



Overall  Rating



(Investor)

Among 1,542 Large Growth Funds
(as of 12/31/15)

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

Investor VALLX
Institutional VLLIX

Inception Dates

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

Total Assets \$233M
(as of 12/31/15)

Top 10 Holdings *(as of 12/31/15)*

Company	Weight (%)
Celgene Corp.	5.29
Alphabet, Inc.	5.27
Facebook, Inc.	5.25
Starbucks Corp.	4.43
Allergan PLC	4.42
Amazon.com, Inc.	4.20
Activision Blizzard, Inc.	4.15
Vertex Pharmaceuticals, Inc.	4.10
Visa, Inc.	3.62
Medivation, Inc.	3.59

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: Coming off a strong 2015 for the Fund, would you please discuss your thoughts to the weak start for large-cap growth stocks in 2016?

For the year ended December 31, 2015, the Fund significantly outperformed the S&P 500 Index by 850 basis points. In addition, the Fund outpaced many of its Morningstar Large Growth Category peers, by finishing in the 8th percentile for the year. The Fund benefited from its stock selection as well as the overweight allocations to the Health Care, Technology and Consumer Discretionary sectors.

Thus far in 2016, investors have had to digest numerous issues: the first interest rate increase in nine years, uncertainty over the pace of future increases, continued volatility in oil prices and the slowing of global growth. Many growth companies experienced correction-level declines in the first quarter of 2016 as some of the biggest winners were sold off to either reduce portfolio risk or to invest in the laggards of 2015. Also, a focus has been on more defensive industries such as Utilities and Telecommunication services, or the more cyclical Energy sector.

Q2: Are growth stocks still an attractive investment?

Despite the underperformance of growth stocks in early 2016, we believe the growth companies in the Fund remain well positioned for outperformance in the long run, as they continue to grow sales and earnings at a much greater pace than the market. Over time, this should result in the potential for considerable capital appreciation. With interest rates expected to remain relatively low over an extended time frame, an improving job market with low unemployment and a low risk of recession in the U.S., we view short-term market volatility as an opportunity to both selectively add to existing holdings and establish new positions at favorable prices. For example, we have increased our positions in Akamai Technologies, Amazon.com and Vertex Pharmaceuticals and have initiated new positions in NXP Semiconductors, Alexion Pharmaceuticals and GrubHub.

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Q3: What factors are important in your growth company selection?

As a focused strategy, the Fund holds 30 to 50 “best ideas” companies. These “best ideas” tend to be leading large-cap growth companies that have the following characteristics:

- » Leading market share positions in fast growing industries
- » Well-known brands with differentiated products or services
- » Sustainable and above average sales and earnings growth

(Q3 continued)

In the current market environment, it must be remembered that investment opportunities often result from short-term volatility. As fundamental, bottom-up managers, we continuously evaluate our portfolio holdings to ensure that the Fund is positioned to potentially capture the upside when market sentiment improves.

Q4: The Fund holds many Health Care stocks. How have these companies fared with the volatility?

The Health Care sector, and especially the Biotechnology industry, has been hard hit in 2016. Some of this sell off has been triggered by the underperformance of growth stocks and some has been the political environment targeting Health Care stocks. Despite these short-term headwinds, we continue to own many Health Care companies due to their superior sales and earnings growth, as well the good visibility on the growth trends in their businesses. Valuations are at near historic lows offering very attractive returns for longer-term investors.

Value Line Larger Companies Focused Fund Performance (as of 12/31/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Investor - VALLX	9.88%	17.11%	12.94%	6.98%
Institutional - VLLIX¹	9.59%	17.01%	12.89%	6.95%
S&P 500 Index	1.38	15.13	12.56	7.30
Morningstar Large Growth Category Average	3.60	15.27	11.70	7.33
Morningstar Category Rank (%) - VALLX	8	22	26	59
# of Funds in Category	1681	1542	1326	933
Morningstar Risk		Below Avg.	Below Avg.	Below Avg.
Expense ratio: VALLX: 1.23% (Gross) / 1.13%* (Net) VLLIX: 0.98% (Gross)				

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

¹*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.*

*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 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 and 5 year periods and 3 stars for the 10 year period ended 12/31/15 among 1542, 1326 and 933 large growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2015. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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