

Value Line Mid Cap Focused Fund, Inc.  
Form 485BPOS  
April 29, 2015

As filed with the Securities and Exchange Commission on April 29, 2015

File No. 2-10827  
File No. 811-02265

---

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

---

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No. 10 6

and/or

REGISTRATION STATEMENT UNDER THE

INVESTMENT COMPANY ACT OF 1940

Amendment No. 10 6

---

Value Line Mid Cap Focused Fund, Inc.  
(Exact Name of Registrant as Specified in Charter)

7 Times Square, 21st floor,  
New York, New York 10036-6524  
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (212) 907-1900

Mitchell Appel  
Value Line Mid Cap Focused Fund, Inc.  
7 Times Square, 21st floor,  
New York, New York 10036-6524  
(Name and Address of Agent for Service)


Copy to:  
Peter D. Lowenstein, Esq.  
515 West Lyon Farm Drive  
Greenwich, CT 06831

It is proposed that this filing will become effective (check appropriate box)  
immediately upon filing pursuant to paragraph (b)  
on April 30, 2015 pursuant to paragraph (b)  
60 days after filing pursuant to paragraph (a)(1)

75 days after filing pursuant to paragraph (a)(2)  
on (date) pursuant to paragraph (a)(1)  
on (date) pursuant to paragraph (a)(2) of Rule 485

---

---



Value Line Mid Cap Focused Fund, Inc.  
(Ticker Symbol: VLIFX)

Value Line Core Bond Fund  
(Ticker Symbol: VAGIX)

Value Line Income and Growth Fund, Inc.  
( Ticker Symbol: VALIX)

Value Line Larger Companies Focused Fund, Inc.  
(Ticker Symbol: VALLX)

Value Line Premier Growth Fund, Inc.  
(Ticker Symbol: VALSX)

The Value Line Tax Exempt Fund, Inc.  
(Ticker Symbol: VLHYX)

P R O S P E C T U S  
M A Y 1 , 2 0 1 5

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus, and any representation to the contrary is a criminal offense.

## TABLE OF CONTENTS

### Summary Sections

[Value Line Mid Cap Focused Fund Summary](#) Page 2

[Value Line Core Bond Fund Summary](#) Page 9

[Value Line Income and Growth Fund Summary](#) Page 16

[Value Line Larger Companies Focused Fund Summary](#) Page 23

[Value Line Premier Growth Fund Summary](#) Page 29

[Value Line Tax Exempt Fund Summary](#) Page 35

[All Funds - Tax Information and Financial Intermediary Compensation](#) Page 42

### [Additional Information Regarding Principal Investment Strategies](#)

[Value Line Mid Cap Focused Fund](#) Page 43

[Value Line Core Bond Fund](#) Page 45

[Value Line Income and Growth Fund](#) Page 48

[Value Line Larger Companies Focused Fund](#) Page 51

[Value Line Premier Growth Fund](#) Page 53

[Value Line Tax Exempt Fund](#) Page 54

[All Funds - Information Regarding Non-Principal Investment Strategies](#)

[Certain non-principal investment strategies of the Funds](#) Page 55

### [Additional Information Regarding Principal Risks](#)

[The principal risks of investing in the Funds](#) Page 56

### [Who Manages the Funds](#)

[Investment Adviser](#) Page 64

[Management fees](#) Page 64

[Portfolio management](#) Page 65

### [About Your Account](#)

[How to buy shares](#) Page 67

[How to sell shares](#) Page 72

[Frequent purchases and redemptions of Fund shares](#) Page 74

[Special services](#) Page 75

[Dividends, distributions and taxes](#) Page 76

### [Financial Highlights](#)

[Financial Highlights](#) Page 79

## VALUE LINE MID CAP FOCUSED FUND SUMMARY

### Investment objectives

The Fund's primary investment objective is long-term growth of capital. Current income is a secondary investment objective.

### Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment) when you buy and sell shares of the Fund. Future expenses may be greater or less.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fee	0.69%
Distribution and Service (12b-1) Fees	0.25%
Other Expenses	0.29 %
Total Annual Fund Operating Expenses	1.23 %

### Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Mid Cap Focused Fund	\$ 125	\$ 390	\$ 676	\$ 1,489


#### Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year the Fund’s portfolio turnover rate was 61% of the average value of its portfolio.

#### Principal investment strategies of the Fund

To achieve the Fund’s investment objectives, EULAV Asset Management (the “Adviser”) invests substantially all of the Fund’s net assets in common stocks. Under normal circumstances, the Adviser invests at least 80% of the Fund’s assets in common stocks and other equity securities of mid-sized companies (the “80% Policy”). The Fund considers companies to be mid-sized if they have market capitalizations within the range of issuers represented in the S&P MidCap 400 Index, which is a market-value weighted index consisting of 400 domestic stocks chosen for market size, liquidity, and industry group representation. As of March 1, 2015, the S&P MidCap 400 Index included companies with market capitalizations between \$1.04 billion and \$16.73 billion. The 80% policy can be changed without shareholder approval upon at least 60 days, prior written notice. Under normal circumstances, the Adviser expects that the Fund’s portfolio will generally consist of positions in 30 to 50 companies. While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Value Line Timeliness™ Ranking System (the “Ranking System”) in selecting securities for purchase or sale. The Ranking System is a proprietary quantitative system that compares an estimate of the probable market performance of each stock within a universe during the next six to twelve months to that of all stocks within that universe and ranks stocks on a scale of 1 (highest) to 5 (lowest). The universe followed by the Ranking System consists of stocks of approximately 1,700 companies accounting for approximately 95% of the market capitalization of all stocks traded on the U.S. securities exchanges. All the stocks

followed by the Ranking System are listed on U.S. stock exchanges or traded in the U.S. over-the-counter markets. The Fund's investments principally are selected from common stocks ranked 1, 2 or 3 by the Ranking System at the time of purchase. Apart from the diversification requirements of the Investment Company Act of 1940 (the "1940 Act") applicable to diversified funds (which generally means that it will not invest more than 5% of its total assets in the stocks of any one company), the Fund is not subject to any limit on the percentage of its assets that may be invested in any particular stock.



The Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking System in selecting stocks for the Fund, but has discretion, including whether and which ranked stocks to include within the Fund's portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of rebalancing the Fund's portfolio. The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.


#### Principal risks of investing in the Fund

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose money. Therefore, before you invest in the Fund you should carefully evaluate the risks.

**Mid-Sized Company Risk.** The equity securities of mid-sized companies typically involve greater investment risks than larger, more established companies because they often have greater price volatility, lower trading volume, and less liquidity, especially over the short term. As compared to larger companies, mid-sized companies may have limited management experience or depth, limited ability to generate or borrow capital needed for growth, and limited products or services, or operate in markets that have not yet been established. Accordingly, mid-sized company securities tend to be more sensitive to changing economic, market and industry conditions, Mid-sized companies also may fall out of favor relative to larger companies in certain market cycles, causing the Fund to incur losses or underperform.

**Market Risk.** The chief risk that you assume when investing in the Fund is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.





**Equity Securities.** Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity markets. The resulting fluctuation in the price of equity securities may take the form of a drastic movement or a sustained trend. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks. Historically, the prices of equity securities have fluctuated more than bond prices.

**Ranking System Risk.** The Adviser's use of the results of the Ranking Systems in managing the Fund involves the risk that the Ranking Systems may not have the predictive qualities anticipated by the Adviser or that over certain periods of time the price of securities not covered by the Ranking Systems, or lower ranked securities, may appreciate to a greater extent than those securities in the Fund's portfolio.

**Active Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For a more complete discussion of risk, please turn to page 56 .



Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund’s shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years. These returns are compared to the performance of the S&P 500® Index, which is a broad based market index. The Fund’s past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).

Total returns (before taxes) as of 12/31 each year (%)

Best	Q3	+12.70
Quarter:	2010	
Worst	Q4	-27.78
Quarter:	2008	

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or Individual Retirement Accounts (“IRA”).



Average Annual Total Returns for the Periods Ended December 31, 201 4

	1 year	5 years	10 years
Return before taxes	7.90%	16.53%	5.05%
Return after taxes on distributions	7.88%	16.50%	3.83%
Return after taxes on distributions and sale of Fund shares	4.74%	13.39%	3.62%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	13.68%	15.45%	7.67%

Management

Investment Adviser. The Fund’s investment adviser is EULAV Asset Management.

Portfolio Manager. Stephen E. Grant is primarily responsible for the day-to-day management of the Fund’s portfolio. Mr. Grant has been the Fund’s portfolio manager since 2009.

Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$100.

The Fund’s shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary, by telephone or by mail, by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121.9729. See “How to sell shares” on page 72 .

Tax Information

The Fund’s distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.



Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## VALUE LINE CORE BOND FUND SUMMARY

### Investment objectives

The Fund's investment objective is to maximize current income. Capital appreciation is a secondary objective but only when consistent with the Fund's primary objective.

### Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment). Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees	0.25%
Other Expenses (1)	0.51 %
Total Annual Fund Operating Expenses	1.26 %
Less Management Fee and 12b-1 Fee Waivers (1)	-0.35 %
Net Expenses	0.91 %

( 1 ) The Adviser has contractually agreed to waive a portion of the Fund's management fee so that the management fee rate equals 0.30% of the Fund's average daily net assets. The Distributor has contractually agreed to waive a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.15% of the Fund's average daily net assets. These waivers cannot be modified or terminated before June 30, 2016 without the approval of the Fund's Board. There is no assurance that the Distributor or the Adviser, as applicable, will extend the fee waiver beyond June 30, 2016. The expense information in the table has been restated to reflect the change in the Fund's 12b-1 fee waiver, effective July 1, 2014, as if in effect throughout the Fund's fiscal year ended December 31, 2014. If not restated, the Fund's expenses reflected in the table would be higher.

### Example

This example is intended to help you compare the cost of investing in the Fund to the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same except in year one. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Core Bond Fund	\$ 93	\$ 365	\$ 658	\$ 1,492





#### Portfolio turnover


The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year the Fund’s portfolio turnover rate was 111% of the average value of its portfolio.

#### Principal investment strategies of the Fund

The Fund invests primarily in a diversified portfolio of primarily investment grade bonds and other debt instruments. Sovereign debt, or securities issued or secured by non-U.S. governments, as well as securities issued by supranational agencies, may be held by the Fund, provided the investments are U.S. dollar-denominated.

Under normal circumstances, the Fund invests at least 80% of its assets (including borrowings for investment purposes) in bonds and other debt instruments (“80% Policy”). The Fund’s 80% Policy may be changed without shareholder approval. However, shareholders will be given notice at least 60 days prior to any such change. The Fund may invest in debt instruments of any type, including corporate bonds, securities issued or guaranteed by the U.S. government, its agencies or instrumentalities (U.S. government securities), mortgage-backed securities, asset-backed securities, and other fixed income securities.

