



Overall Morningstar Rating



Among 542 Mid-Cap Growth Funds (as of 12/31/18)

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: 5/31/56
Total assets: \$317M (as of 12/31/18)

Top 10 Holdings

(as of 12/31/18)

Table with 2 columns: Company, Weight (%). Lists top 10 holdings including Waste Connections, Inc., Teledyne Technologies, Inc., Roper Technologies, Inc., etc.

Portfolio Manager Q&A

Value Line Premier Growth Fund (VALSX)

Q1: How did the Fund perform in 2018 compared to its Morningstar category and the S&P 500 Index?

Given the volatile markets in 2018, achieving a positive return was challenging. In fact, in a Morningstar universe of 3,388 equity funds, only 7% or 248 recorded a positive return. We are pleased to report that the Premier Growth Fund was one of these few. The Fund significantly outperformed both the Morningstar Mid-Cap Growth category, which had a negative return of 6.65%, and the S&P 500 Index, which lost 4.38%. As a result, over the 1, 3 and 5 year periods, the Fund was in the top quartile (25% or better) in performance among 489 Morningstar Mid-Cap Growth Funds as of the end of 2018.

We believe this performance was largely due to our long-term approach of buying proven mid-cap growth companies that meet our stringent criteria of having 10 or more years of consistent growth in both stock price and earnings and steering away from high-flying, more volatile growth stocks.

"In a Morningstar universe of 3,388 equity funds, only 7% or 248 recorded a positive return, and the Premier Growth Fund was one of these few."

Q2: With the discipline of your investment process that seeks 10+ years of consistent growth in stock price and earnings, how would you describe the types of businesses that fit your criteria?

With our bottom-up discipline, we have the ability to seek companies of all sizes and in all sectors. Typically, companies that have consistently grown their earnings and stock price over many years tend to be in more defensive areas of the market. We favor companies that have dominant market positions, strong management teams, and the ability to achieve more predictable operating results regardless of the business environment. We find many companies that fit this profile within the Industrials and Technology sectors. Examples include Waste Connections (WCN) which provides waste disposal and recycling services, and HEICO (HEI), an aerospace and electronics company.

Q3: Given the Fund's conservative approach to growth investing, what is the portfolio's risk profile?

We believe the recent volatility highlights the importance of our investment approach. As we seek companies with 10+ years of consistent growth in stock price and earnings, our portfolio has tended to provide growth with relatively less risk. In fact, the Fund has been awarded Morningstar's "Low" risk rating for the 3, 5 and 10 year periods as of December 31, 2018. We believe investors appreciate the opportunity for capital appreciation with less volatility over time.

Value Line Premier Growth Fund Performance (as of 12/31/18)				
	1 Year	3 Year	5 Year	10 Year
Premier Growth Fund (VALSX)	1.39%	9.89%	7.27%	13.55%
S&P 500 Index	-4.38	9.26	8.49	13.12
Morningstar Mid-Cap Growth Category Average	-6.65	7.27	5.61	13.16
Percentile Rank in Morningstar Cat.	9	17	23	39
# of Funds in Category	605	542	489	341
Morningstar Risk		Low	Low	Low
Expense ratio: 1.20%				

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, 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.

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 5 stars for the 3-year period and 4 stars for the 5-year and 10-year periods ended 12/31/18, out of 542, 489 and 341 mid-cap growth funds, respectively.

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