



## Overall Rating



Among 549 Mid-Cap Growth Funds  
(as of 3/31/18)

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.



### Stephen E. Grant

#### Portfolio Manager

Mr. Grant has been Portfolio Manager of the Value Line Premier Growth Fund since 1996 and has over 25 years of investment experience. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

#### Fund Facts

Symbol: VALSX  
Inception date: 5/30/56  
Total assets: \$338M  
(as of 3/31/18)

#### Top 10 Holdings

(as of 3/31/18)

Company	Weight (%)
Waste Connections, Inc.	3.68
Roper Technologies	3.24
IDEXX Laboratories, Inc.	3.13
Mettler-Toledo International	3.01
The Toro Co.	2.93
Fiserv, Inc.	2.88
Ansys, Inc.	2.85
Teledyne Technologies, Inc.	2.78
The Ultimate Software Grp	2.34
AMETEK, Inc.	2.33

## Portfolio Manager Q&A

### Value Line Premier Growth Fund (VALSX)

#### Q1: How was the Fund affected by the market volatility in the first quarter of 2018?

We were pleased the Fund rose 1.60% while the S&P 500 fell 0.76% in the first quarter of 2018. After an unprecedented quiet stock market in 2017, investors were reminded that equity prices can go in two directions.

At Value Line Funds, we take volatility into consideration when constructing our portfolios. For the Value Line Premier Growth Fund, we apply our time-tested discipline to find higher quality companies of all sizes that have had a long and consistent track record of growth in earnings and stock price. We believe this investment process has helped provide "smoother returns" by reducing the volatility for long-term investors: Over the 3, 5 and 10 year periods, the Fund has received Morningstar's "Low" or "Below Average" risk rating among the Mid-Cap Growth Morningstar Category as of March 31, 2018.

**"At Value Line Funds, we take volatility into consideration when constructing our portfolios."**

#### Q2: With the ability to invest in companies of all sizes, what kinds of businesses typically fit your criteria?

Companies that have consistently grown their earnings and stock price tend to be more defensive in nature. We find few fast-growing, unproven growth stocks that fit our strict criteria. In fact, many of our holdings have businesses that can often be described as "boring," such as waste management, pest control, turf equipment and auto parts retailing, but have enviable proprietary products and services that give them a niche in the marketplace and increased control over their own destinies regardless of the business environment.

In addition, we intend to hold these companies over a long time period. For the year ended December 31, 2017, the Fund's turnover rate was a very low 2% compared to the Morningstar Mid-Cap Growth Funds category average of 60% as of March 31, 2018. While this turnover was abnormally low, we tend to have below average turnover of approximately 10% per year.

### Q3: What sectors typically meet your criteria?

The Fund typically finds many companies that fit our criteria in the Industrials and Consumer Staples sectors as compared to the Morningstar Mid-Cap Growth Category average. As of March 31, 2017, the Fund had a weighting of approximately 32% and 7% in Industrials and Consumer Staples, respectively. The category average held approximately 17% and less than 3% in each respective sector.

Conversely we find fewer positions in the Consumer Discretionary sector compared to the Fund's Morningstar peers. As of the end of the first quarter, the Fund had a 7% weighting in the sector while the category average had over 16%. Also, as of March 31, 2018, the Fund held no stocks in the Energy and Utilities sectors as few companies in these sectors meet our long-term consistent growth criteria.

#### Value Line Premier Growth Fund Performance (as of 3/31/18)

	1 Year	3 Year	5 Year	10 Year
<b>Premier Growth Fund (VALSX)</b>	<b>16.11%</b>	<b>9.09%</b>	<b>10.58%</b>	<b>9.04%</b>
S&P 500 Index	13.99%	10.78%	13.31%	9.49%
Morningstar Mid-Cap Growth Category Average	18.34%	8.28%	11.94%	9.39%
Percentile Rank in Morningstar Cat.	64	38	79	63
# of Funds in Category	613	549	485	352
Morningstar Risk		<b>Low</b>	<b>Low</b>	<b>Below Avg.</b>
Expense ratio: 1.21%				

*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](http://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](http://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, 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-year period, 2 stars for the 5-year period and 3 stars for the 10-year period ended 3/31/18, out of 549, 485 and 352 mid-cap growth funds, respectively.

**Past performance is no guarantee of future results. Value Line Mutual Funds are distributed by EULAV Securities LLC.**

Value Line, Value Line Logo, Timeliness, Safety are trademarks or registered trademarks of Value Line Inc. and/or its affiliates in the United States and other countries. Used by permission.