



Overall **MORNINGSTAR** Rating



(Investor)

Among 1,213 Large Growth Allocation Funds (as of 3/31/18)

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 over 20 years of investment experience. She earned a BS and an MBA from Fordham University.

Fund Facts

Symbol

Investor VALLX
Institutional VLLIX

Inception Dates

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

Total Assets \$279M
(as of 3/31/18)

Top 10 Holdings *(as of 3/31/18)*

Company	Weight
Amazon.com, Inc.	6.43%
Alexion Pharmaceuticals, Inc.	5.19%
Facebook, Inc.	5.10%
Activision Blizzard, Inc.	5.08%
Visa, Inc.	4.50%
Alibaba Group Holding Ltd	3.95%
Alphabet, Inc.	3.79%
Celgene Corp.	3.65%
Vertex Pharmaceuticals, Inc.	3.51%
Netflix, Inc.	3.49%

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund *(VALLX/VLLIX)*

Q1: In a volatile quarter, how did the Fund perform against its benchmark S&P 500 Index and the Morningstar Large Growth Funds?

We were pleased that the Fund rose 5.55% during this volatile quarter, outperforming the S&P 500 Index by 627 basis points for the quarter ending March 31, 2018. The Fund also outperformed the Morningstar Large Growth Funds category average by 321 basis points over the same period.

Importantly, over the longer term, the Fund continued to outperform the Morningstar Large Growth category average. In fact, **the Fund ranks in the top quintile (20% or better) of its peers for the 1-, 3- and 5-year periods ending March 31, 2018.**

Q2: What contributed to the Fund's outperformance?

Stock selection and sector weightings drove the outperformance during the first quarter. Importantly, the portfolio outperformed the S&P 500 in every sector where the Fund was invested, which includes the Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, and Information Technology sectors.

The top contributor to the Fund's return from a sector perspective was Information Technology, where the Fund had an average weighting of approximately 39% compared to the S&P 500's weighting of approximately 25%. The Fund's Information Technology stocks rose nearly 8% on average, more than double that of the benchmark. The top contributing stocks in this sector include mobile food-ordering and delivery company GrubHub (+41%), customer service software company Zendesk Inc. (+41%) and cloud computing company ServiceNow (+27%).

The Fund additionally benefited from its positions in the Consumer Discretionary and Consumer Staples sectors. The Fund was overweight the Consumer Discretionary sector, with an average weighting of approximately 18% compared to the S&P's average weighting of less than 13%. The Fund's holdings in this sector rose an average of 15%, well ahead of the S&P 500 Consumer Discretionary's return of 3%. Although the Fund was underweight the Consumer Staples sector, the Fund's holdings in this sector rose an average of 1% while the S&P 500 Consumer Staples sector declined 7%.

Q3: What characteristics do many of the Fund's holdings share?

We look to own between 25 and 50 leading growth companies we believe are well-positioned for continued success and are usually supported by secular growth drivers. We are attracted to companies that have unique products or services, compete in industries with high barriers to entry, and have market leading positions. We tend to favor companies that have high rates of sustainable sales and earnings growth as we believe that these are two big drivers of share prices over the longer term.

Value Line Funds

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(Q3 continued)

Due to our focus on these attributes, many of the Fund's companies tend to experience higher growth than their peers and regularly beat analysts' expectations on both earnings and sales growth, compared to the overall market. As of March 31, 2018, the Fund's 3-year projected sales growth rate was 19.8%, nearly 3x the S&P 500's 6.9% projected sales growth. The Fund's 3- to 5-year estimated forward earnings growth rate was 25.2%, almost double the benchmark's estimates earnings growth rate of 12.8%.

Value Line Larger Companies Focused Fund Performance (as of 3/31/18)

	QTD	Average Annual Returns			
		1 Year	3 Year	5 Year	10 Year
Investor - VALLX	5.51%	25.25%	13.70%	16.04%	9.08%
Institutional - VLLIX¹	5.55	25.39	13.73	16.05	9.08
S&P 500 Index	-0.76	13.99	10.78	13.31	9.49
Morningstar Large Growth Category Average	2.30	20.41	10.64	13.81	9.87
Percentile Rank in Morningstar Cat. - VALLX		20	12	18	67
# of Funds in Category		1,376	1,213	1,099	779
VALLX Gross/Net Expense Ratio*: 1.23% / 1.15%, VLLIX Gross/Net Expense Ratio*: 17.29%/0.90%					

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

¹*Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The Inception Date of VLLIX is November 1, 2015.*

*EULAV Asset Management (the "Adviser") Adviser has contractually agreed to waive certain Fund-wide fees and further assume certain Fund-wide expenses to the extent necessary to limit such expenses (excluding brokerage commissions, interest, taxes, and certain non-routine Fund-wide expenses) to 0.90% of the average daily net assets of each class. In addition, the Adviser and EULAV Securities LLC (the "Distributor") have contractually agreed to waive certain class-specific fees and assume certain class-specific expenses so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and certain non-routine class-specific expenses). The information in the table has been restated to reflect the applicable expense limitation for a class ("Expense Limitation"), each of which can be terminated or modified before June 30, 2019 only with the agreement of the Fund's board. The Adviser and the Distributor may subsequently recover from a class any fees waived and expenses assumed within three years after the fiscal year end in which the waiver or assumption occurred for such class, to the extent its expense ratio is less than the applicable Expense Limitation or, if lower, the expense limitation in effect when the waiver or assumption occurred. 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, or "star rating" is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 4 stars for the 3- and 5-year periods, and 3 stars for the 10-year period ended 3/31/18 among 1213, 1099 and 779 large growth funds, respectively.

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