The Fund invests principally in debt obligations issued or guaranteed by the U.S. government and by U.S. corporations. The U.S. government securities in which the Fund may invest include a variety of securities that are issued or guaranteed as to the payment of principal and interest by the U.S. government, and by various agencies or instrumentalities that have been established or sponsored by the U.S. government. The corporate debt obligations in which the Fund may invest include, but are not limited to, bonds, notes, debentures, and commercial paper of U.S. companies.



The Fund's assets may also be invested in mortgage-backed securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, or by government-sponsored corporations. Other mortgage-backed securities in which the Fund may invest are issued by certain private, non-government entities. The Fund may also invest in securities that are backed by assets such as receivables on home equity and credit card loans, automobile, mobile home, recreational vehicle and other loans, wholesale dealer floor plans, and leases.

The Adviser invests at least 80% of the Fund's assets (including borrowings for investment purposes) in debt securities that are investment grade at the time of purchase, but may invest up to 20% of the Fund's assets in debt securities that are below investment grade (commonly called "high yield" or "junk" bonds). Investment grade debt securities are rated within the four highest grades by at least one major rating agency, such as Standard & Poor's (at least BBB-), Moody's (at least Baa3) or Fitch (at least BBB-), or are determined by the Adviser to be of comparable credit quality. The Fund estimates that the average credit quality rating of Fund assets will be investment grade.

The Fund invests in debt securities of any maturity, and there is no limit on the Fund's maximum average portfolio maturity. The Fund estimates that the weighted average maturity of its portfolio will range between three to fifteen years.


In deciding which securities to buy, hold or sell, the Adviser considers a number of factors, including the issuer's creditworthiness, economic prospects and interest rate trends as well as the security's credit rating.

#### Principal risks of investing in the Fund

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose part or all of your investment. Therefore, before you invest in this Fund you should carefully evaluate the risks. The other principal risks of investing in the Fund are:



Interest Rate and Reinvestment Risk. As with most bond funds, the income on and market price of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline but the Fund's income tends to decline. Such decline follows quickly for most variable rate securities and eventually for fixed rate securities as the Fund must reinvest the proceeds it receives from existing investments (upon their maturity, prepayment, buy-back, call, etc.) at a lower rate of interest or return. When interest rates fall, the market prices of these securities usually increase. Generally, the market price of debt securities with longer durations or fixed rates of return will fluctuate more in response to changes in interest rates than the market price of shorter-term securities or variable rate debt securities, respectively.



**Credit Risk.** Debt securities are also subject to credit risk. Credit risk is the risk that the issuer of a debt security will be unable to make interest or principal payments on time. A debt security's credit rating reflects the credit risk associated with the debt obligation. Generally, higher-rated debt securities involve lower credit risk than lower-rated debt securities. Credit risk is often higher for corporate, mortgage-backed, asset-backed and foreign government debt securities than for U.S. Government debt securities.


**Below Investment Grade Credit.** Below investment grade securities (commonly called "high yield" or "junk" bonds) are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness or the risky nature of an investment for which limited or no recourse to the issuer is provided. The market prices of these debt securities usually fluctuate more than that of investment grade debt securities and may decline more significantly in periods of general economic difficulty.

**Mortgage-Backed/Asset-Backed Securities.** Investing in mortgage-backed and asset-backed securities poses additional risks, principally with respect to increased interest rate risk, prepayment risk and extension risk.

**Prepayment and Extension Risk.** Many debt securities give the issuer the option to prepay principal prior to maturity. During periods of falling interest rates, prepayments may accelerate and the Fund may be forced to reinvest the proceeds at a lower interest rate. When interest rates rise, the term of a debt security is at greater risk of extension because rates of prepayments fall and rates of late payments and defaults rise. Extending the duration of a security "locks in" lower interest rates if the extension occurs in a rising interest rate environment.

**Foreign Investments.** Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. In addition, emerging markets tend to be more volatile than the U.S. market or developed foreign markets.

**Active Management.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.



**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

**Portfolio Turnover.** The Fund's annual portfolio turnover rate has exceeded 100% in two of the last five years. For example, a rate of portfolio turnover of 100% would occur if all of the Fund's portfolio were replaced in a period of one year. To the extent the Fund engages in short-term trading in attempting to achieve its investment objective, it will increase the Fund's portfolio turnover rate and the Fund will incur higher brokerage commissions and other expenses.

An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The Fund is not recommended for investors whose principal objective is long-term growth. For a more complete discussion of risk, please turn to page 56.

## Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund's shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years compared to the performance of two broad-based market indices: the Barclays Capital U.S. Aggregate Bond Index and the Barclays Capital U.S. Corporate High-Yield Bond Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Prior to December 10, 2012, the Fund was managed pursuant to a different investment strategy and its performance for periods prior to December 10, 2012 may be higher than that it may be able to achieve under its current investment strategy. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).



Total returns (before taxes) as of 12/31 each year (%)

Best Quarter: Q2 2009 +11.97  
 Worst Quarter: Q4 2008 -16.73

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRA").

Average annual total returns for periods ended December 31, 2014

	1 year	5 years	10 years
Return before taxes	4.49 %	5.45 %	5.13 %
Return after taxes on distributions	3.70 %	3.91 %	3.16 %
Return after taxes on distributions and sale of Fund shares	2.54 %	3.64 %	3.20 %
Barclays Capital U.S. Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	5.97 %	4.45 %	4.71 %



## Management

Investment Adviser. The Fund's investment adviser is EULAV Asset Management.

Portfolio Managers. Liane Rosenberg and Jeffrey Geffen are primarily responsible for the day-to-day management of the Fund's portfolio. Ms. Rosenberg has been a portfolio manager with the Adviser since 2009 and has been one of the Fund's portfolio managers since December 2012. Mr. Geffen has been a portfolio manager with the Adviser since 2001 and has been one of the Fund's portfolio managers since December 2010.

## Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$250.

The Fund's shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary, by telephone or by mail by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. See "How to Sell Shares" on Page 72.

## Tax Information

The Fund's distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.

## Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.



## VALUE LINE INCOME AND GROWTH FUND SUMMARY

### Investment objective

The Fund's investment objective is income, as high and dependable as is consistent with reasonable risk and capital growth to increase total return .

### Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment) when you buy and sell shares of the Fund. Future expenses may be greater or less.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)


Management Fees	0.67%
Distribution and Service (12b-1) Fees (1)	0.25%
Other Expenses	0.23%
Total Annual Fund Operating Expenses	1.15%

(1) The expense information in the table has been restated to reflect the elimination of the 12b-1 fee waiver (5 basis points), effective July 1, 2014.

### Example

This example is intended to help you compare the cost of investing in the Fund to the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same except in year one. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Income and Growth Fund	\$ 117	\$ 365	\$ 633	\$ 1,398



### Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year the Fund’s portfolio turnover rate was 57% of the average value of its portfolio.

### Principal investment strategies of the Fund

To achieve the Fund’s goals, EULAV Asset Management (the “Adviser”) invests not less than 50% of the Fund’s net assets in common or preferred stocks or securities convertible into common stock which may or may not pay dividends. The balance of the Fund’s net assets are primarily invested in U.S. government securities, money market securities and investment grade debt securities rated at the time of purchase from the highest (AAA) to medium (BBB) quality. While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Value Line Timeliness™ Ranking System or the Value Line Performance™ Ranking System (the “Ranking Systems”) in selecting securities for purchase or sale. The Ranking Systems are proprietary quantitative systems that compare an estimate of the probable market performance of each stock within a universe during the next six to twelve months to that of all stocks within that universe and ranks stocks on a scale of 1 (highest) to 5 (lowest). The common stocks in which the Fund invests usually, as measured by the number and total value of purchases, are selected from those securities ranked 1, 2 or 3 by either Ranking System at the time of purchase. Although the Fund can invest in companies of any size, it generally invests in U.S. securities issued by larger, more established companies (those with a market capitalization of more than \$5 billion).

The Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking Systems in selecting stocks for the Fund, but has discretion, including whether and which ranked stocks to include within the Fund’s portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of



rebalancing the Fund's portfolio.



The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.

### Principal risks of investing in the Fund


Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose money. Therefore, before you invest in the Fund you should carefully evaluate the risks.

**Market Risk.** The chief risk that you assume when investing in the Fund is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.

**Equity Securities.** Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity markets. The resulting fluctuation in the price of equity securities may take the form of a drastic movement or a sustained trend. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks. Historically, the prices of equity securities have fluctuated more than bond prices.

**Ranking System Risk.** The Adviser's use of the results of the Ranking Systems in managing the Fund involves the risk that the Ranking Systems may not have the predictive qualities anticipated by the Adviser or that over certain periods of time the price of securities not covered by the Ranking Systems, or lower ranked securities, may appreciate to a greater extent than those securities in the Fund's portfolio.

**Active Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.



**Interest Rate and Reinvestment Risk.** The income on and market price of debt securities fluctuate with changes in interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. When interest rates fall, the market prices of debt securities usually increase, but the Fund's income tends to decline. Such decline follows quickly for most variable rate securities and eventually for fixed rate securities as the Fund must reinvest the proceeds it receives from existing investments (upon their maturity, prepayment, buy-back, call, etc.) at a lower rate of interest or return. Generally, the market price of debt securities with longer durations or fixed rates of return will fluctuate more in response to changes in interest rates than the market price of shorter-term securities or variable rate debt securities, respectively.

**Credit Risk.** Credit risk is the risk that the issuer of a debt security will be unable to make interest or principal payments on time. A debt security's credit rating reflects the credit risk associated with the debt obligation. Generally, higher-rated debt securities involve lower credit risk than lower-rated debt securities. Credit risk is often greater for corporate, mortgage-backed, asset-backed, and foreign government debt securities than for U.S. government debt securities.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For a more complete discussion of risk, please turn to page 56 .



## Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund’s shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years. These returns are compared to the performance of a custom index comprised of the returns of the S&P 500® Index (weighted 60%) and the Barclays Capital U.S. Government/Credit Index (weighted 40%), which are broad based equity and bond market indices, respectively. The Fund’s past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).

Total returns (before taxes) as of 12/31 each year (%)

Best Quarter:	Q2 2009	+11.29
Worst Quarter:	Q4 2008	-13.78

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts (“IRA”).



Average Annual Total Returns for Periods Ended December 31, 2014

	1 year	5 years	10 years
Return before taxes	10.62 %	9.89 %	7.38 %
Return after taxes on distributions	6.79 %	8.58 %	6.08 %
Return after taxes on distributions and sale of Fund shares	8.68 %	7.82 %	5.82 %
60/40 S&P® 500 Index/Barclays Capital Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)(1)	10.60 %	11.05 %	6.49 %

(1) This custom index is composed of a 60% weighting in the S&P® 500 Index and a 40% weighting in the Barclays Capital Aggregate Bond Index, calculated on a total return basis with dividends reinvested.

Management

Investment Adviser. The Fund’s investment adviser is EULAV Asset Management.

