



Overall **MORNINGSTAR** Rating



Among 650 Mid-Cap Growth Funds (as of 6/30/16)

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 20 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: \$320M (as of 6/30/16)

Top 10 Holdings (as of 6/30/16)

Company	Weight (%)
Waste Connections Inc.	2.61
Fiserv Inc.	2.33
Toro Co.	2.19
Church & Dwight Co. Inc.	2.17
Henry Schein Inc.	2.15
Ultimate Software Grp Inc.	2.14
Roper Technologies Inc.	2.08
Mettler Toledo Intl Inc.	2.02
Acuity Brands, Inc.	1.96
TJX Companies Inc.	1.95

Portfolio Manager Q&A

Value Line Premier Growth Fund (VALSX)

Q1: Would you please discuss the Fund's performance in the face of increased market volatility over the past six months?

Despite the uncertainty caused by the Federal Reserve's interest rate policy decisions and the outcome of the Brexit vote, the Fund's portfolio of higher quality, lower volatility growth stocks fared well. Importantly, during the volatile short-term periods, we have not deviated from our time-tested discipline of investing in growth-oriented companies regardless of market capitalization with a long track record of growth in earnings and stock price. We believe our approach has benefited investors: Over the past year ended June 30, 2016, the Fund outperformed the Morningstar Mid-Cap Growth Category by nearly 900 basis points.

Q2: From a sector perspective, what areas of the market currently look attractive?

With our focus on companies that have been consistently growing their earnings and stock price, we tend to prefer more defensive areas of the market. Thus, the Fund has consistently held a larger percentage of assets in the Industrials and Materials sectors. As of June 30, 2016, the Industrials and Materials sectors represented 32% and 6% of the Fund's assets versus the Russell Mid Cap Growth Index weighting at 20% and 3%, respectively. Conversely, the Fund has typically underweighted the Energy, Financials and Information Technology sectors, as many of these stocks do not exhibit consistent long-term growth track records.

Within the Financials sector, the Fund was significantly underweighted in Banks. While we remain invested in Wells Fargo, we decided to exit our position in M&T Bank due to continued weaker-than-expected operating results and what we believe are diminished long-term growth prospects. We originally purchased M&T Bank before the 2008 financial crisis when its future looked bright. We believe Wells Fargo emerged from the crisis in a much stronger position than M&T.

While in the short run the Fund's sector weightings may help or hurt performance, it's important to emphasize our focus on long-term consistent growth which is a hallmark of the venerable Value Line research process. We do not sacrifice performance to be in "safer" areas of the market; likewise, we do not seek aggressive short-term growth companies to achieve higher returns. We believe investors can enjoy the benefits of "smoother returns" by holding a portfolio of high-quality companies with a long-term, consistent track record of demonstrated results.

"We believe our approach has benefited investors: Over the past year as of June 30, 2016, the Fund outperformed the Morningstar Mid-Cap Growth Category by nearly 900 basis points."

Q3: Would you please discuss the non-U.S. holdings in the portfolio?

While the portfolio is overwhelmingly comprised of companies domiciled in the U.S., we will occasionally purchase a proven performer headquartered abroad. Currently, our largest non-U.S. holding with 1.4% of the Fund's assets is HDFC Bank, an India-based bank that provides individual and commercial financial services in India, Bahrain, Hong Kong and Dubai. We've held this stock for about 12 years. The stock suffered in 2008, as did most financial stocks, but it has performed well since then, recently reaching a new high and up almost 8% in the quarter. Additionally, while most bank stocks dropped sharply on the Brexit news, the shares of HDFC held up well.

We also own shares of Danish pharmaceutical company Novo Nordisk, which is best known for its diabetes products and treatments.

Value Line Premier Growth Fund Performance (as of 6/30/16)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Premier Growth Fund (VALSX)	2.53%	9.12%	9.47%	7.54%
S&P 500 Index	3.99	11.66	12.10	7.42
Morningstar Mid-Cap Growth Category Average	-6.43	8.21	7.93	6.79
Morningstar Cat. Rank (%)	5	40	26	31
# of Funds in Category	724	650	573	429
Morningstar Risk		Low	Low	Below Avg.
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 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 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, 5 and 10-year periods ended 6/30/16, out of 650, 573 and 429 mid-cap growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2016. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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