



Value Line Mid Cap Focused Fund



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 experience and currently manages funds containing nearly \$1.6B in net assets. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

Fund Facts

Table with 2 columns: Fact (Symbol, Inception date, Total assets) and Value (VLIFX, 3/1/50, \$127M). Includes a note '(as of 3/31/15)'.

Portfolio Manager Q&A
Value Line Mid Cap Focused Fund* (VLIFX)

*Formerly Value Line Fund

Q1: The Fund's holdings have been reduced from approximately 135 to 45 companies over the past few quarters. Why did you decide to decrease the number of stocks in the portfolio?

We believe investors can benefit from a performance-oriented portfolio with fewer companies as a larger percentage of capital is allocated to high conviction holdings. To better reflect this streamlined approach to portfolio construction, the Value Line Fund was recently renamed to the Value Line Mid Cap Focused Fund. While we have been gradually transitioning the Fund's holdings, our investment objective of providing long-term growth of capital in primarily mid-cap stocks has not changed. With fewer holdings, portfolio diversification is maintained and there is little-to-no dilution from stocks with less potential growth.

Q2: What has been the process in transitioning to a concentrated portfolio?

During the portfolio transition, we carefully evaluated which companies had the highest future growth potential commensurate with risk. With our mid-cap orientation, we sold many of our holdings during the streamlining process that had grown throughout the years and were now considered large-cap stocks.

A comparison of the Fund's portfolio over two time frames shows the results of this effort. As of June 30, 2014, the Fund had a 42.5% weighting in large-cap companies. As we culled holdings, a large majority of the remaining portfolio included mid-cap companies with

a market capitalization between \$3-\$18 billion. According to Morningstar data as of March 31, 2015, the average market cap for the Fund was \$8.7 billion, which was lower than the Mid-Cap Growth Funds Category market cap of \$9.4 billion.

With our current approach of holding approximately 40-45 stocks, the Fund includes primarily mid-cap companies that have a demonstrated history of 10+ years of growth in both stock price and earnings. No individual holding represents more than 3% of the portfolio and most stocks have a weighting between 2.2% and 2.6%.

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Portfolio Manager Q&A

Value Line Mid-Cap Focused Fund (VLIFX)

Q3: The Fund was the first mutual fund launched by Value Line Funds in 1950. How has the investment process changed throughout the years?

We are pleased to say the investment process has remained relatively consistent over the past 6+ decades. The Fund utilizes the venerable Value Line Timeliness™ and Safety™ Ranking Systems to identify companies with a demonstrated ability to consistently increase earnings and stock price over a 10-year period or more. As a result of holding companies with this impressive record, we have confidence that these businesses will be able to continue growing in the future.

We are excited to offer our “best ideas” mid-cap portfolio that utilizes this time-tested approach. With fewer holdings, the Fund is able to hold larger allocations to stocks in which we have the most conviction while continuing to maintain a lower risk profile.

Q4: What is your investment case for holding an allocation to mid-cap stocks?

We find many investors under-allocate to this area of the market, instead selecting primarily small- and large-cap stocks to diversify across equities. However, we believe a mid-cap allocation remains important to long-term wealth creation. Historically, over the past five years, mid-cap stocks have outperformed both small- and large-cap companies with better relative risk.

Value Line Mid Cap Focused Fund Performance (as of 3/31/15)				
	Average Annual Returns			
	1 Year	3 Year	5 Year	10 Year
Value Line Mid Cap Focused Fund (VLIFX)	10.13%	14.22%	15.61%	5.60%
S&P 500 Index	12.73	16.11	14.46	8.01
Morningstar Mid-Cap Growth Category Average	11.20	14.95	14.47	9.17
Morningstar Risk		Low	Low	Below Avg.
Gross Expense ratio: 1.26%				

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 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.

The Value Line Mid Cap Focused Fund was formerly named the Value Line Fund.

The inception dates of Value Line Mutual Funds range from 1950 to 1993. **Value Line Mutual Funds are distributed by EULAV Securities LLC. Past performance is no guarantee of future results.**

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