Portfolio Managers. Stephen E. Grant and Cindy Starke have principal responsibility for the day-to-day management of the Fund’s equity portfolio and allocation of the Fund’s assets. Liane Rosenberg is primarily responsible for the day-to-day management of the non-equity portion of the Fund’s portfolio. Mr. Grant has been a portfolio manager with the Adviser or its predecessor since 1991 and has been a portfolio manager of the Fund since February 2014. Ms. Starke has been one of the Fund’s portfolio managers since June 2014; Ms. Rosenberg has been a portfolio manager of the Fund since 2011.

Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$100.

The Fund’s shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary, by telephone or by mail, by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. See “How to sell shares” on page 72 .



#### Tax Information

The Fund's distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.

#### Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

VALUE LINE LARGER COMPANIES FOCUSED FUND SUMMARY

Investment objective

The Fund's sole investment objective is to realize capital growth.

Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment) when you buy and sell shares of the Fund. Future expenses may be greater or less.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fee	0.75%
Distribution and Service (12b-1) Fees	0.25%
Other Expenses	0.23 %
Total Annual Fund Operating Expenses	1.23 %
Less 12b-1 Fee Waivers(1)	-0.10%
Net Expenses	1.13 %

(1) Effective May 1, 2015 to June 30, 2016, EULAV Securities LLC (the "Distributor") has contractually agreed to waive a portion of the Fund's 12b-1 fee equal to 0.10% of the Fund's average daily net assets. This waiver can be terminated or changed before June 30, 2016 only with the approval of the Fund's board and the Distributor.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same except in year one. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Larger Companies Focused Fund	\$ 115	\$ 380	\$ 666	\$ 1,480



#### Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year the Fund’s portfolio turnover rate was 89% of the average value of its portfolio.

#### Principal investment strategies of the Fund

To achieve the Fund’s investment objective, EULAV Asset Management (the “Adviser”) invests substantially all of the Fund’s assets in common stock. Under normal circumstances, the Adviser expects that the Fund’s portfolio will generally consist of positions in 30 to 50 companies. While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Value Line Timeliness™ Ranking System (the “Ranking System”) in selecting securities for purchase or sale. The Ranking System is a proprietary quantitative system that compares an estimate of the probable market performance of each stock within a universe during the next six to twelve months to that of all stocks within that universe and ranks stocks on a scale of 1 (highest) to 5 (lowest). The universe consists of stocks of approximately 1,700 companies under review by the Ranking System accounting for approximately 95% of the market capitalization of all stocks traded on the U.S. securities exchanges, including stocks of foreign companies. The Fund’s investments usually, as measured by the number and total value of purchases, are selected from common stocks of larger companies by capitalization that are ranked 1, 2, or 3 by the Ranking System; the Adviser usually sells a stock when its rank falls below 4. In addition to selling a stock when its rank falls below 4, the Adviser may sell securities for other reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking System in managing the Fund, and the Fund’s portfolio will consist primarily of stocks ranked 1, 2, or 3 by



the Ranking System. The Adviser has, however, discretion in managing the Fund, including whether and which ranked stocks to include within the Fund's portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of rebalancing the Fund's portfolio. The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.



### Principal risks of investing in the Fund

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose part or all of your investment. Therefore, before you invest in the Fund you should carefully evaluate the risks.


**Market Risk.** The chief risk that you assume when investing in the Fund is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.

**Equity Securities.** Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity markets. The resulting fluctuation in the price of equity securities may take the form of a drastic movement or a sustained trend. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks. Historically, the prices of equity securities have fluctuated more than bond prices.

**Ranking System Risk.** The Adviser's use of the results of the Ranking Systems in managing the Fund involves the risk that the Ranking Systems may not have the predictive qualities anticipated by the Adviser or that over certain periods of time the price of securities not covered by the Ranking Systems, or lower ranked securities, may appreciate to a greater extent than those securities in the Fund's portfolio.

**Active Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.

**Foreign Investments.** Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. These risks tend to be more volatile in emerging markets (as compared to the U.S. market or developed foreign markets).



**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

**Portfolio Turnover.** The Fund's annual portfolio turnover rate has exceeded 100% in one of the last five years. For example, a rate of portfolio turnover of 100% would occur if all of the Fund's portfolio were replaced in a period of one year. To the extent the Fund engages in short-term trading in attempting to achieve its investment objective, it will increase the Fund's portfolio turnover rate and the Fund will incur higher brokerage commissions and other expenses.

An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For a more complete discussion of risk, please turn to page 56 .

#### Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund's shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years. These returns are compared to the performance of the S&P 500® Index, which is a broad based market index. The Fund's past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).



Total returns (before taxes) as of 12/31 each year (%)

Best Quarter: Q1 2012 +13.79  
 Worst Quarter: Q4 2008 -21.54

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRA").

Average Annual Total Returns for Periods Ended December 31, 2014

	1 year	5 years	10 years
Return before taxes	12.41 %	13.80 %	7.02 %
Return after taxes on distributions	9.11 %	13.04 %	5.33 %
Return after taxes on distributions and sale of Fund shares	9.65 %	11.09 %	5.22 %
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	13.68 %	15.45 %	7.67 %



## Management

**Investment Adviser.** The Fund's investment adviser is EULAV Asset Management.

**Portfolio Manager.** Cindy Starke has principal responsibility for the day-to-day management of the Fund's portfolio. Ms. Starke has been the Fund's portfolio manager since June 2014.

## Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$100.

The Fund's shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary, by telephone or by mail by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. See "How to sell shares" on page 72 .

## Tax Information

The Fund's distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.

## Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## VALUE LINE PREMIER GROWTH FUND SUMMARY

### Investment objective

The Fund primarily seeks long-term growth of capital.

### Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment) when you buy and sell shares of the Fund. Future expenses may be greater or less.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.25%
Other Expenses	0.23 %
Total Annual Fund Operating Expenses	1.23 %

### Example


This example is intended to help you compare the cost of investing in the Fund to the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Premier Growth	\$ 125	\$ 390	\$ 676	\$ 1,489

### Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year the Fund's portfolio turnover rate was 9 % of the average value of its portfolio.





Principal investment strategies of the Fund

To achieve the Fund's goal, the Fund's investment adviser, EULAV Asset Management (the "Adviser"), invests at least 80% of the Fund's net assets in a diversified portfolio of U.S. equity securities with favorable growth prospects. In selecting securities for purchase or sale, the Adviser generally analyzes the issuer of a security using fundamental factors such as growth potential and earnings estimates and quantitative factors such as historical earnings, earnings momentum and price momentum. The Fund may invest in small, mid or large capitalization companies, including foreign companies. There are no set limitations of investments according to a company's size, or to a sector weighting.

The Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

Principal risks of investing in the Fund


Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose part or all of your investment. Therefore, before you invest in the Fund you should carefully evaluate the risks.

**Market Risk.** The chief risk that you assume when investing in the Fund is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.

**Equity Securities.** Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity markets. The resulting fluctuation in the price of equity securities may take the form of a drastic movement or a sustained trend. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks. Historically, the prices of equity securities have fluctuated more than bond prices.







**Sector Allocation Risk.** A sector is a group of selected industries within the economy, such as technology. The Fund may, from time to time, be overweighted or underweighted in certain sectors, which may cause the Fund's performance to be more or less sensitive, respectively, to developments affecting those sectors.

**Active Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.

**Foreign Investments.** Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. These risks tend to be more volatile in emerging markets (as compared to the U.S. market or developed foreign markets).

**Small Capitalization and Newer Companies.** Investing in the securities of a small capitalization or newer company poses greater risk than investing in larger, more established companies. Small capitalization and newer companies often have more volatile market prices, less capital, a shorter history of operations, and less experienced management than larger companies.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.



An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For a more complete discussion of risk, please turn to page 56 .

#### Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund's shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years. These returns are compared to the performance of the S&P 500® Index, which is a broad based market index. The Fund's past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).

Total returns (before taxes) as of 12/31 each year (%)

Best Quarter:	Q2 2009	+18.60
Worst Quarter:	Q4 2008	-24.67



After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRA").

Average Annual Total Returns for Periods Ended December 31, 2014

	1 year	5 years	10 years
Return before taxes	6.75 %	15.16 %	8.88 %
Return after taxes on distributions	5.01 %	13.94 %	9.20 %
Return after taxes on distributions and sale of Fund shares	5.20 %	12.29 %	7.28 %
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	13.68 %	15.45 %	7.69 %

Management

Investment Adviser. The Fund's investment adviser is EULAV Asset Management.

Portfolio Manager. Stephen Grant is primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Grant has been the Fund's portfolio manager since 1996.

Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$100.

The Fund's shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary, by telephone or by mail by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. See "How to sell shares" on page 72 .



#### Tax Information

The Fund's distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.

#### Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

VALUE LINE TAX EXEMPT FUND SUMMARY

Investment objectives

The Fund’s primary investment objective is to provide investors with the maximum income exempt from federal income taxes while avoiding undue risk to principal. Capital appreciation is a secondary objective.

Fees and expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. There are no shareholder fees (fees paid directly from your investment).

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees	0.25%
Other Expenses	0.44 %
Total Annual Fund Operating Expenses	1.19 %
Less: 12b-1 Fee Waiver*	-0.25%
Net Expenses	0.94 %

\* For the period July 1, 201 4 through June 30, 201 6 , EULAV Securities LLC (the “Distributor”) contractually agreed to waive the Fund’s 12b-1 fee in an amount equal to 0.25% of the Fund’s average daily net assets. The waiver cannot be modified or terminated before June 30, 201 6 without the approval of the Fund’s Board of Directors. There is no assurance that the Distributor will extend the fee waiver beyond June 30, 201 6 .

Example

This example is intended to help you compare the cost of investing in the Fund to the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated whether or not you redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same except in year one. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Value Line Tax Exempt Fund	\$96	\$353	\$630	\$1,421



#### Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year the Fund’s portfolio turnover rate was 4% of the average value of its portfolio.

#### Principal investment strategy of the Fund

To achieve the Fund’s investment objectives, under normal conditions EULAV Asset Management (the “Adviser”) invests at least 80% of the Fund’s assets in securities the income of which is exempt from regular federal income taxation and will not subject non-corporate shareholders to the alternative minimum tax. The Fund invests primarily in investment grade municipal bonds and expects to maintain an average maturity of between 7 and 20 years.

The Fund buys and sells municipal bonds with a view towards seeking a high level of current income exempt from federal income taxes. In selecting municipal bonds for purchase, the Adviser considers the bond’s credit quality and yield potential.


#### Principal risks of investing in the Fund

Investing in any mutual fund, including the Fund, involves risk, including the risk that you may receive little or no return on your investment, and the risk that you may lose part or all of your investment. Therefore, before you invest in the Fund you should carefully evaluate the risks.

**Interest Rate and Reinvestment Risk.** As with most bond funds, the income on and market price of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline but the Fund’s income tends to decline. Such decline follows

quickly for most variable rate securities and eventually for fixed rate securities as the Fund must reinvest the proceeds it receives from existing investments (upon their maturity, prepayment, buy-back, call, etc.) at a lower rate of interest or return. When interest rates fall, the market prices of these securities usually increase. Generally, the market price of debt securities with longer durations or fixed rates of return will fluctuate more in response to changes in interest rates than the market price of shorter-term securities or variable rate debt securities, respectively.






