



Overall Rating



Among 555 Mid-Cap Growth Funds (as of 3/31/19)

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 25 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

\$249M
(as of 3/31/19)

Top 10 Holdings

(as of 3/31/19)

Company	Weight (%)
TransDigm Group, Inc.	4.99
Lennox Internat'l, Inc.	4.90
Ansys, Inc.	4.80
Mettler-Toledo Internat'l, Inc.	4.64
Teledyne Technologies, Inc.	4.21
Heico Corp.	3.99
Ball Corp.	3.73
Rollins, Inc.	3.45
Waste Connections, Inc.	3.30
Gartner, Inc. A	3.23

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX/VLMIX)

Q1: Would you please comment on the Fund's outperformance as compared to the S&P 500 Index for the quarter ended March 31, 2019?

We are pleased that the Fund outperformed the Index by nearly 400 basis points for Q1 2019, with a return of 17.58% as compared to the Index's return of 13.65%. Over longer time periods, the Fund has also outperformed. Compared to the Index, the Fund outperformed the Index over the 1, 3 and 5 year periods and the Morningstar Mid-cap Growth Funds category average for the 1, 3, 5 and 10 year periods as of Q1 2019.

Q2: Why should investors consider a concentrated mid-cap strategy?

We believe the Fund fits many investors' portfolios as the concentrated portfolio allows us to emphasize our "best ideas" for growth companies in the mid-cap space. The Fund typically holds 25-50 stocks, and as of March 31, 2019, the Fund had 39 holdings.

We see three key benefits for this Fund:

- » **Track record of growth.** We look for companies with a history of 10+ years of consistent growth in both stock price and earnings. Such consistency highlights companies that have succeeded in a variety of market environments and economic conditions. At the same time, we continually monitor our holdings. If a company no longer meets our stringent criteria over a period of time, we generally exit the position.
- » **Mid-cap companies are a "sweet spot."** Many smaller companies tend to have relatively short operating histories and higher price volatility. On the other hand, large-cap stocks may have reached maturity and lack capacity for continued growth. Mid-sized companies can offer a compelling combination of relative stability and room for growth over a long timeframe without the risk generally associated with small cap companies.
- » **Lower risk.** With stock selection criteria that features consistency of operating results over many years, the Fund's risk profile is quite low. In fact, the Fund has been awarded Morningstar's "**Low**" risk rating for the **3, 5 and 10 year periods** ended March 31, 2019.

Q3: How has the Fund achieved this low risk rating?

We believe our investment criteria of 10+ years of consistent growth in stock price and earnings allows shareholders to experience potential growth without excessive volatility. Indeed, when looking at Sharpe Ratio, which is a measure used to understand the return of an investment compared to its risk, the Fund ranks in the top 5% of funds in its Morningstar category over the 3, 5 and 10 year period as of March 31, 2019.

Mid Cap Focused Fund (VLIFX)	3 Year	5 Year	10 Year
Morningstar Risk Rating	Low	Low	Low
Sharpe Ratio Percentile Rank	Top 4%	Top 1%	Top 3%
# of Morningstar Mid-Cap Growth Funds	168	156	132

Source: Morningstar

Value Line Funds

443.279.2015

www.vlfunds.com

Q4: With your strict investment criteria, where are you finding new opportunities?

We continually monitor mid-cap companies and look for companies with excellent operating results and stock price appreciation over a period of years. We tend to avoid companies that are “headline grabbers” or focus on short-term results that may be unsustainable over time. During the past quarter, we added several stocks to the Fund including outerwear company Columbia Sportswear (COLM), business services company Cintas (CTAS) and data analytics company Fair Isaac Corp. (FICO).

Value Line Mid Cap Focused Fund Performance (as of 3/31/19)				
	1 Year	3 Year	5 Year	10 Year
Investor - VLIFX	20.25	16.72	12.39	15.88
Institutional - VLMIX¹	20.53	16.87	12.48	15.92
S&P 500 Index	9.50	13.51	10.91	15.92
Morningstar Mid-Cap Growth Category Average	8.04	14.18	8.99	15.70
Percentile Rank in Morningstar Cat. - VLIFX	4	23	9	50
# of Funds in Category	615	555	495	352
Morningstar Risk		Low	Low	Low
VLIFX Gross/Net Expense Ratio: 1.18%, VLMIX Gross/Net Expense Ratio*: 5.61% / 0.93%				

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

¹*Italics 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 vifunds.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.vifunds.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) (the "Expense Limitation"). The information regarding the Institutional Class in the table has been restated to reflect the Expense Limitation. The Adviser and the Distributor may subsequently recover from assets attributable to the Institutional Class the reimbursed expenses and/or waived fees (the recoupment period is 3 years from the month in which the waiver/reimbursement occurred) to the extent that the Institutional Class's expense ratio is less than the Expense Limitation or, if lower, the expense limitation in effect when the waiver/reimbursement occurred. 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 4 stars for the 3-year period, 5 stars for the 5-year period, and 4 stars for the 10-year period ended 3/31/19, among 555, 495 and 352 mid-cap growth funds, respectively.

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