



Portfolio Manager Q&A



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 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 634
Mid-Cap Growth Funds
(as of 9/30/13)

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. The Fund received 4 stars for the 3 year and 10 year periods and 3 stars for the 5 year period out of 634, 408 and 551 mid-cap growth funds, respectively.

Fund Facts

Symbol: VALSX
Total assets (9/30/13): \$380.4M
Inception date: 5/30/56

Value Line Funds

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Value Line Premier Growth Fund (VALSX)

Q1: During the first nine months of 2013, the Fund has lagged the Morningstar Mid-Cap Growth Funds category average. Previously when the Fund underperformed its Morningstar category average over shorter time frames, periods of strong relative performance followed. Would you please discuss 2013's results and possible reasons for relative underperformance?

The Value Line Premier Growth Fund is built for long-term investors that seek above average returns with below average risk over full market cycles. Along the way, the Fund may underperform its peer group for a period of time for a variety of reasons. More often than not, underperformance is a function of headline or high-flying companies that are performing extremely well and are not, by design, part of the portfolio.

The Fund invests in companies with proven results. These companies must demonstrate a history of consistently growing both their earnings and stock price over a period of at least 10 years. These proven steady-eddy companies therefore have more predictable results and correspondingly a lower risk profile. To date, the market in 2013 has rewarded companies with a higher risk profile than we are comfortable owning. We stay true to our disciplined approach to stock selection and do not seek to own companies that attract headline attention.

“We stay true to our disciplined approach to stock selection and do not seek to own companies that attract headline attention.”

Q2: Have you made any wholesale changes to the Fund to compensate for the portfolio's relative underperformance in 2013?

Not at all. Results pertaining to core equity investing are best judged over long time periods and should not be evaluated over any short-term period regardless whether relative performance falls in the top 1% or bottom 1%. With a portfolio turnover of approximately 15% annually, our portfolio stays relatively the same from year to year. Our time-tested process has not changed and we are pleased that we have provided excess return relative to our peer group over time with, importantly, less risk.

(continued on next page)



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Q3: The Fund has the distinction of having Morningstar’s “Overall Above Average” performance rating with their “Overall Below Average” risk designation. What drives such a low risk profile?

Our selection process requires that our portfolio companies demonstrate consistent growth in earnings and stock price over a period of preferably 10 years. This consistency reduces overall volatility and leads to greater predictability. We believe that we add value by giving our shareholders a smoother ride over the long-term while not compromising the opportunity for excess return.

“Our time-tested process has not changed and we are pleased that we have provided excess return relative to our peer group over time with, importantly, less risk.”

Value Line Premier Growth Fund (VALSX)

Performance (as of 9/30/13)	Average Annual Total Return			
	1 Year	3 Year	5 Year	10 Year
Premier Growth Fund (VALSX)	20.28%	16.75%	11.74%	10.22%
S&P 500 Index	19.34%	16.25%	10.01%	7.56%
Morningstar Mid-Cap Growth Cat. Avg.	26.11%	15.98%	11.90%	9.26%
Category Rank (%)	91	33	51	36
# of Funds in Category	690	634	551	408
Expense ratio: 1.25%				

Source: Morningstar

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns.

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.

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 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.

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