



**Overall  Rating**



Among 576 Mid-Cap Growth Funds (as of 6/30/17)

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: VLIFX  
 Inception date: 3/1/50  
 Total assets: \$146M  
 (as of 6/30/17)

**Top 10 Holdings**

(as of 6/30/17)

Company	Weight (%)
IDEXX Laboratories, Inc.	4.7
Toro, Co.	4.0
Waste Connections, Inc.	4.0
Mettler-Toledo Intl, Inc.	4.0
Rollins, Inc.	3.8
Fiserv, Inc.	3.6
Arch Capital Group, Ltd.	3.6
C.R. Bard, Inc.	3.5
Roper Technologies, Inc.	3.4
Amphenol Corp.	3.1

**Portfolio Manager Q&A**

**Value Line Mid Cap Focused Fund (VLIFX)**

**Q1: How does the Fund distinguishes itself from other mid-cap growth funds?**

The Fund is differentiated from many Morningstar Mid-Cap Growth Funds in the following ways:

- 1. Actively Managed, Focused Strategy.** The Fund holds approximately 30 to 50 stocks and as of June 30, 2017, the Fund was comprised of 40 positions. Rather than holding small positions in many different mid-cap companies, we concentrate on our "best ideas" and allocate a meaningful percentage to each holding.
- 2. Portfolio of Companies Exhibiting Consistent Growth.** We seek high-quality companies that have demonstrated over 10 years of consistent growth in both earnings and stock price and avoid high-flying, volatile stocks and companies with shorter track records of success.
- 3. Lower Risk Profile.** In addition to the Fund receiving Morningstar's overall "Low" risk rating, the portfolio's standard deviation, a measure of volatility, was considerably lower than the Morningstar Mid-Cap Growth Fund Category average over the 3-, 5- and 10-year periods as of June 30, 2017.

**Q2: Given these attributes, what should investors expect in terms of short- and long-term performance?**

We believe our "focused" mid-cap strategy is designed to provide long-term oriented investors with outperformance and lower volatility. However, in fast-rising markets, this approach can result in short-term periods of underperformance compared to other mid-cap growth funds.

**Q3: How do the sector weightings of the Fund differ from those of its peers?**

As of the second quarter of 2017, the weightings in the Industrials and Consumer Staples sectors in the Morningstar Mid Growth Funds Category averaged 18% and 5%, respectively. However, due to our emphasis on longer term operating results, the portfolio's Industrials and Consumer Staples sector weightings comprised 35% and 10% of the Fund's assets, respectively, as of June 30, 2017.

Conversely, the Fund held fewer companies in the more volatile Consumer Discretionary and Financial Services sectors and had no companies in the Real Estate, Communication Services and Energy sectors as compared to the Morningstar Mid Growth Funds Category average at the end of the quarter.

#### Q4: How does the market and economic environment influence your investment decisions?

As long-term investors, we don't attempt to time the market nor do we make long-term investment decisions based on short-term data. Rather, we maintain a portfolio of high-quality, mid-cap companies that continue to exhibit consistent growth regardless of the economy or market conditions.

We expect to hold positions over a longer term period and continually monitor their quarterly and annual earnings and stock price for consistency in growth. If one of our holdings exhibits weaker growth over consecutive quarters, we may trim or sell the position and redeploy the proceeds to an existing or new position with greater appreciation opportunity.

Value Line Mid Cap Focused Fund Performance (as of 6/30/17)				
	1 Year	3 Year	5 Year	10 Year
<b>Value Line Mid Cap Focused Fund (VLIFX)</b>	<b>15.66%</b>	<b>9.88%</b>	<b>13.81%</b>	<b>5.17%</b>
S&P 500 Index	17.90	9.61	14.63	7.18
Morningstar Mid-Cap Growth Category Average	18.58	6.86	12.72	6.81
<b>Morningstar Cat. Rank (%)</b>	<b>76</b>	<b>11</b>	<b>27</b>	<b>82</b>
# of Funds in Category	626	576	502	370
Morningstar Risk		<b>Low</b>	<b>Low</b>	<b>Low</b>
Gross/Net Expense ratio: 1.24%				

*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](http://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](http://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 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 3 stars for the 10-year period ended 6/30/17 among 576, 502 and 370 mid-cap growth funds, respectively.

The inception dates of Value Line Mutual Funds range from 1950 to 2016. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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