**Inflation Risk.** The market price of the Fund's debt securities generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received by the Fund. Debt securities that pay a fixed rather than variable interest rate are especially vulnerable to inflation risk because interest rates on variable rate debt securities may increase as inflation increases.

**Credit Risk.** Debt securities are also subject to credit risk. Credit risk is the risk that the issuer of a debt security will be unable to make interest or principal payments on time. A debt security's credit rating reflects the credit risk associated with the debt obligation. Generally, higher-rated debt securities involve lower credit risk than lower-rated debt securities. Credit risk is higher for corporate, asset-backed and foreign government debt securities than for U.S. Government debt securities.

**Prepayment and Extension Risk.** Many debt securities give the issuer the option to prepay principal prior to maturity. During periods of falling interest rates, prepayments may accelerate and the Fund may be forced to reinvest the proceeds at a lower interest rate. When interest rates rise, the term of a debt security is at greater risk of extension because rates of prepayments fall and rates of late payments and defaults rise. Extending the duration of a security "locks in" lower interest rates if the extension occurs in a rising interest rate environment.

**Active Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results.

**Credit Ratings Reliance Risk.** Ratings by a nationally recognized statistical rating organization represent the organization's opinion as to credit quality of a security but is not an absolute standard of quality or guarantee as to the creditworthiness of an issuer. Ratings of nationally recognized statistical rating organization present an inherent conflict of interest because such organizations are paid by the entities whose securities they rate. The credit rating of a security does not necessarily address its market risk (that is, the risk that the value of a security will be adversely affected due to movements in the overall financial markets or changes in the level of interest rates). In addition, ratings may not be revised promptly to reflect developments in the issuer's financial condition.



**Government Actions Risk.** Government actions could have an adverse effect on municipal bond prices. The IRS has announced that holders of tax-exempt bonds have risks that their tax-exempt income may be reclassified as taxable if the bonds that they own were issued in an abusive transaction. There is a risk that a bond purchased by the Fund that was issued as tax-exempt may be reclassified by the IRS as taxable, creating taxable rather than tax-exempt income. New federal or state legislation also may adversely affect the tax-exempt status of securities held by the Fund or the financial ability of municipalities to repay these obligations. Although distributions of interest income from the Fund's tax-exempt securities are generally exempt from regular federal income tax, distributions from other sources, including capital gain distributions and any gains on the sale of your shares, are not. You should consult a tax adviser about whether an alternative minimum tax applies to you and about state and local taxes on your Fund distributions.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Fund has become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Fund or its service providers can result in, among other things, financial losses to the Fund and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

**Portfolio Turnover.** The Fund's annual portfolio turnover rate has exceeded 100% in three of the last five years. A rate of portfolio turnover of 100% would occur if all of the Fund's portfolio were replaced in a period of one year. To the extent the Fund engages in short-term trading in attempting to achieve its investment objective, it will increase the Fund's portfolio turnover rate and the Fund will incur higher brokerage commissions and other expenses.



An investment in the Fund is not a complete investment program and you should consider it just one part of your total investment program. The Fund is not appropriate for Individual Retirement Accounts (“IRAs”) or other tax-advantaged retirement plans. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For a more complete discussion of risk, please turn to page 56.

### Fund performance

This bar chart and table can help you evaluate the potential risks of investing in the Fund. The bar chart below shows how returns for the Fund’s shares have varied over the past ten calendar years, and the table below shows the average annual total returns (before and after taxes) of these shares for one, five, and ten years compared to the performance of the Barclays Capital Municipal Bond Index, which is a broad based market index. The Fund’s past performance (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at: [www.vlfunds.com](http://www.vlfunds.com).

Total Returns (before taxes) as of 12/31 each year (%)

Best Quarter:	Q3 2009	+8.00%
Worst Quarter:	Q3 2008	-5.15%

The Fund’s year-to-date return for the three months ended March 31, 2015, was 0.87%.

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or IRAs.



Average annual total returns for periods ended December 31, 2014

	1 year	5 years	10 years
Value Line Tax Exempt Fund			
Return before taxes	7.76 %	3.97 %	3.03 %
Return after taxes on distributions	7.76 %	3.95 %	2.97 %
Return after taxes on distributions and sale of Fund shares	5.63 %	3.72 %	3.07 %
Barclays Capital Municipal Bond Index (reflects no deduction for fees, expenses or taxes)	9.05 %	5.16 %	4.74 %

The return after taxes on distributions and sale of Fund shares may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the investment period.

Management

Investment Adviser. The Fund's investment adviser is EULAV Asset Management.

Portfolio Manager. Liane Rosenberg is primarily responsible for the day-to-day management of the Fund's portfolio. Ms. Rosenberg has been a portfolio manager with the Adviser since 2009 and has been the Fund's portfolio manager since 2010.

Purchase and sale of Fund shares

Minimum initial investment in the Fund: \$1,000.

Minimum additional investment in the Fund: \$250.

The Fund's shares are redeemable and you may redeem your shares (sell them back to the Fund) through your broker-dealer, financial advisor or financial intermediary by telephone or by mail by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. See "How to sell shares" on page 72.



#### Tax information

The Fund seeks to earn income and pay dividends exempt from federal income tax. A portion of the dividends you receive may be subject to regular federal income tax or to the federal alternative minimum tax. You may also receive taxable distributions attributable to the Fund's sale of municipal bonds. In addition, all dividends and distributions may be subject to state and local taxes.

#### Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ALL FUNDS – TAX INFORMATION AND FINANCIAL INTERMEDIARY COMPENSATION

Tax Information

The Fund's distributions generally are taxable as ordinary income or capital gains for federal income tax purposes, unless you are tax exempt or investing through a tax-deferred account, such as a 401(k) plan or an IRA.

Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ADDITIONAL INFORMATION REGARDING PRINCIPAL  
INVESTMENT STRATEGIES

VALUE LINE MID CAP FOCUSED FUND, INC.

Investment objectives

The Fund's primary investment objective is long-term growth of capital. Current income is a secondary investment objective. Although the Fund will strive to achieve these investment objectives, there is no assurance that it will succeed.

Principal investment strategies

Because of the nature of the Fund, you should consider an investment in it to be a long-term investment that will best meet its objectives when held for a number of years. The following is a description of how the Adviser pursues the Fund's objectives.


Under normal circumstances, the Adviser invests at least 80% of the Fund's assets in common stocks and other equity securities of mid-sized companies (the "80% Policy"). The Fund considers companies to be mid-sized if they have market capitalizations within the range of issuers represented in the S&P MidCap 400 Index, which is a market-value weighted index consisting of 400 domestic stocks chosen for market size, liquidity, and industry group representation. As of March 1, 2015, the S&P MidCap 400 Index included companies with market capitalization between \$1.04 billion and \$16.73 billion. The 80% policy can be changed without shareholder approval upon at least 60 days' prior written notice.

While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Ranking System in selecting securities for purchase or sale. The Ranking System has evolved after many years of research and has been used in substantially its present form since 1965. It is based upon historical prices and reported earnings, recent earnings and price momentum and the degree to which the last reported earnings deviated from estimated earnings, among other factors.

The Timeliness Rankings are published weekly in the Standard Edition of The Value Line Investment Survey for approximately

1,700 stocks, including those with large, mid and small market capitalizations, recently approximating 95% of the market capitalization of all stocks traded in U.S. securities exchanges. There are a relatively small number of foreign issuers that are included, and stocks that have traded for less than two years are not ranked. On a scale of 1 (highest) to 5 (lowest), the Timeliness Rankings compare an estimate of the probable market performance of each stock during the coming six to twelve months to that of all of the approximately 1,700 stocks under review. The Timeliness Rankings are updated weekly to reflect the most recent information.





The Ranking System does not eliminate market risk, but the Adviser believes that it provides objective standards for determining expected relative performance over the next six to twelve months. Under normal circumstances, the Adviser expects that the Fund's portfolio will generally consist of positions in 30 to 50 companies. All the stocks followed by the Ranking System are listed on U.S. stock exchanges or traded in the U.S. over-the-counter markets. The Fund's investments principally are selected from common stocks ranked 1, 2 or 3 by the Ranking System at the time of purchase. Apart from the diversification requirements of the 1940 Act (which generally means that it will not invest more than 5% of its total assets in the stocks of any one company), the Fund is not subject to any limit on the percentage of its assets that may be invested in any particular stock. The Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

The Fund relies on the Ranking System whenever feasible. The utilization of the Ranking System is no assurance that the Fund will perform similarly to or more favorably than the market in general over any particular period.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking System in selecting stocks for the Fund, but has discretion, including whether and which ranked stocks to include within the Fund's portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of rebalancing the Fund's portfolio. The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.

For additional information regarding the Fund's investment strategies, please see "All Funds - Information Regarding Non-Principal Investment Strategies" on page 55 and the Fund's Statement of Additional Information ("SAI").

## ADDITIONAL INFORMATION REGARDING PRINCIPAL INVESTMENT STRATEGIES

### VALUE LINE CORE BOND FUND

#### Investment objectives

The investment objective of the Fund is to maximize current income. Capital appreciation is a secondary objective but only when consistent with the Fund's primary objective. Capital appreciation may result, for example, from an improvement in the credit standing of an issuer whose securities are held in the Fund's portfolio or from a general lowering of interest rates, or a combination of both. Capital depreciation may result, for example, from a lowered credit standing or a general rise in interest rates, or a combination of both. Although the Fund will strive to achieve these investment objectives, there is no assurance that it will succeed.


#### Principal investment strategies

The Fund invests primarily in a diversified portfolio of primarily investment grade bonds and other debt instruments. Sovereign debt, or securities issued or secured by non-U.S. governments, as well as securities issued by supranational agencies, may be held by the Fund, provided the investments are U.S. dollar-denominated.

Under normal circumstances, the Fund invests at least 80% of its assets (including borrowings for investment purposes) in bonds and other debt instruments. The Fund's 80% Policy may be changed without shareholder approval. However, shareholders will be given notice at least 60 days prior to any such change. The Fund may invest in debt instruments of any type, including corporate bonds, securities issued or guaranteed by the U.S. government, its agencies or instrumentalities (U.S. government securities), mortgage-backed securities, asset-backed securities, and other fixed income securities.

The Fund invests principally in debt obligations issued or guaranteed by the U.S. government and by U.S. corporations. The U.S. government securities in which the Fund may invest include a variety of securities that are issued or guaranteed as to


the payment of principal and interest by the U.S. government, and by various agencies or instrumentalities that have been established or sponsored by the U.S. government. The Fund may also invest in debt securities issued by state and local municipalities. The corporate debt obligations in which the Fund may invest include, but are not limited to, bonds, notes, debentures, and commercial paper of U.S. companies.



The Fund's assets may also be invested in mortgage-backed securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, or by government-sponsored corporations. Other mortgage-backed securities in which the Fund may invest are issued by certain private, non-government entities. The Fund may also invest in securities that are backed by assets such as receivables on home equity and credit card loans, automobile, mobile home, recreational vehicle and other loans, wholesale dealer floor plans, and leases.

