VLFAlert

ValueLinefunds

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Dear Fellow Shareholder,

Thank you for choosing Value Line Funds as a part of your diversified investment portfolio. For over half a century, Value Line Funds has championed sound investment principles and helped thousands of investors accomplish their financial goals with our actively managed family of mutual funds.

We hope you enjoy this edition of the **VLF*Alert*** and thank you for your continued support.

Mitchell Appel
President
Value Line Funds

Key Advantages of Focused Funds

More than a year ago, Value Line Funds re-tooled two of its mutual funds into focused funds—the Value Line Larger Companies Focused Fund and Value Line Mid Cap Focused Fund—to offer today's investors the opportunity to invest in the power of our "best ideas" strategies. Below are some key advantages of focused funds that you might want to consider as you seek to enhance your investment portfolio.

Focused funds may outperform over the long term. For long-term investors, perseverance can pay off. Focused portfolios have outperformed their more broadly diversified counterparts by approximately 4% on an annualized basis.[1]

Focused fund managers offer access to their best ideas. If a fund owns larger stakes in fewer companies, the fund manager is more likely to be familiar with the companies' managements and their strategies, goals and objectives. If a fund has 200 stocks, it is virtually impossible for the fund's manager to know all of the companies as well. As Cindy Starke, portfolio manager of the Value Line Larger Companies Focused Fund, put it, "Why would any investor want a fund manager to give you his 74th or 174th best idea when he can give his 7th or 17th best? I've always liked Warren Buffett's opinion that with your 20 best investments, you have the potential to do really well. Sometimes, less really is more."

Focused funds may offer the same level of risk and diversification as larger portfolios. A portfolio of between 15 and 20 stocks can reduce unsystematic risk, or risk that is unique to a particular holding, by 90%, with nearly all stock-specific risk eliminated after 20 stocks.[2] And yet, according to independent investment researcher Morningstar, the average stock fund has 172 holdings.[3] Stephen Grant, portfolio manager of the Value Line Mid Cap Focused Fund, stated it as, "Diversification doesn't guarantee safety. In a market today where stock selection is more important than ever, we believe it makes more sense than ever to concentrate one's research time and resources to dig deeper into a company's business and the quality of its finances and management."

Value Line Funds' Automatic Investing Plan

Looking for an easy and convenient way to invest with Value Line Funds? Consider enrolling in the Valu-Matic® Investment Program. For as little as $25 per month you can purchase shares of any Value Line Fund and the money is automatically deducted from your checking account. Please call 800.243.2729 for more information.

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Focused funds tend to feature lower turnover rates. Focused fund managers tend to own stocks for longer periods than their more traditional peers given the research that has gone into each individual holding. This low turnover may reduce volatility, improve tax-efficiency and decrease trading costs.

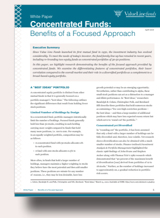
Focused fund returns tend to be driven by managers' top selections. Historically, the top stock selections in a portfolio have outperformed their benchmarks by 4% to 10% per year.[4]

A "best ideas" portfolio is likely to have a lower correlation to a more diversified fund. A focused portfolio is likely to have a lower correlation to a broad-based equity portfolio or an index fund that tracks the overall market. This lower correlation makes a focused fund an ideal candidate as a complement to core equity portfolios.

Read Our Latest White Paper:

The Benefits of a Focused Approach

Download your copy at www.vlfunds.com



Value Line Funds Include:	
Equity Funds	
Premier Growth Fund	Value Line Mid Cap Focused Fund
Larger Companies Focused Fund	Small Cap Opportunities Fund
Hybrid Funds	
Asset Allocation Fund	Income and Growth Fund
Worthington Value Line Dynamic Opportunity Fund	
Alternative Funds	
Defensive Strategies Fund	
Fixed Income Funds	
Tax Exempt Fund	Core Bond Fund

Of course, there are risks with owning focused funds, and therefore, investors of focused funds should have a great deal of conviction in the fund's manager. Even more so than with a broadly diversified fund, it becomes essential that focused fund managers have long track records and strict investment criteria. Value Line Funds has been helping to secure the financial future of investors for more than 60 years—based on solid fundamentals, sound investment principles and the power of disciplined and rigorous analytics.

For more information, call 800.243.2729 or visit www.vlfunds.com.

[1]Klaas P. Baks, Jeffrey A. Busse and T. Clifton Green, "Fund Managers Who Take Big Bets: Skilled or Overconfident" Goizueta Business School, Emory University, March 2006.

[2]John Y. Campbell, Martin Lettau, Burton G. Malkiel and Yexiao Xu, "Have Individual Stocks Become More Volatile? An Empirical Exploration of Idiosyncratic Risk" The Journal of Finance, Volume 56, No. 1, February 2001.

[3]Morningstar.

[4]Randolph B. Cohen, Christopher Polk and Bernhard Silli, "Best Ideas," Harvard Business School – Finance Unit, London School of Economics and Goldman Sachs Group, March 15, 2010. The period measured is 1984-2007.

Past performance is no guarantee of future results. 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, which can be obtained from your investment representative or by calling 800.243.2729. Please read it carefully before you invest or send money.

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.