



**Value Line Mid Cap
Focused Fund**



Stephen E. Grant
Portfolio Manager

Mr. Grant has been Portfolio Manager of the Value Line Mid Cap Focused Fund since 2009. 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: VLIFX
Inception date: 3/1/50
Total assets: \$123M
(as of 6/30/15)

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX)

Formerly Value Line Fund

Q1: The Value Line Fund was recently renamed the Value Line Mid Cap Focused Fund. Would you please discuss what factors led to this change?

The Fund’s name was changed to better reflect its mid-cap heritage and strategy execution using a concentrated portfolio. The Fund’s objective of capital appreciation has not changed nor has the type of companies that the portfolio holds. The Fund continues to hold proven, mid-cap companies that have a demonstrated history of growth in both stock price and earnings over a 10+ year period.

Q2: Would you please discuss the Fund’s current number of holdings?

As we’ve transitioned the Fund into a concentrated, “best ideas” fund, we’ve trimmed the portfolio from over 100 holdings last year to approximately 45 companies today. We anticipate that the Fund’s portfolio going forward will fall within a range of 40-45 mid-cap companies. With fewer holdings, portfolio diversification is maintained and there is little-to-no dilution from stocks with less growth potential.

“While we have been gradually transitioning the Fund’s holdings, our investment objective of providing long-term growth of capital in primarily mid-cap stocks has not changed.”

Q3: How does the Fund look today from a sector and risk standpoint?

During the portfolio transition, we carefully evaluated which companies had the highest future growth potential in proportion to risk. However, our selection process of holding companies with consistent long-term growth tends to result in a portfolio that naturally has a lower risk profile.

During the streamlining process, we sold many of our holdings that had grown throughout the years to become large-cap stocks. This was true in the Consumer Discretionary sector where many of these larger cap names were identified. Outside

(Q3: continued)

of Consumer Discretionary, reducing the number of holdings didn't materially change the Fund's sector allocation or percentage weighting.

Q4: Why should investors give more attention to mid-cap stocks?

We find many investors under-allocate to the mid-cap area of the market, instead selecting primarily small- and large-cap stocks to diversify across equities. However, we believe a mid-cap allocation remains important to long-term wealth creation and consider it to be the "sweet spot" in investing. Mid-cap companies generally have had time to mature from a business perspective and develop a track record. Historically, over the past 5, 10, 15 and 20 years ended June 30, 2015, mid-cap stocks, as measured by the Russell Midcap Index, have outperformed both small- and large-cap stocks, as measured by the Russell 2000 and S&P 500 Index respectively, with attractive relative risk.

Value Line Mid Cap Focused Fund Performance (as of 6/30/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Value Line Mid Cap Focused Fund (VLIFX)	6.59%	15.33%	17.32%	5.08%
S&P 500 Index	7.42	17.31	17.33	7.89
Morningstar Mid-Cap Growth Category Average	8.92	17.53	16.81	8.89
Morningstar Risk		Low	Low	Below Avg.
Gross 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 Value Line Mid Cap Focused Fund was formerly named the Value Line Fund.

The inception dates of Value Line Mutual Funds range from 1950 to 1993. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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