The Adviser invests at least 80% of the Fund's assets (including borrowings for investment purposes) in debt securities that are investment grade at the time of purchase, but may invest up to 20% of the Fund's assets in debt securities that are below investment grade (commonly called "high yield" or "junk" bonds). Investment grade debt securities are rated within the four highest grades by at least one major rating agency, such as Standard & Poor's (at least BBB-), Moody's (at least Baa3) or Fitch (at least BBB-), or are determined by the Adviser to be of comparable credit quality. The Fund estimates that the average credit quality rating of Fund assets will be investment grade. The Adviser may consider the security's rating as assigned by The Value Line Investment Survey. The Standard and Small and Mid-Cap Editions of The Value Line Investment Survey rate approximately 3,500 companies. These ratings range from A++ to C and are divided into nine categories. Companies that have the best financial strength (relative to the other companies followed in The Value Line Investment Survey) are given an "A++" rating, indicating an ability to weather hard times better than the vast majority of other companies. Those that don't quite merit the top rating are given an "A+" grade, and so on. Those rated "C+" are well below average, and "C" is reserved for companies with very serious financial problems. The Fund's Statement of Additional Information ("SAI") provides further information on securities ratings.

The Fund invests in debt securities of any maturity, and there is no limit on the Fund's maximum average portfolio maturity. The Fund estimates that the weighted average maturity of its portfolio will range between three to fifteen years. The Fund may purchase debt securities that pay fixed, variable, inflation-indexed, or other rates of return, including zero coupon and original issue discount bonds.



The Fund may invest in foreign securities, including depository receipts; governmental or supranational debt obligations; and corporate loans and debt or securities that are made to, or issued by, foreign companies, U.S. subsidiaries of non-U.S. companies, or U.S. companies with significant foreign operations.

The securities purchased by the Fund may include preferred stocks and “convertible securities”—that is, bonds, debentures, corporate notes, preferred stocks or other securities which are convertible into common stock. The Fund’s portfolio may also include warrants or common shares when consistent with the Fund’s primary objective or acquired as part of a unit combining fixed-income and equity securities.

The Fund may purchase certain securities (“Rule 144A securities”) for which there is a secondary market of qualified institutional buyers, as contemplated by Rule 144A under the Securities Act of 1933. Rule 144A provides an exemption from the registration requirements of the Securities Act of 1933 for the resale of certain restricted securities to qualified institutional buyers.

In deciding which securities to buy, hold or sell, the Adviser considers a number of factors, including the issuer’s creditworthiness, economic prospects and interest rate trends as well as the security’s credit rating.

For additional information regarding the Fund’s investment strategies, please see “All Funds - Information Regarding Non-Principal Investment Strategies” on page 55 and the Fund’s Statement of Additional Information (“SAI”).

## ADDITIONAL INFORMATION REGARDING PRINCIPAL INVESTMENT STRATEGIES

### VALUE LINE INCOME AND GROWTH FUND, INC.

#### Investment objective

The Fund's investment objective is income, as high and dependable as is consistent with reasonable risk and capital growth to increase total return. Although the Fund will strive to achieve this investment objective, there is no assurance that it will succeed.

#### Principal investment strategies


Because of the nature of the Fund, you should consider an investment in it to be a long-term investment that will best meet its objectives when held for a number of years. The following is a description of how the Adviser pursues the Fund's objectives.

The Adviser analyzes economic and market conditions, seeking to identify the market sectors or securities that it thinks make the best investments.

To achieve the Fund's goals, not less than 50% of the Fund's net assets are invested in common or preferred stocks or securities convertible into common stock which may or may not pay dividends. While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Ranking Systems in selecting securities for purchase or sale.

The Value Line Timeliness Ranking System has evolved after many years of research and has been used in substantially its present form since 1965. It is based upon historical prices and reported earnings, recent earnings and price momentum and the degree to which the last reported earnings deviated from estimated earnings, among other factors. The Timeliness Rankings are published weekly in the Standard Edition of The Value Line Investment Survey for approximately 1,700 stocks, including those with large, mid and small market capitalizations, recently approximating 95% of the market capitalization of all stocks traded in U.S. securities exchanges. There are a relatively small number of foreign issuers that are included, and stocks that have traded for less than two years are not ranked. On a scale of 1 (highest) to 5 (lowest), the Timeliness Rankings compare an estimate of the probable market

performance of each stock during the coming six to twelve months to that of all of the approximately 1,700 stocks under review. The Timeliness Rankings are updated weekly to reflect the most recent information.




The Value Line Performance Ranking System for common stocks was introduced in 1995. The universe of stocks followed by the Value Line Performance Ranking System consists of approximately 2,900 stocks of companies with smaller market capitalizations (under \$1 billion) and mid-sized market capitalizations (between \$1 billion and \$5 billion), along with a relatively small number of foreign issuers. This stock ranking system relies on factors similar to those found in the Value Line Timeliness Ranking System except that it does not utilize earnings estimates. The Performance Ranking System uses a scale of 1 (highest) to 5 (lowest) to compare an estimate of the probable market performance of each stock during the coming six to twelve months to that of all of the approximately 2,900 stocks under review.

Neither Ranking System eliminates market risk, but the Adviser believes that they provide objective standards for determining expected relative performance of a stock for the next six to twelve months. The Fund's investments usually, as measured by the number and total value of purchases, are selected from common stocks issued by companies that are ranked 1, 2 or 3 by either Ranking System at the time of purchase. Apart from the diversification requirements of the Investment Company Act of 1940 (which generally means that it will not invest more than 5% of its total assets in the stocks of any one company), the Fund is not subject to any limit on the percentage of its assets that may be invested in any particular stock. Although the Fund can invest in companies of any size, it generally invests in U.S. securities issued by larger, more established companies (those with a market capitalization of more than \$5 billion). The Fund relies on the Ranking System whenever feasible. The utilization of the Ranking Systems is no assurance that the Fund will perform similarly to or more favorably than the market in general over any particular period.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking Systems in selecting stocks for the Fund, but has discretion, including whether and which ranked stocks to include within the Fund's portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of rebalancing the Fund's portfolio. The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.





The Fund may invest a portion (up to 40%) of its net assets in U.S. government securities, money market securities and debt securities rated at the time of purchase within the four highest grades assigned by a national rating organization or, if not rated, believed by the Adviser to be of equivalent credit quality. In selecting debt securities, the Adviser evaluates the credit quality of the debt security and its value relative to comparable securities as well as its historic trading level.

The Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

For additional information regarding the Fund's investment strategies, please see "All Funds - Information Regarding Non-Principal Investment Strategies" on page 55 and the Fund's Statement of Additional Information ("SAI").

## ADDITIONAL INFORMATION REGARDING PRINCIPAL INVESTMENT STRATEGIES

### VALUE LINE LARGER COMPANIES FOCUSED FUND, INC.

#### Investment objective


The Fund's investment objective is to realize capital growth. Although the Fund will strive to achieve its investment objective, there is no assurance that it will succeed.

#### Principal investment strategies

Because of the nature of the Fund, you should consider an investment in it to be a long-term investment that will best meet its objective when held for a number of years. The following is a description of how the Adviser pursues the Fund's objective.

While the Fund is actively managed by the Adviser, the Adviser relies primarily on the rankings of companies by the Ranking System in selecting securities for purchase or sale. The Ranking System has evolved after many years of research and has been used in substantially its present form since 1965. It is based upon historical prices and reported earnings, recent earnings and price momentum and the degree to which the last reported earnings deviated from estimated earnings, among other factors.

The Timeliness Rankings are published weekly in the Standard Edition of The Value Line Investment Survey for approximately 1,700 stocks, including those with large, mid and small market capitalizations, recently approximating 95% of the market capitalization of all stocks traded in U.S. securities exchanges. There are a relatively small number of foreign issuers that are included, and stocks that have traded for less than two years are not ranked. On a scale of 1 (highest) to 5 (lowest), the Timeliness Rankings compare an estimate of the probable market performance of each stock during the coming six to twelve months to that of all of the approximately 1,700 stocks under review. The Timeliness Rankings are updated weekly to reflect the most recent information.



The Ranking System does not eliminate market risk, but the Adviser believes that it provides objective standards for determining expected relative performance over the next six to twelve months. Under normal circumstances, the Adviser expects that the Fund's portfolio will generally consist of positions in 30 to 50 companies. The Fund's investment usually, as measured by the number and total value of purchases, are selected from common stocks of the larger companies by capitalization that are ranked 1, 2 or 3 by the Ranking System; the Adviser usually sells a stock when its rank falls below 4 . There are currently approximately 400 stocks ranked 1 or 2 and approximately 900 ranked 3. In addition to selling a stock when its rank falls below 4 , the Adviser may sell securities for other reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities. The Fund relies on the Ranking System whenever feasible. The utilization of the Ranking System is no assurance that the Fund will perform similarly to or more favorably than the market in general over any particular period.

As described above, the Adviser relies primarily on the rankings of companies by the Ranking System in managing the Fund, and the Fund's portfolio will consist primarily of stocks ranked 1, 2, or 3 by the Ranking System. The Adviser has, however, discretion in managing the Fund, including whether and which ranked stocks to include within the Fund's portfolio, whether and when to buy or sell stocks based upon changes in their rankings, and the frequency and timing of rebalancing the Fund's portfolio. The Adviser will determine the percentage of the Fund's assets invested in each stock based on the stock's relative attractiveness.

For additional information regarding the Fund's investment strategies, please see "All Funds - Information Regarding Non-Principal Investment Strategies" on page 55 and the Fund's Statement of Additional Information ("SAI").

## ADDITIONAL INFORMATION REGARDING PRINCIPAL INVESTMENT STRATEGIES

### VALUE LINE PREMIER GROWTH FUND, INC.

#### Investment objective

The Fund primarily seeks long-term growth of capital. Although the Fund will strive to achieve its investment objective, there is no assurance that it will succeed.

#### Principal investment strategies

Because of the nature of the Fund, you should consider an investment in it to be a long-term investment that will best meet its objective when held for a number of years. The following is a description of how the Adviser pursues the Fund's objective.

To achieve the Fund's investment objective, the Adviser invests at least 80% of the Fund's net assets in a diversified portfolio of U.S. equity securities with favorable growth prospects. In selecting securities for purchase or sale, the Adviser generally analyzes the issuer of a security using fundamental factors such as growth potential and earnings estimates, and quantitative factors such as historical earnings, earnings momentum and price momentum. The Fund may invest in small, mid or large capitalization companies, including foreign companies. There are no set limitations of investment according to a company's size, or to a sector weighting.

For additional information regarding the Fund's investment strategies, please see "All Funds - Information Regarding Non-Principal Investment Strategies" on page 55 and the Fund's Statement of Additional Information ("SAI").

