



**Value Line  
Premier Growth Fund**

**Overall Morningstar Rating**



Among 643 Mid-Cap Growth Funds  
(as of 10/31/15)

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. He has over 20 years of experience and currently manages funds containing nearly \$1.6B in net assets. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

**Fund Facts**

Symbol: VALSX  
Inception date: 5/30/56  
Total assets: \$345M  
*(as of 10/31/15)*

**Portfolio Manager Q&A**

**Value Line Premier Growth Fund (VALSX)**

**Q1: On a year-to-date basis through October 31, 2015, the Morningstar Mid-Cap Growth Funds Category increased an average of 0.9% while the Fund rose 1.9%. What drove the relative outperformance?**

We are pleased that the Fund performed well during the late summer downturn and outperformed the Morningstar category average by over 100 basis points for the 10-month period. We believe our time-tested process focused on risk adjusted results helped protect investors on the downside. Based on more than 60 years of Value Line research, our process seeks primarily higher-quality growth companies that have consistently shown an ability to increase earnings and stock price over a 10-year period or longer. While the Fund tends to focus on the mid-cap area of the market, we will hold many larger companies if they exhibit strong growth characteristics that could benefit investors over the long-term.

Our focus on long-term growth tends to lead the portfolio to be heavily weighted in sectors that are more defensive. When compared to the Morningstar Mid-Cap Growth Category as of October 31, 2015, the Fund was significantly underweight in the Consumer Discretionary sector with an 8% weighting compared to the category's average allocation of 20%. Conversely, the Fund's Basic Materials sector position of approximately 10% was more than triple the Morningstar Category average of nearly 3%. The Industrial sector was the largest representation in the portfolio with a 28% weighting, which was significantly above the 19% allocation in the Morningstar Mid-Cap Growth Category.

**"We believe the Fund will benefit by our focus on companies that are considered staples of the industry."**

**Q2: Would you please discuss the protracted softness in the Industrials sector and how this might affect the portfolio?**

With the significant decline in oil and gas prices, many Industrial companies that serve the energy industry have suffered a setback. For example, many companies in the Road & Rail and Construction & Engineering subsectors have experienced double-digit declines throughout 2015. However, unlike several sectors, Industrials is one of the few sectors with diversified subsectors that do not always trade in unison. As such, we believe the Fund will benefit by our focus on companies that are considered staples of the industry. Specifically, we seek to add companies in the sector that produce, manufacture and construct goods unrelated to the oil activity and have produced consistent operating results.

### Q3: With the Federal Reserve likely to increase rates over the next year, how interest rate sensitive is the portfolio?

Even though we don't believe that the Fed will make meaningful increases in interest rates over the next year, we do not necessarily make purchase decisions based on the Fed's activity.

However, given our investment discipline to seek high-quality stocks with a consistent history of growth, an increase in interest rates should not have a significant impact on the portfolio. Compared to its Morningstar Mid-Cap Growth peers as of October 31, 2015, the Fund had an underweight position in financial companies that tend to be more sensitive to changes in interest rates. While higher interest rates tend to benefit banks due to increased profits, Utilities and Real Estate Investment Trusts have historically been negatively affected. The Fund has little exposure to these areas of the market since they generally do not meet our growth investment criteria.

Value Line Premier Growth Fund Performance (as of 10/31/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
<b>Premier Growth Fund (VALSX)</b>	<b>2.39%</b>	<b>12.71%</b>	<b>12.73%</b>	<b>8.41%</b>
S&P 500 Index	5.20	16.20	14.32	7.84
Morningstar Mid-Cap Growth Category Average	3.00	14.75	12.00	7.98
Morningstar Risk		<b>Low</b>	<b>Low</b>	<b>Below Avg.</b>
Expense ratio: 1.23%				

*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 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 Value Line Premier Growth Fund received 3 stars for the 3 year period and 4 stars for the 5 and 10 year periods ended 10/31/15, out of 643, 575 and 437 mid-cap growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2015. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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