



Stephen E. Grant
Portfolio Manager

Mr. Grant has been Portfolio Manager of the Value Line Premier Growth Fund since 1996. He has over 20 years of experience and currently manages funds containing approximately \$1.3B in net assets. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

Value Line Premier Growth Fund

Overall  Rating



Among 638
Mid-Cap Growth Funds
(as of 12/31/13)

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:	VALSX
Total assets	\$402.1M
Inception date:	5/30/56

Portfolio Manager Q&A

Value Line Premier Growth Fund (VALSX)

Q1: Would you please discuss what impacted the Fund's performance in 2013 relative to the broader market?

In 2013, investor confidence with respect to equities improved considerably. After five years of positive market returns, as measured by the S&P 500 Index, investors generally exhibited growing comfort in holding equities and many shifted their attention to more speculative stocks. In this environment, stocks that capture headline attention and rise very quickly are emphasized and drive market interest.

During periods like this, the Fund will generally lag the broader market. However, we do not deviate from what has made this Fund an above-average performer with a lower risk profile over the long-term. We invest in proven "steady-eddy" companies rather than short-term high-flyers. As a result of our conservative posture, the Fund's total return of 26.6% in 2013 lagged the S&P 500 Index's return of 32.4%.

Q2: From a performance perspective, what areas of the market were more influenced by high-flying companies?

As a bottom-up, fundamental manager we do not set specific sector allocations and invest in sector sub-sectors. Instead, the Fund is a collection of proven mid-cap growth companies that have a demonstrated history of growth that roll-up to our sector allotment. We are long-term investors and invest in companies that have consistent growth in both earnings and stock price over 10 year periods or more.

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For example, by design, we are generally underweight in biotech companies as part of our healthcare commitment. These companies performed exceedingly well in 2013 but tend to have significant binary risk that hinge on the results of product trials. As a result, they represent much higher levels of risk than we are comfortable holding in the portfolio. Likewise in our consumer staples allocation, we tend to purchase companies that exhibit consistent growth over a period of years rather than the latest headline company. We seek to mitigate risk by investing in proven companies that, to use a baseball analogy, "hit singles rather than grand slams and thereby minimize strikeouts."

Q3: With high levels of cash on corporate balance sheets, stock buybacks have become more commonplace. What is your opinion of using cash for buybacks rather than reinvesting for organic growth?

We are indifferent with respect to companies using cash for stock buybacks versus

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Portfolio Manager Q&A

Value Line Premier Growth Fund (VALSX)

reinvesting for organic growth. We view it as management's responsibility to be good stewards of capital and take actions that will result in earnings per share growth. We believe that an increasing earnings stream may ultimately drive stock prices higher over time and reward Fund investors.

Q4: With the market rising so quickly in 2013, do you have difficulty in finding companies that meet your primary selection criteria of rising earnings and stock price?

No, our universe of potential companies is large and opportunity is essentially always available. Our primary decision becomes whether we want to commit capital to an existing holding or include a new position from our extensive "watch list" as an additional holding or a replacement to an existing position. With a portfolio of approximately 200 proven companies, our construction process is designed to reduce stock specific risk and minimize our overall portfolio volatility.

Performance (as of 12/31/13)	Average Annual Return			
	1 Year	3 Year	5 Year	10 Year
Premier Growth Fund (VALSX)	26.56%	15.95%	20.19%	10.01%
S&P 500	32.39	16.16	17.93	7.40
Morningstar Mid-Cap Growth Category Avg.	34.93	14.09	20.80	9.01
Category Rank (%)	98	22	62	34
# of Funds in Category	703	638	548	416
Expense ratio: 1.25%				

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, 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.

There are risks associated with investing in small and mid-cap stocks, which tend to be more volatile and less liquid than stocks of large companies, including the risk of price fluctuations.

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, 3 stars for the 5 year period, and 4 stars for the 10 year period out of 638, 548 and 416 mid-cap 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. The Fund received 5 stars for the 3 year and 10 year periods and 4 stars for the 5 year period out of 328, 154 and 298 aggressive allocation funds, respectively.

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