## ADDITIONAL INFORMATION REGARDING PRINCIPAL INVESTMENT STRATEGIES

### VALUE LINE TAX EXEMPT FUND

#### Investment objectives

The primary investment objective of the Fund is to provide investors with the maximum income exempt from federal income taxes while avoiding undue risk to principal. Capital appreciation is a secondary objective. Although the Fund will strive to achieve its investment objectives, there is no assurance that it will succeed.

#### Principal investment strategy

Under normal conditions, at least 80% of the Fund's assets are invested in securities the income of which is exempt from regular federal income taxation and will not subject non-corporate shareholders to the alternative minimum tax. This is a fundamental policy of the Fund which will not be changed without shareholder approval.

#### The type of securities in which the Fund invests

The Fund primarily invests in municipal bonds that are rated at the time of purchase within the four highest categories of a nationally recognized statistical rating organization, or if not rated, deemed by the Adviser to be of comparable quality. These bonds include both secured and unsecured debt obligations. If a bond's rating drops, the Adviser will review the desirability of continuing to hold the bond. The Fund expects to maintain an average maturity of between 7 and 20 years.

Municipal bonds are debt securities issued by or on behalf of states, territories and possessions of the United States and their political subdivisions, agencies and instrumentalities which provide income free from federal, state or local personal income taxes. Municipal bonds are generally one of the following: general obligation bonds, which are secured by the full faith and credit of the issuer and its taxing power, or revenue bonds, which are payable from revenue derived from a particular facility or service.

The Fund may also invest in variable rate demand instruments, industrial development bonds and other securities which pay interest from revenues of projects with similar characteristics.

Yields of municipal securities depend upon a number of factors, including the financial condition of the issuer, general and local economic conditions, capital market conditions, the volume of municipal securities available, conditions within the municipal securities market, the slope of the yield curve, changes in tax laws, regulations and rules, and the maturity, rating and size of individual offerings.

## ALL FUNDS – INFORMATION REGARDING NON – PRINCIPAL INVESTMENT STRATEGIES

### Non-principal investment strategies

Each of Value Line Mid Cap Focused Fund, Value Line Core Bond Fund, Value Line Income and Growth Fund, Value Line Larger Companies Focused Fund, Value Line Premier Growth Fund and Value Line Tax Exempt Fund (together, the “Funds”) may engage in certain investment strategies in addition to the Fund’s principal investment strategies. The strategies described below apply to all the Funds unless otherwise specified.

**Temporary defensive position.** From time to time in response to adverse market, economic, political or other conditions, each Fund takes temporary defensive positions that are inconsistent with the Fund’s principal investment strategies. This could help the Fund avoid losses, but it may have the effect of reducing the Fund’s income or capital appreciation, or both. If this occurs, the Fund may not achieve its investment objectives.

**Securities lending.** (all but Value Line Core Bond Fund and Value Line Tax Exempt Fund ) From time to time, each Fund may lend a portion of its portfolio securities to institutional investors. This could help the Fund produce additional income.

**Rule 144A securities.** (Value Line Income and Growth Fund only) The Fund may purchase certain securities (“Rule 144A securities”) for which there is a secondary market of qualified institutional buyers, as contemplated by Rule 144A under the Securities Act of 1933. Rule 144A provides an exemption from the registration requirements of the Securities Act of 1933 for the resale of certain restricted securities to qualified institutional buyers.

**Portfolio turnover.** Each Fund may engage in active and frequent trading of portfolio securities in order to take advantage of better investment opportunities to achieve its investment objectives. This strategy would result in higher brokerage commissions and other expenses and may negatively affect the Fund’s performance. Portfolio turnover may also result in capital gain distributions that could increase your income tax liability. See “Financial Highlights” for the Fund’s most current portfolio turnover rates.

There are other non-principal investment strategies and associated risks discussed in the SAI.



## ADDITIONAL INFORMATION REGARDING PRINCIPAL RISKS

### The principal risks of investing in the Funds

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and that you may lose part or all of your investment. Therefore, before you invest in a Fund you should carefully evaluate the risks. The price of Fund shares will increase and decrease according to changes in the value of a Fund's investments. The principal risks described below apply to all the Funds unless otherwise specified.

**Market Risk.** (all but Value Line Core Bond Fund and Value Line Tax Exempt Fund ) The chief risk that you assume when investing in a Fund is market risk, which is the possibility that the securities in a certain market will decline in value because of factors such as economic conditions. Market risk may affect a single issuer, an industry, a sector of the economy or the market as a whole.

**Equity Securities.** (all but Value Line Core Bond Fund and Value Line Tax Exempt Fund ) Equity securities represent ownership in a corporation and their prices fluctuate for a number of reasons including issuer-specific events, market perceptions and general movements in the equity markets. Reasons related directly to the issuer include the performance of its management, financial leverage, or reduced demand for the issuer's goods and services. General movements in the equity markets occur in response to broader economic events, like changing interest rates and monetary policy. The resulting fluctuation in the price of equity securities may take the form of a drastic movement or a sustained trend. If an issuer is liquidated or declares bankruptcy, the claims of owners of bonds will take precedence over the claims of owners of common stocks. Historically, the prices of equity securities have fluctuated more than bond prices.

**Illiquidity Risk.** (all but Value Line Core Bond Fund) Certain securities may be difficult or impossible to sell at the time and price that a Fund would like when there is little or no active trading market. If a security cannot be sold by a Fund at a favorable time and price, the Fund may have to lower the price, sell other securities instead, or forgo an investment opportunity in order to obtain liquidity. This could have a negative effect on the Fund's performance.



Foreign Investments. (Value Line Core Bond Fund, Value Line Larger Focused Companies Fund and Value Line Premier Growth Fund only) Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests. Other risks associated with foreign financial markets and legal institutions include unfavorable trading, settlement or custodial practices, less government supervision, less publicly available information, less stringent investor protection standards, limited legal redress for violations of law, and more limited trading markets. These risks tend to be magnified in emerging markets (as compared to the U.S. market or developed foreign markets).

Inflation Risk. (Value Line Core Bond Fund and Value Line Tax Exempt Fund only) The market price of the Fund's debt securities generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received by the Fund. Debt securities (excluding inflation-indexed securities) are subject to long-term erosion in purchasing power and such erosion may exceed any return received by the Fund with respect to a debt security. Debt securities that pay a fixed rather than variable interest rate are especially vulnerable to inflation risk because interest rates on variable rate debt securities may increase as inflation increases.

Below Investment Grade Credit or High Yield Securities. (Value Line Core Bond Fund only) Below investment grade securities (commonly called "high yield" or "junk" bonds) are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness or the risky nature of an investment for which limited or no recourse to the issuer is provided. The income on and market prices of these debt securities usually fluctuate more than that of investment grade debt securities and may decline more significantly in periods of general economic difficulty. High yield debt instruments are more vulnerable to changes in interest rates and inflation, in part because leveraged or overextended issuers and investments are more sensitive to adverse changes. Below investment grade securities also tend to pose greater risks of illiquidity than higher-quality securities. Many are not registered for sale under the Securities Act of 1933 and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. As a result, high yield debt instruments also generally pose a greater risk of being valued incorrectly by the market or the Fund.

**Mortgage-Backed/Asset-Backed Securities.** (Value Line Core Bond Fund only) Investing in mortgage-backed and asset-backed securities poses additional risks, principally with respect to increased interest rate risk, prepayment risk and extension risk. The Fund's investments in mortgage-backed and asset-backed securities may cause the Fund's indirect exposure to a given industry or group of industries to exceed the limit on concentration set forth in the Fund's investment restrictions. This is because the Fund does not count mortgage-backed or asset-backed securities as an investment in any particular industry or group of industries for purposes of the Fund's industry concentration restrictions. The market for some mortgage-backed or asset-backed securities may be, or rapidly become, illiquid, and certain of these securities are at greater risk of being valued incorrectly by the market or the Fund.

**Prepayment and Extension Risk.** (Value Line Core Bond Fund and Value Line Tax Exempt Fund only) Many debt securities give the issuer the option to prepay principal prior to maturity. During periods of falling interest rates, prepayments may accelerate and the Fund may be forced to reinvest the proceeds at a lower interest rate. When interest rates rise, the term of a debt security is at greater risk of extension because rates of prepayments fall and rates of late payments and defaults rise. Extending the duration of a security "locks in" lower interest rates if the extension occurs in a rising interest rate environment.

**Government Securities.** (Value Line Core Bond Fund only) The U.S. government may not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Certain U.S. government securities purchased by the Fund are not backed by the full faith and credit of the U.S., and are neither issued nor guaranteed by the U.S. Treasury. The maximum potential liabilities of the instrumentalities that issue some U.S. government securities may exceed the current resources of such instrumentalities, including their legal right to receive support from the U.S. Treasury. Consequently, although such instruments are U.S. government securities, it is possible that these issuers will not have the funds to meet their payment obligations in the future. Even securities that are backed by the full faith and credit of the U.S. may be adversely affected as to market prices and yields if the long-term sovereign credit rating of the U.S. is further downgraded, as it was by Standard & Poors in 2011.


**Small Capitalization and Newer Companies.** (Value Line Premier Growth Fund only) Investing in the securities of a small capitalization or newer company poses greater risk than investing in larger, more established companies. Small capitalization and newer companies often have more volatile market prices, less capital, a shorter history of operations, and less experienced management than larger companies. Smaller companies may be followed less actively by analysts and have less readily available information. In addition, securities of smaller companies often trade less frequently, in lower volumes and on smaller or over-the-counter markets, resulting in greater price fluctuations and susceptibility to selling pressure.



**Mid-Sized Company Risk.** (Value Line Mid Cap Focused Fund only) Investments in mid-sized companies may involve greater risks than investments in larger, more established companies because they often have greater price volatility, lower trading volume, and less liquidity especially over the short term. Mid-sized companies generally have narrower product lines, more limited financial resources, less experienced and relatively small management groups, and unproven track records, which may cause them to be more sensitive to changing economic, market, and industry conditions. Their securities may be less well-known and as a result trade less frequently and in more limited volume than the securities of larger, more established companies. In addition, mid-sized companies typically are subject to greater changes in earnings and business prospects than larger companies. Consequently, the prices of mid-sized company stocks tend to rise and fall in value more frequently and to a greater degree than the prices of larger company stocks, especially over the short term, which may affect the Fund's ability to purchase or sell these securities. Mid-sized companies also may fall out of favor relative to larger companies in certain market cycles, causing the Fund to incur losses or underperform.

**Sector Allocation Risk.** (Value Line Premier Growth Fund only) A sector is a group of selected industries within the economy, such as technology. The Fund may, from time to time, be overweighted or underweighted in certain sectors, which may cause the Fund's performance to be more or less sensitive, respectively, to developments affecting those sectors. When the Fund invests significant assets in the securities of issuers in one or more market sectors, volatility in a sector will have a greater impact on the Fund than it would on a fund that has securities representing a broader range of investments.


