



**Cindy Starke**  
Portfolio Manager

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

### Value Line Larger Companies Fund

Overall  Rating



Among 1,504 Large Growth Funds (as of 9/30/14)

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: VALLX  
Total assets: \$217M  
Inception date: 3/20/72

#### Top 10 Holdings (as of 9/30/14)

Company	Weight (%)
Celgene Corp.	4.02
Facebook, Inc.	3.58
Google, Inc.	3.53
Apple, Inc.	3.49
Starbucks Corp.	3.38
Medivation, Inc.	2.87
Monsanto Co.	2.86
Gilead Sciences, Inc.	2.85
Monster Bev. Corp.	2.75
Constellation Brands, Inc.	2.72

## Portfolio Manager Q&A

### Value Line Larger Companies Fund (VALLX)

**Q1: At the end of the first quarter 2014, the Value Line Larger Companies Fund held approximately 80 companies in the portfolio. As of September 30, 2014, the Fund held 44 companies. What led you to have a fewer number of companies in the portfolio?**

The transition to fewer holdings in the portfolio represents a streamlined approach to accomplishing the Fund's objective of capital growth. By owning fewer securities, we can allocate more capital into our "best ideas" in the large cap growth universe.

Investing in a more concentrated portfolio of approximately 35 to 45 stocks enables us to focus on a select number of high quality growth companies that we believe have the most attractive growth prospects commensurate with risk. The result is a diversified, high conviction portfolio that has the potential to deliver attractive returns over time relative to the S&P 500 Index, the Fund's benchmark.

**Q2: What types of large companies fit your "best ideas" criteria?**

We look to own secular growth companies that have leading market share positions in fast growing industries, respected global brands, and differentiated products or services. We are attracted to stocks that have a long runway of growth and are positioned to thrive regardless of the interest rate or economic environment. The Fund's positions in Facebook, Google and Starbucks are good examples of strong U.S. growth companies that are well positioned for continued growth in the U.S. and around the world in the coming years.

**We look to own secular growth companies that have leading market share positions in fast growing industries, respected global brands, and differentiated products or services.**

When focusing on companies with the best longer term growth prospects, certain sectors appear to be more attractive due to their higher levels of innovation, global market opportunity and/or sustainable growth prospects. Currently, we believe that companies in the Health Care, Consumer Discretionary and Technology sectors offer the best longer term growth opportunities, and our portfolio reflects this sentiment.

We continuously monitor our portfolio holdings and utilize the highly-regarded Value Line Timeliness™ and Safety™ Ranking System in our investment process. For those ideas in which we have the strongest conviction, we generally maintain a higher portfolio weighting.

**Q3: How does a concentrated portfolio of 35-45 companies impact the Fund's risk profile? What are the advantages of a "best ideas" fund?**

The Fund's risk profile should not be materially different than it was with a larger number of positions. Our goal is to own 35-45 "best ideas" companies across various industries

## Portfolio Manager Q&A

### Value Line Larger Companies Fund (VALLX)

*(Q3: continued)*

and sectors that represent an attractive opportunity for capital appreciation. As such, we believe the Fund is adequately diversified and any company-specific risk is mitigated.

Given our strong individual stock conviction, we would expect that the Fund's portfolio turnover will be lower relative to the Morningstar Large Growth Funds Category. With a longer-term investment view and holding period, this may result in the Fund experiencing short-term periods of both relative outperformance and underperformance. However, we believe over time, a more concentrated, "best ideas" portfolio has the potential to provide superior levels of capital appreciation for investors with a long time horizon.

#### Average Annual Return

Performance (as of 9/30/14)	QTD	YTD	1 Year	5 Year	10 Year
<b>Value Line Larger Companies Fund (VALLX)</b>	<b>1.93%</b>	<b>7.55%</b>	<b>18.94%</b>	<b>14.15%</b>	<b>7.57%</b>
S&P 500 Index	1.13	8.34	19.73	15.69	8.10
Morningstar Large Growth Category Avg.	0.68	5.40	16.25	14.60	8.26
Morningstar Category Rank (%)			21	62	67
# of Funds in Category			1,712	1,334	912
Morningstar Risk				<b>Below Avg.</b>	<b>Below Avg.</b>

*Gross / Net Expense Ratio: 1.25%/1.15%\**

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

\*Effective August 1, 2013, the Fund's Rule 12b-1 fee will be charged at a rate of 0.15% of the Fund's average daily net assets after giving effect to a waiver equal to 0.10% of the Fund's average daily net assets. This waiver is effective through June 30, 2015 and cannot be changed or terminated during this period unless approved by the Fund's board and principal underwriter, EULAV Securities LLC (the "Distributor"). The Fund's performance would be lower in the absence of such waiver.

**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.**

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 Fund received 3 stars for the 3 year, 5 year and 10 year periods ended 9/30/14 among 1,504, 1,334 and 912 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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