



Overall  Rating



(Investor)

Among 1,306 Large Growth Allocation Funds (as of 3/31/17)

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

Investor VALLX
Institutional VLLIX

Inception Dates

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

Total Assets \$236M
(as of 3/31/17)

Top 10 Holdings (as of 3/31/17)

Company	Weight
Facebook, Inc.	5.2%
Activision Blizzard, Inc.	4.8%
Amazon.com, Inc.	4.7%
Alphabet, Inc.	4.7%
Alexion Pharmaceuticals, Inc.	4.5%
Celgene Corp.	4.5%
Visa, Inc.	4.0%
Jazz Pharmaceuticals, Inc.	3.9%
Vertex Pharmaceuticals, Inc.	3.7%
Edwards Lifesciences Corp.	3.0%

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: Would you please discuss the factors that contributed to the Fund's outperformance during the first quarter of 2017?

Large-cap growth was the best performing investment category during the first quarter. We were pleased that the Value Line Larger Companies Focused Fund delivered a quarterly return of 12.7%, more than double the S&P 500 Index and over 400 basis points above the Morningstar Large Growth Category average as of March 31, 2017.

The Fund benefited primarily from stock selection in the Information Technology and Health Care sectors. Notably, the Fund had a significant overweight to IT, and the Fund's holdings within this sector climbed an average of 18%.

The Fund's Health Care holdings rose 13% versus 8% for the S&P 500's Health Care stocks. Within Health Care, the biggest contributors to Fund performance included Vertex Pharmaceuticals, which rose 48% following its announcement that a combination of its medicines successfully treated cystic fibrosis in clinical trials, and DexCom, a medical device company focused on diabetes management through its continuous glucose monitoring device, which increased 42%.

Q2: How do valuations factor into your stock selection process?

In the stock selection process, the majority of our time is spent examining the strength of each company's business fundamentals including:

- » Barriers to entry in the industry they operate
- » The sustainability and rate of a company's future growth
- » Leverage in the business model
- » Uniqueness of the business

Once we understand a company's strengths and prospects, we determine an appropriate valuation factoring in what we believe is the longer term earnings growth rate. We may pay more for fast growing and unique businesses with dominant market positions, as near term valuations are typically not reflective of their future growth prospects. Conversely, if a company is not growing fast enough to support its valuation, we may pass on the investment or wait for a better entry point.

Q3: Would you discuss a recent portfolio purchase that fits your faster growth profile?

We recently added ServiceNow (NOW), a leader in IT Service Management. The company has done an excellent job servicing clients, with renewal rate percentages in the upper 90s and recently hired veteran IT leader and former CEO of eBay John Donahoe as their CEO. The sales growth outlook for the company is strong and the earning growth outlook is equally bright with expectations for earnings to increase 45% annually over the next few years.

Q4: Did the Fund participate in any merger and acquisition activity during the first quarter of 2017?

Yes, the Fund benefited when two holdings, Mobileye and Zeltiq Aesthetics, entered agreements to be acquired. Mobileye, the leading provider of software and design solutions used in camera-based Advanced Driver Assistance Systems, agreed to be acquired by Intel for \$15 billion, and the company's stock price rose 59% during the quarter. Leading pharmaceutical company, Allergan PLC, best known for its blockbuster product Botox, expanded its presence in the aesthetics market by offering to purchase Zeltiq for \$2.5 billion. Zeltiq is known for its CoolSculpting System which offers non-invasive fat removal through its cooling technology. During the quarter, Zeltiq's price increased 29%.

Value Line Larger Companies Focused Fund Performance (as of 3/31/17)					
		Average Annual Returns			
	QTD	1 Year	3 Year	5 Year	10 Year
Investor - VALLX	12.71%	19.74%	11.10%	12.86%	7.06%
Institutional - VLLIX¹	12.77	19.90	11.08	12.85	7.05
S&P 500 Index	6.07	17.17	10.37	13.30	7.51
Morningstar Large Growth Category Average	8.63	14.85	8.53	11.55	7.71
Morningstar Category Rank (%) - VALLX		8	11	24	69
# of Funds in Category		1,454	1,306	1,154	800
Morningstar Return			Above Avg.	Above Avg.	Average
VALLX Gross/Net Expense Ratio*: 1.23% / 1.13%, VLLIX Gross/Net Expense Ratio**: 17.29%/0.98%					

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

¹Indicates 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.

*Effective May 1, 2017 to June 30, 2018, EULAV Securities LLC (the "Distributor") has contractually agreed to waive a portion of the 12b-1 fee otherwise payable from assets attributable by Investor Class shares in an amount equal to 0.10% of such class's average daily net assets. This waiver can be terminated or changed before June 30, 2018 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.

**EULAV Asset Management (the "Adviser") and the Distributor have agreed to waive certain class specific fees and/or pay certain class-specific expenses incurred by the Institutional Class 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 any extraordinary expenses incurred in different amounts by the classes) during the period March 17, 2016 through June 30, 2018 (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from the Fund reimbursed expenses and/or waived fees (within 3 years after the fiscal year end in which the waiver/reimbursement occurred) to the extent that the Fund's expense ratio is less than the Expense Limitation. The Expense Limitation can be terminated or modified before June 30, 2018 only with the agreement of the Fund's board. 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 3/31/17 among 1306, 1154 and 800 large growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2016. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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