**Credit Risk.** (Value Line Core Bond Fund , Value Line Income and Growth Fund and Value Line Tax Exempt Fund only) Credit risk is the risk that the issuer of a debt security will be unable to make interest or principal payments on time. A debt security's credit rating reflects the credit risk associated with the debt obligation. Generally, higher-rated debt securities involve lower credit risk than lower-rated debt securities. The perceived credit risk of an investment also influences its price, and the price of a Fund's debt securities may fall if they are inaccurately perceived by the market to present a different amount of credit risk than they actually do. Credit risk is often greater for corporate, mortgage-backed, asset-backed, and foreign government debt securities than for U.S. government debt securities. Credit risk is also generally greater where less information is publically available, where fewer covenants safeguard the investors' interests, where collateral may be impaired or inadequate, where little legal redress or regulatory protection is available, or where a party's ability to meet obligations is speculative.



**Interest Rate and Reinvestment Risk.** (Value Line Core Bond Fund , Value Line Income and Growth Fund and Value Line Tax Exempt Fund only) The income on and market price of debt securities fluctuate with changes in interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. This occurs because new debt securities are likely to be issued with higher yields as interest rates rise, making the old or outstanding debt securities less attractive. Rising interest rates may also cause a Fund's income from certain asset-backed and high yield debt securities to fall because the rate of default and delayed payment on underlying obligations generally increases as underlying borrowers must pay higher interest rates. When interest rates fall, the market prices of debt securities usually increase, but the Fund's income tends to decline. Such decline follows quickly for most variable rate securities and eventually for fixed rate securities as a Fund must reinvest the proceeds it receives from existing investments (upon their maturity, prepayment, buy-back, call, etc.) at a lower rate of interest or return. Generally, the market price of debt securities with longer durations or fixed rates of return will fluctuate more in response to changes in interest rates than the market price of shorter-term securities or variable rate debt securities, respectively.

**Ranking System Risk.** (all but Value Line Core Bond Fund, Value Line Premier Growth Fund and Value Line Tax Exempt Fund). The Adviser's use of the results of the Ranking Systems in managing a Fund involves the risk that the Ranking Systems may not have the predictive qualities anticipated by the Adviser or that over certain periods of time the price of securities not covered by the Ranking Systems, or lower ranked securities, may appreciate to a greater extent than those securities in the Fund's portfolio.


**Active Management Risk.** Because each Fund is actively managed, its investment return depends on the ability of the Adviser to manage its portfolio successfully. There can be no guarantee that the Adviser's investment strategies will produce the desired results. The Fund and, therefore, the shareholders accrue additional expenses with more active management strategies (as compared to strategies like indexing).



Reliance on Credit Ratings Risk. (Value Line Tax Exempt Fund only). Ratings by a nationally recognized statistical rating organization represent the organization's opinion as to credit quality of a security but is not an absolute standard of quality or guarantee as to the creditworthiness of an issuer. Ratings of nationally recognized statistical rating organization present an inherent conflict of interest because such organizations are paid by the entities whose securities they rate. The credit rating of a security does not necessarily address its market risk (that is, the risk that the value of a security will be adversely affected due to movements in the overall financial markets or changes in the level of interest rates). In addition, ratings may not be revised promptly to reflect developments in the issuer's financial condition.

Government Actions Risk. (Value Line Tax Exempt Fund only). Government actions could have an adverse effect on municipal bond prices. The IRS has announced that holders of tax-exempt bonds have risks that their tax-exempt income may be reclassified as taxable if the bonds that they own were issued in an abusive transaction. There is a risk that a bond purchased by the Fund that was issued as tax-exempt may be reclassified by the IRS as taxable, creating taxable rather than tax-exempt income. New federal or state legislation also may adversely affect the tax-exempt status of securities held by the Fund or the financial ability of municipalities to repay these obligations. Such reclassifications or actions could (i) subject you to increased tax liability, possibly retroactively, and/or (ii) cause the value of a security, and therefore the value of the Fund's shares, to decline. In addition, the Fund is subject to the risk that the issuer of a security held by the Fund may not be able to make timely payments due to a general economic downturn, specific conditions affecting the issuer or a particular industry or market sector, or as a result of increased governmental costs. Although distributions of interest income from the Fund's tax-exempt securities are generally exempt from regular federal income tax, distributions from other sources, including capital gain distributions and any gains on the sale of your shares, are not. You should consult a tax adviser about whether an alternative minimum tax applies to you and about state and local taxes on your Fund distributions.






Cyber Security Risk. As the use of technology has become more prevalent in the course of business, the Funds have become more susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Cyber-attacks have occurred and will continue to occur. Cyber-attacks include, among other things, the attempted theft, loss, misuse, improper release, corruption or destruction of, or unauthorized access to, confidential or highly restricted data relating to a Fund and its shareholders; and attempted compromises or failures to systems, networks, devices and applications relating to the operations of a Fund and its service providers. Cyber security breaches may result from unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) or from outside attacks, such as denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Successful cyber-attacks and/or technological malfunctions affecting a Fund or its service providers (including, but not limited to, its investment adviser, administrator, transfer agent, and custodian or their agents) can result in: financial losses to the Fund and its shareholders; the inability of the Fund to transact business with its shareholders; delays or mistakes in the calculation of the Fund’s NAV or other materials provided to shareholders; the inability to process transactions with shareholders or other parties; the release of private shareholder information or confidential Fund information; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. Similar types of cyber security risks are also present for issuers of securities in which a Fund may invest, which could result in material adverse consequences for such issuers and may cause the Fund’s investment therein to lose value. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since each Fund does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

An investment in any of the Funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.



Please see the SAI for a further discussion of risks. Information on each Fund's recent portfolio holdings can be found in the Fund's current annual, semi-annual or quarterly reports. A description of each Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is also available in the SAI.

## WHO MANAGES THE FUNDS

The business and affairs of the Funds are managed by each Fund's officers under the oversight of each Fund's Board of Directors.

### Investment Adviser

The Funds' investment adviser is EULAV Asset Management, a Delaware statutory trust, located at 7 Times Square, 21st Floor New York, NY 10036-6524. The Adviser also acts as investment adviser to the other Value Line mutual funds with combined assets of approximately \$2.4 billion as of March 31, 2015.

### Management fees

For managing each Fund and its investments, the Adviser is paid a fee, as a percentage of each Fund's average daily net assets, at the annualized rates set forth below.

Value Line Mid Cap Focused Fund	0.70% on the first \$100 million of the Fund's average daily net assets and 0.65% on any additional assets.
Value Line Core Bond Fund	0.50% of the Fund's average daily net assets.(1)
Value Line Income and Growth Fund	0.70% on the first \$100 million of the Fund's average daily net assets and 0.65% on any additional assets.
Value Line Larger Companies Focused Fund	0.75% of the Fund's average daily net assets.
Value Line Premier Growth Fund	0.75% of the Fund's average daily net assets.
Value Line Tax Exempt Fund	0.50% of the Fund's average daily assets.

(1) Effective June 1, 2015 to June 30, 2016, the Adviser contractually agreed to waive a portion of the management fee in an amount equal to 0.20% of its average daily net assets. There is no assurance that the Adviser will extend the contractual fee waiver beyond such date.

For the fiscal year ended December 31, 2014, the Adviser received a management fee equal to 0.69% of the average daily net assets of Value Line Mid Cap Focused Fund and 0.67% of the average daily net assets of Value Line Income and Growth Fund.





A discussion regarding the basis for each Fund's Board of Directors' approval of the investment advisory agreement is available in the Fund's most recent semi-annual report to shareholders for the six month period ended June 30.

Portfolio management

Fund	Portfolio Manager	Additional Information
Value Line Mid Cap Focused Fund	Stephen E. Grant	Stephen E. Grant is primarily responsible for the day-to-day management of the Fund's portfolio and has been the Fund's portfolio manager since 2009.
Value Line Core Bond Fund	Liane Rosenberg and Jeffrey Geffen	Liane Rosenberg and Jeffrey Geffen are primarily responsible for the day-to-day management of the Fund's portfolio and have been portfolio managers of the Fund since 2012 and 2010, respectively.
Value Line Income and Growth Fund	Stephen E. Grant , Cindy Starke, Liane Rosenberg	Stephen E. Grant and Cindy Starke are primarily responsible for the day-to-day management of the Fund's equity portfolio and allocation of the Fund's assets and have been portfolio managers of the Fund since 2014. Liane Rosenberg is primarily responsible for the day-to-day management of the non-equity portion of the Fund's portfolio and has been a portfolio manager of the Fund since 2011.
Value Line Larger Companies Focused Fund	Cindy Starke	Cindy Starke has principal responsibility for the day-to-day management of the Fund's portfolio and has

Value Line Premier  
Growth Fund

Stephen E. Grant

been the Fund's portfolio manager since June 2014. Stephen E. Grant is primarily responsible for the day-to-day management of the Fund's portfolio and has been the Fund's portfolio manager since 1996.

Value Line Tax  
Exempt Fund

Liane Rosenberg

Liane Rosenberg is primarily responsible for the day-to-day management of the Fund's portfolio. Ms. Rosenberg has been a portfolio manager with the Adviser since 2009 and has been the Fund's portfolio manager since 2010.

## ABOUT YOUR ACCOUNT

Mr. Grant has been a portfolio manager with the Adviser or its predecessor since 1991. Ms. Rosenberg has been a portfolio manager with the Adviser since 2009. Mr. Geffen has been a portfolio manager with the Adviser since 2001.

Prior to joining the Adviser in 2014, Ms. Starke was a Portfolio Manager and Equity Analyst at Spears Abacus Advisors from 2012 to 2014. From 2010 to 2012, she was an Equity Analyst with Conative Capital Management and from 2007 to 2009, a Managing Director, Portfolio Manager and Equity Analyst at Barrett Associates. From 1999 to 2007 she was Managing Director, Portfolio Manager and Equity Analyst at New Bridge Partners and Victory NewBridge.

There is additional information in the SAI about the portfolio managers' compensation, other accounts they manage and their ownership of Fund shares.



## How to buy shares

### By telephone

Once you have opened an account, you can buy additional shares by calling 800-243-2729 (the Funds' transfer agent) between 9:00 a.m. and 4:00 p.m. Eastern time. You must pay for these shares within three business days of placing your order.

### By wire

If you are making an initial purchase by wire, you must call the Funds' transfer agent at 800-243-2729 so you can be assigned an account number. Request your U.S. bank with whom you have an account to wire the amount you want to invest to State Street Bank and Trust Company, ABA #011000028, attention DDA # 99049868. Include your name, account number, tax identification number and the name of the Fund in which you want to invest.

### Through a broker-dealer

You can open an account and buy shares through a broker-dealer, who may charge a fee for this service.

### By mail


Complete the account application and mail it with your check payable to BFDS, Agent to Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. If you are making an initial purchase by mail, you must include a completed account application or an appropriate retirement plan application if you are opening a retirement account, with your check. Cash, money orders, traveler's checks, cashier's checks, bank drafts or third-party checks will not be accepted for either the initial or any subsequent purchase. All purchases must be made in U.S. dollars and checks must be drawn on U.S. banks.

