



Overall Morningstar Rating



Among 544 Mid-Cap Growth Funds (as of 9/30/19)

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

\$414M
(as of 9/30/19)

Top 10 Holdings

(as of 9/30/19)

Company	Weight (%)
Ansys, Inc.	4.91
Teledyne Technologies, Inc.	4.87
Heico Corp.	4.26
TransDigm Group, Inc.	3.73
Lennox International, Inc.	3.63
Mettler-Toledo Int'l, Inc.	3.55
Ball Corp.	3.17
Chemed Corp.	3.12
Church & Dwight Co. Inc.	3.08
Pool Corp.	2.99

Portfolio Manager Q&A

Value Line Mid Cap Focused Fund (VLIFX/VLMIX)

Q1: Would you please comment on the Fund's outperformance for the third quarter of 2019 relative to the Morningstar Mid-Cap Growth Funds category?

The Fund rose 1.84% for the quarter ended September 30, 2019, outperforming the Morningstar category average by 364 basis points. More importantly, the Fund has delivered outperformance along with low risk over longer-term periods. In fact, the Fund is the **only fund in its category (out of 375 funds) that can claim both of the following achievements:**

- » The Fund has delivered **top decile (10% or better) performance over the 1, 3, 5 and 10 year periods** ended September 30, 2019 and
- » The Fund has been awarded **Morningstar's "Low" risk rating for the 3, 5 and 10 year periods** ended September 30, 2019

Q2: Would you please share your thoughts on the Fund's risk/reward profile?

We believe that managing risk is important and are pleased that the Fund has been awarded Morningstar's "Low" risk rating for the 3, 5 and 10 year periods ended September 30, 2019. We have maintained this low risk rating while producing solid performance for our shareholders throughout the years. In fact, the Fund has produced positive total returns for each of the past 10 calendar years.

In addition to Morningstar's "Low" risk rating, the Fund has outpaced its peers in risk-adjusted return for each period, as measured by Sharpe Ratio, and ranks in the **top 1%** of funds in its Morningstar category over the 3, 5 and 10 year periods as of September 30, 2019.

Mid Cap Focused Fund (VLIFX)	3 Year	5 Year	10 Year
Morningstar Risk Rating	Low	Low	Low
Sharpe Ratio Percentile Rank	Top 1%	Top 1%	Top 1%
# of Morningstar Mid-Cap Growth Funds	544	487	375

Source: Morningstar as of 9/30/19

Q3: What factors do you rely on to produce these results?

To seek this level of consistent performance along with low risk, we rely on the following three factors:

- 1. "Best ideas":** We seek a focused portfolio of between 25 and 50 mid-cap companies that meet our stringent growth criteria while having ample capacity for growth. Currently, we hold 44 stocks.
- 2. Consistent, long-term performance:** We seek companies that have demonstrated 10+ years of consistent growth in both share price and earnings.
- 3. Value Line Timeliness™ and Safety™ Rankings:** We utilize Value Line's time-tested rankings, supported by dozens of analysts, to select companies that meet our demanding criteria.

Q4: What type of company does your investment criteria favor?

The Fund owns companies that have demonstrated 10+ years of consistent growth in both stock price and earnings. Such companies have more predictable operating results and have shown relatively steady performance in a variety of economic and stock market conditions.

As a result, the portfolio's largest weightings in terms of sectors are Industrials, Information Technology (IT) and Healthcare, respectively. For example, in the Industrials sector we own Lennox International, which provides heating and air conditioning products, and in the IT sector we own Ansys Corporation, which produces engineering simulation and design software. In the Healthcare sector we take a "picks and shovels" approach, owning companies like Mettler Toledo, which provides lab instruments to the biotechnology industry, rather than companies dependent upon medical research or pharmaceuticals.

Value Line Mid Cap Focused Fund Performance (as of 9/30/19)

	QTD	1 Year	3 Year	5 Year	10 Year
Investor - VLIFX	1.84	15.26	18.27	14.55	15.44
Institutional - VLMIX¹	1.92	15.59	18.49	14.68	15.50
S&P 500 Index	1.70	4.25	13.39	10.84	13.24
Morningstar Mid-Cap Growth Category Average	-1.80	1.10	13.10	9.89	12.56
Percentile Rank in Morningstar Cat. - VLIFX		2	6	5	6
# of Funds in Category		603	544	487	375
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 5 stars for the 3-, 5- and 10-year periods ended 9/30/19, among 544, 487 and 375 mid-cap growth funds, respectively.

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