



Overall Morningstar Rating



Among 563 Mid-Cap Growth Funds (as of 9/30/17)

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 Mid Cap Focused Fund since 2009. He has over 20 years of investment industry experience. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

Fund Facts

Symbol

Investor VLIFX
Institutional VLMIX

Inception Date

Investor 3/1/50
Institutional 8/11/17

Total Assets

\$149M
(as of 9/30/17)

Top 10 Holdings

(as of 9/30/17)

Company	Weight (%)
IDEXX Laboratories Inc.	4.41
Waste Connections Inc.	4.28
Rollins Inc.	4.24
Mettler-Toledo Intl Inc.	4.14
Teledyne Technologies Inc.	3.82
Fiserv Inc.	3.74
Arch Capital Group Ltd.	3.68
Toro Co.	3.55
Amphenol Corp.	3.51
Roper Technologies, Inc.	3.48

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX/VLMIX)

Q1: Would you please comment on what sets this Fund apart from its peers in the Morningstar Mid-Cap Growth Category?

The Fund follows an actively managed focused strategy to seek high-quality mid-cap stocks using the venerable Value Line research. The time-tested investment discipline focuses on holding companies that have 10+ years of consistent growth in stock price and earnings. With 39 holdings as of September 30, 2017, we believe our "best ideas" approach is quite different from many of our actively managed mid-cap growth peers that hold an average of 109 stocks.

We find that this approach allows us to home in on companies exhibiting steady growth while also maintaining a low risk profile. In fact, as of September 30, 2017, Morningstar awarded the Fund with its overall "Low" risk rating in the Mid-Cap Growth Funds Category.

Q2: How has the Fund benefited from the strong performance from growth stocks in 2017?

Morningstar Mid-Cap Growth Funds Category has handily outperformed the Morningstar Mid-Cap Value Category by over 900 basis points on a year-to-date basis as of September 30, 2017. With growth stocks in a strong uptrend for the last few quarters and with few pullbacks in the market, it has been challenging finding new opportunities. As a result, in the third quarter, no new stocks were added.

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Regardless of the lack of attractive entry points in the mid-cap market, we remain confident in our current holdings. Ideally, we prefer to hold stocks over a long-term basis. As of the annual report dated December 31, 2016, the turnover of the Fund was a low 7% compared to its mid-cap growth peers' turnover of 64%.

Q3: What sectors does the strategy favor?

The Fund's strategy is not sector-focused. Rather, we look for high-quality stocks that meet our consistent growth criteria. Our focus on this long-term consistency in growth generally results in an overweight allocation to the Industrials sector. While the Morningstar Mid-Cap Growth Funds category average had an 18% allocation to Industrials, the Fund has nearly 35% allocated to the sector. In the third quarter, this overweight allocation benefited the Fund. In particular, the Fund benefited from its holding in Heico, an electronic equipment manufacturer supporting multiple industries.

(Q3 continued)

Conversely, the Fund finds fewer companies that fit our growth criteria in the Consumer Discretionary and Financial Services sectors. As of September 30, 2017, the Fund had a 5% and a 4% weighting to Discretionary and Financial Services stocks, respectively. Morningstar Mid-Cap Growth Funds held an average weighting of 17% and 12%, respectively, as of the same time period.

Value Line Mid Cap Focused Fund Performance (as of 9/30/17)				
	1 Year	3 Year	5 Year	10 Year
Investor - VLIFX	16.42%	11.55%	13.43%	4.89%
Institutional - VLMIX¹	16.48%	11.57%	13.45%	4.90%
S&P 500 Index	18.61	10.81	14.22	7.44
Morningstar Mid-Cap Growth Category Average	18.18	9.13	12.62	6.92
Morningstar Cat. Rank (%) - VLIFX	67	14	31	88
# of Funds in Category	614	563	484	362
Morningstar Risk		Low	Low	Low
VLIFX Expense Ratio: 1.21%, VLMIX Gross/Net Expense Ratio*: 23.99%/0.96%				

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns.

¹Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The Inception Date of VLMIX is August 11, 2017.

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.

*EULAV Asset Management (the "Adviser") and EULAV Securities LLC, the Fund's principal underwriter (the "Distributor"), have agreed to waive certain class-specific fees and/or pay certain class-specific expenses incurred by the Institutional Class so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and any extraordinary expenses incurred in different amounts by the classes) during the period August 11, 2017 through June 30, 2019 (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from the Fund reimbursed expenses and/or waived fees (within 3 years after the fiscal year end in which the waiver/reimbursement occurred) to the extent that the Fund's expense ratio is less than the Expense Limitation. The Expense Limitation can be terminated or modified before June 30, 2019 only with the agreement of the Fund's board. The Fund's performance would be lower in the absence of such waivers.

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, 4 stars for the 5-year period and 2 stars for the 10-year period ended 9/30/17 among 563, 484 and 362 mid-cap growth funds, respectively.

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