



Overall Morningstar Rating



Among 539 Mid-Cap Growth Funds (as of 6/30/19)

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

\$330M
(as of 6/30/19)

Top 10 Holdings

(as of 6/30/19)

Company	Weight (%)
Lennox Internat'l, Inc.	4.76
Ansys, Inc.	4.57
Mettler-Toledo Internat'l, Inc.	4.53
Teledyne Technologies, Inc.	4.53
Heico Corp.	4.33
TransDigm Group, Inc.	4.24
Ball Corp.	3.56
Waste Connections, Inc.	3.36
Fair Isaac Corp.	3.22
AptarGroup, Inc.	3.12

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX/VLMIX)

Q1: Would you please discuss the short- and long-term outperformance of the Fund relative to the Morningstar Mid-Cap Growth Funds category and the S&P 500 Index?

Over the latest quarter ending June 30, 2019, the Fund rose 8.63%, outperforming the Morningstar Mid-Cap Growth Funds category average by over 300 basis points, and exceeding the S&P 500 by over 430 basis points. During the second quarter, we benefited from our holdings in the Industrials, Healthcare and Materials sectors.

Over the longer term the performance has been favorable as well, as the Fund ranks in the top 1% for the one-year period ended June 30, 2019. Impressively, the Fund is the only fund out of 367 funds in the Morningstar Mid-Cap Growth category to have top quartile (25% or better) performance for the 1, 3, 5 and 10 year periods ended June 30, 2019 and do so with a "Low" risk rating for the 3, 5, and 10 year time frames.

Q2: How would you describe the types of companies owned in the Fund?

We own companies that have a history of 10+ years of consistent growth in both stock price and earnings. We find that often companies in the Industrials, Healthcare and Materials sectors demonstrate the track record of predictable performance we seek. In fact, the Industrials sector was the Fund's largest weighting as of June 30, 2019, representing 32% of our holdings. Our largest contributor to performance over the recent quarter was Heico Corp. (HEI). This aerospace and electronics company has been a long-time holding in the Fund and was originally purchased in 2010.

"Due to our bottom-up process, the portfolio holds companies diversified across several sectors."

As a fundamental, bottom-up manager, the portfolio holds companies diversified across several other sectors. In our search for consistent growth, our new additions this past quarter include Aptar Group (ATR), a global supplier of packaging and containers, and Cadence Design (CDNS), an electronic design and automation software and engineering company.

Q3: With a focused strategy, how do you manage the risk profile of the Fund?

We know that risk is an important consideration for investors, and we manage this by seeking companies that have a history of growth through predictable operating results. Specifically, we own companies with 10 or more years of consistent growth in stock price and earnings. As part of our long-term perspective, we utilize the time-tested Value Line Timeliness and Safety Ranking System which gives us access to over 60 investment analysts covering thousands of stocks.

We seek to own 25-50 of these companies that best fit our investment criteria. This “best-ideas,” focused approach has not led to a higher risk portfolio. In fact, the Fund has had a positive total return for the past 10 consecutive calendar years ended December 31, 2018.

Value Line Mid Cap Focused Fund Performance (as of 6/30/19)					
	QTD	1 Year	3 Year	5 Year	10 Year
Investor - VLIFX	8.63	26.38	18.25	13.66	16.24
Institutional - VLMIX¹	8.73	26.67	18.44	13.77	16.29
S&P 500 Index	4.30	10.42	14.19	10.71	14.70
Morningstar Mid-Cap Growth Category Average	5.57	9.88	15.59	9.78	14.53
Percentile Rank in Morningstar Cat. - VLIFX		1	22	7	17
# of Funds in Category		602	539	484	367
Morningstar Risk			Low	Low	Low
VLIFX Gross/Net Expense Ratio: 1.18%, VLMIX Gross/Net Expense Ratio*: 3.97% / 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 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 permanently 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 (within 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 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, and 5 stars for the 5- and 10-year period ended 6/30/19, among 539, 484 and 367 mid-cap growth funds, respectively.

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