



**Value Line
Larger Companies
Focused Fund**



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

\$217M
(as of 6/30/16)

Top 10 Holdings *(as of 6/30/16)*

Company	Weight (%)
Facebook, Inc.	5.28
Medivation, Inc.	5.15
Alphabet, Inc.	5.04
Amazon.com, Inc.	4.96
Celgene Corp.	4.87
Activision Blizzard, Inc.	4.30
Starbucks Corp.	4.09
Alexion Pharmaceuticals, Inc.	3.88
Visa, Inc.	3.60
Edwards Lifesciences Corp.	3.36

Portfolio Manager Q&A

Value Line Larger Companies Focused Fund (VALLX/VLLIX)

Q1: In 2016, large-cap growth stocks have underperformed large-cap value stocks. What is your investment case for large-cap growth?

Despite the weak start in 2016, we believe investors should maintain a consistent allocation to large growth companies, especially those that can deliver on their sales and earnings targets. Earnings growth is typically one of the key longer term drivers of a stock's performance, and therefore, we believe fundamentals will ultimately prevail. In fact, we viewed this short-term pullback as an opportunity to add to our current holdings and add new positions to the Fund that fit our investment criteria.

For the Larger Companies Focused Fund, we seek to own 30 to 50 companies with leading market share positions, well-known brands with differentiated products or services, and, importantly, above average sales and earnings growth. This criteria results in a preference for faster growing businesses and a tendency to underweight defensive or slower growing stocks. For example, the Fund had nearly a 34% weighting in Information Technology, compared to a 26% average weighting for the Morningstar Large Growth Funds category as of June 30, 2016.

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Q2: Would you please share your thoughts on sales and earnings growth?

Over the past several months, there has been a significant disconnect between stock prices and sales and earnings growth. We anticipate the lack of momentum and sentiment toward growth companies will shift, which should result in relative outperformance for the Fund compared to the overall market due to our focus on companies with significantly higher growth rates. As of June 30, 2016, the Fund had an estimated 3- to 5-year sales growth rate of approximately 18% (compared to 6% for the S&P 500 Index) and an earnings growth rate of about 23% (compared to 10% for the S&P 500 Index).

One area we are particularly excited about is the Biotechnology industry, as this area is seeing strong sales and earnings growth driven by innovation. Currently, many Biotech companies have been trading near all-time low valuations, yet sales and earnings are anticipated to grow at a pace much faster than the market. In addition, many large cap Pharmaceutical and Biotechnology companies are holding high levels of cash, which we anticipate will trigger a wave of merger and acquisition activity which could reinvigorate

(Q2 continued)

the industry's stock prices. One of the Fund's top holdings, Medivation, has received buyout interest and we believe it is likely to be acquired over the coming year.

Q3: How does the value of the U.S. dollar affect your decision-making process?

Many of the Fund's holdings are multi-national companies that can be negatively affected in the short run by a strong dollar. Foreign sales represent about 40% of our portfolio companies' sales, roughly in line with the S&P 500. However, despite the potential negative impact a strong dollar could have on a company's earnings, we believe the global companies in our portfolio will continue to experience above-average growth in sales and earnings. Hence, a strong U.S. currency is not as detrimental as it would be for a company with weak or nonexistent sales and earnings growth. Although we are mindful of currency fluctuations, it does not guide our decision-making process.

Value Line Larger Companies Focused Fund Performance (as of 6/30/16)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Investor - VALLX	-0.42%	12.24%	10.16%	6.11%
Institutional - VLLIX¹	-0.61	12.17	10.12	6.09
S&P 500 Index	3.99	11.66	12.10	7.42
Morningstar Large Growth Category Average	-2.33	10.58	9.98	7.20
Morningstar Category Rank (%) - VALLX	31	23	49	78
# of Funds in Category	1,627	1,483	1,289	931
VALLX Gross/Net Expense Ratio*: 1.23% / 1.13%, VLLIX Gross/Net Expense Ratio**: 2.70%/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, 2016 to June 30, 2017, 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, 2017 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, 2017 (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, 2017 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 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 Fund received 4 stars for the 3-year period and 3 stars for the 5 and 10-year periods ended 6/30/16 among 1483, 1289, 931 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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