as seek out leading compounds externally that are additive to its pipeline and future growth.

Q3: Starbucks is another top holding in the Fund. What makes the stock attractive?

Starbucks is a global specialty retailing powerhouse that continues to innovate and grow at a faster pace than its peers and the market. The company has an incredible track record of delivering same-store sales growth and increasing margins over a longer time period. Despite a massive store base of over 22,000 locations, the company still delivered exceptional numbers: In the second quarter, Starbucks' global comparable same-store sales growth (comps) rose 7% and comps in the Americas grew 8%, both better than expected.

Unlike many other retailers, Starbucks has embraced a better customer experience through the use of emerging technology, a key to its continued success and incredibly loyal consumer base. The company continues to innovate via mobile ordering to U.S. stores.

Q4: With the Fund's second-largest sector weighting in Health Care, would you please comment on what is driving the merger and acquisition (M&A) activity in this sector?

In the first six months of the year, there were more than 500 M&A transactions totaling nearly \$300 billion in the Health Care sector. Based on this robust activity, 2015 will likely prove to be a record year for M&A. The Fund benefited from this activity as well as two holdings, Pharcyclics and Salix Pharmaceuticals, both acquired during this 6-month period at premiums.

We believe a significant portion of the M&A activity in the Health Care sector has been driven by low interest rates, ample cash on companies' balance sheets, looming patent expirations for the pharmaceutical companies, and the trend of gaining efficiencies in scale.

We believe it is likely that many large-cap pharmaceutical and biotechnology companies will continue to buy smaller companies that are developing promising products as a great way to fill product gaps and fuel longer term growth.

Value Line Larger Companies Focused Fund Performance (as of 6/30/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Larger Companies Focused Fund (VALLX)	12.90%	18.11%	16.96%	7.45%
S&P 500 Index	7.42	17.31	17.33	7.89
Morningstar Large Growth Category Average	9.39	17.48	16.96	8.26
Morningstar Category Rank (%)	17	40	52	72
# of Funds in Category	1,697	1,533	1,317	918
Morningstar Risk		Low	Below Avg.	Below Avg.
Expense ratio: 1.23% (Gross) / 1.13%* (Net)				

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

*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 Value Line Larger Companies Focused Fund was formerly named the Value Line Larger Companies Fund.

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 6/30/15 among 1533, 1317 and 918 large 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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