### Minimum/additional investments

Once you have completed an account application, you can make an initial purchase of any Fund's shares with a minimum investment of \$1,000. Additional investments can be made at any time with amounts as little as \$100, except in the case of Value Line Core Bond Fund and Value Line Tax Exempt Fund, for which the minimum additional investment is \$250. The price you pay for shares will depend on when your purchase order is received.



Each Fund reserves the right to reject any purchase order within 24 hours of its receipt and to reduce or waive the minimum purchase requirements at any time.



### Time of purchase

Your price for Fund shares is the Fund's net asset value per share ("NAV") which is generally calculated as of the close of regular trading on the New York Stock Exchange (the "Exchange") (generally 4:00 p.m., Eastern time) every day the Exchange is open for business. The Exchange is currently closed on weekends, New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and on the preceding Friday or subsequent Monday if any of those days falls on a Saturday or Sunday, respectively. Orders received by the close of regular trading on the Exchange in proper form, as determined by Boston Financial Data Services, Inc. ("BFDS") or another intermediary designated by the Funds, will be priced at the NAV determined as of the close of trading on that day. Each Fund reserves the right to reject any purchase order and to waive the initial and subsequent investment minimums at any time.

Fund shares may be purchased through various third-party intermediaries authorized by the Funds including banks, brokers, financial advisers and financial supermarkets who may charge a fee. When the intermediary is authorized by the Fund, orders will be priced at the NAV next computed after receipt of the order by the intermediary.

### Service and Distribution Plan

Each Fund has adopted a Service and Distribution Plan (each, a "Plan") under Rule 12b-1 under the Investment Company Act of 1940. Each Fund pays EULAV Securities LLC (the "Distributor") Rule 12b-1 fees, at the annual rate of 0.25% of the Fund's average daily net assets, which are used by the Distributor for its expenses relating to the distribution, marketing and administrative services with respect to each Fund's shares. The Distributor may also make payments to broker-dealers, banks, financial institutions and other organizations which provide distribution, marketing and administrative services with respect to each Fund's shares. Such services may include, among other things, answering investor inquiries regarding a Fund, processing new shareholder account applications and redemption transactions, responding to shareholder inquiries, and such other services as a Fund may request to the extent permitted by applicable statute, rule or regulation. The Plans also provide that the Adviser may make payments for such services out of its advisory fee, its past profits or any other source available to it. The fees payable to the Distributor under the Plans are payable without regard to actual expenses incurred which means that the Distributor may earn a profit under the Plan.




The Distributor has contractually agreed to waive all or a portion of certain Funds' Rule 12b-1 fees. The contractual waiver for the applicable Funds is set forth in the chart below. There is no assurance that the Distributor will extend the fee waiver beyond the date indicated, and the fee waiver may be modified or terminated before such date with the approval of the Fund's Board.

Fund	Contractual Rule 12b-1 Fee Waiver
Value Line Core Bond Fund	Effective July 1, 2014 to June 30, 2016, the Distributor contractually agreed to waive a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.05% of its average daily net assets.
Value Line Tax Exempt Fund	Effective July 1, 2014 to June 30, 2016, the Distributor contractually agreed to waive the Fund's Rule 12b-1 fee.
Value Line Larger Companies Focused Fund	Effective May 1, 2015 to June 30, 2016 the Distributor contractually agreed to waive a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.10% of its average daily net assets.

Because Rule 12b-1 fees are paid out of a Fund's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than if you paid other types of sales charges.

#### Other payments by the Funds

Each Fund compensates financial intermediaries that provide sub-transfer agency and related services to investors that hold their Fund shares in omnibus accounts maintained by financial intermediaries. This fee, which may be paid directly to the financial intermediary or indirectly via the Distributor, is in an amount generally approximating the amount of transfer agency fees that a Fund would otherwise bear had such accounts been direct shareholders in the Fund and may not exceed 0.05% of the Fund's average daily net assets. This fee is in addition to the Rule 12b-1 fee.




#### Additional compensation to financial intermediaries

The Adviser, the Distributor and/or their affiliates may pay additional compensation out of their assets (which generally come directly or indirectly from the Funds and other Value Line mutual funds) to certain brokerage firms and other intermediaries or their affiliates, based on Fund assets held by that firm, or such other criteria agreed to by the Adviser, the Distributor or their affiliates. The Adviser, the Distributor or their affiliates determines the firms to which payments may be made, which payments may be significant.

Brokerage firms and other intermediaries that sell Fund shares may make decisions about which investment options they will service and make available to their clients based on the payments these entities may be eligible to receive for their services. Therefore, payments to a brokerage firm or other intermediary create potential conflicts of interest between that entity and its clients where that entity determines which investment options it will make available to those clients.

The SAI discusses these revenue-sharing arrangements in more detail. Your intermediary may charge you additional fees other than those disclosed in this prospectus. You can ask your firm about any payments it receives from the Funds, the Distributor or the Adviser, as well as about fees and/or commissions charged by that firm.



## Net asset value

Each Fund's NAV per share is determined for the purposes of both purchases and redemptions as of the close of regular trading on the Exchange each day the Exchange is open for business. NAV is calculated by adding the value of all the securities and assets in the Fund's portfolio, deducting all liabilities, and dividing the resulting number by the number of shares outstanding. The result is the NAV per share. Securities for which market prices or quotations are readily available are priced at their market value which, in the case of securities traded on an exchange or the NASDAQ Stock Market, is typically the last quoted sale or the NASDAQ Closing Price, unless no sale occurred on that day, in which case market value is typically deemed to be the midpoint between the last available and representative bid and asked prices. Bonds and fixed-income municipal securities are valued on the basis of prices that reflect such security's market value provided by an independent pricing service. Securities for which market valuations are not readily available, or are determined not to reflect accurately fair value, are priced at their fair value as determined by the Adviser pursuant to policies and procedures adopted by each Fund's Board of Directors and under such Board's general supervision. The Funds will use the fair value of a security when the closing market price on the primary exchange where the security is traded no longer accurately reflects the value of the security in the Adviser's opinion due to factors affecting one or more relevant securities markets or the specific issuer. The use of fair value pricing by the Funds may cause the NAV to differ from the NAV that would be calculated using closing market prices. There can be no assurance that the Fund could obtain the fair value assigned to a security if it sold the security at approximately the time at which the Fund determined its NAV. Debt securities with remaining maturities of 60 days or more at the time of acquisition are valued using prices provided by a pricing service, or by prices furnished by recognized dealers in such securities. Debt securities which have a maturity of less than 60 days are priced at amortized cost. The amortized cost method of valuation involves valuing a security at its cost and accruing any discount or premium over the period until maturity, regardless of the impact of fluctuating interest rates on the market value of the security.

## Important information about opening a new account with the Value Line Funds

In furtherance of the national effort to stop the funding of terrorism and to curtail money laundering, the USA Patriot Act and other Federal regulations require financial institutions, including mutual funds, to adopt certain policies and programs to prevent money laundering activities, including procedures to verify the identity of all investors opening new accounts. Accordingly, when completing the account application for a Fund, you will be required to supply the Fund with certain information for all persons owning or permitted to act on an account. This information includes name, date of birth, taxpayer identification number and street address. Also, as required by law, the Funds employ various procedures,

such as comparing the information you provide against fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct. Until such verification is made, each Fund may temporarily limit any share purchases or close your account if it is unable to verify your identity.



## How to sell shares

### General

You can redeem your shares (sell them back to the Fund) at NAV by telephone and by mail by writing to: Value Line Funds, c/o Boston Financial Data Services, Inc., P.O. Box 219729, Kansas City, MO 64121-9729. Certain redemption requests must be signed by all owners of the account, and you must include a signature guarantee using the medallion imprint for each owner if the redemption is for \$25,000 or more. Signature guarantees are also required when redemption proceeds are going to anyone other than the account holder(s) of record. If you hold your shares in certificates, you must submit the certificates properly endorsed with a signature guarantee with your request to sell the shares. A signature guarantee can be obtained from most banks or securities dealers, but not from a notary public. A signature guarantee helps protect against fraud.

The Fund will pay you promptly, normally the next business day, but no later than seven days after your request to sell your shares is received. If you purchased your shares by check and then immediately request redemption, the Fund will wait until your check has cleared, which can take up to 15 days from the day of purchase, before the proceeds are sent to you.


If your account is held in the name of a corporation, as a fiduciary or agent, or as surviving joint owner, you may be required to provide additional documents with your redemption request.

### By telephone or wire

You can sell \$1,000 or more of your shares up to \$25,000 by telephone or wire, with the proceeds sent to your U.S. bank the next business day after the Fund receives your request.

### Through a broker-dealer

Fund shares may be sold through various third-party intermediaries including banks, brokers, financial advisers and financial supermarkets, who may charge a fee for this service. When the intermediary is authorized by a Fund, the shares that you buy or sell through the intermediary are priced at the next NAV that is computed after receipt of your order by the intermediary. Orders received by the intermediary by the close of regular trading on the Exchange (generally 4:00 p.m., Eastern time) will be priced at the NAV determined as of the close of trading on that day.



Among the brokers that have been authorized by the Funds are Charles Schwab & Co., Inc., TD Ameritrade Inc., Pershing LLC, and Fidelity Brokerage Services LLC (National Financial Services LLC). You should consult with your broker to determine if it has been so authorized.

#### By exchange

You can exchange all or part of your investment in a Fund for shares in other Value Line mutual funds or the Daily Income Fund – U.S. Government Portfolio. When you exchange shares, you are purchasing shares in another fund so you should be sure to get a copy of that fund's prospectus and read it carefully before buying shares through an exchange.

To execute an exchange, call 800-243-2729. Each Fund reserves the right to reject any purchase order within 24 hours of its receipt.

When you send a Fund's transfer agent a properly completed request to sell or exchange shares, you will receive the NAV that is next determined after your request is received by the transfer agent. For each account involved you should provide the account name, number, name of the Fund, and exchange or redemption amount. Call 800-243-2729 for information on additional documentation that may be required. You may have to pay taxes on the gain from your sale or exchange of shares.

Exchanges among Value Line mutual funds, including for these purposes the Daily Income Fund – U.S. Government Portfolio, are a shareholder privilege and not a right. Each Fund may temporarily or permanently terminate the exchange privileges of any investor that, in the opinion of the Fund, uses market timing strategies or who makes more than four exchanges out of the Fund during a calendar year.

This exchange limitation does not apply to systematic purchases and redemptions, including certain automated or pre-established exchange, asset allocation or dollar cost averaging programs. These exchange limits are subject to a Fund's ability to monitor exchange activity. Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and, despite the best efforts of each Fund to prevent excessive trading, there is no guarantee that a Fund or its agents will be able to identify such shareholders or curtail their trading practices. The Funds receive purchase and redemption orders through financial intermediaries and cannot always know or reasonably detect excessive trading which may be facilitated by these intermediaries or by the use of omnibus account arrangements offered by these intermediaries to investors.





#### Account minimum

If as a result of redemptions your account balance falls below \$500, the Fund may ask you to increase your balance within 30 days. If your account is not at the minimum by the required time, the Fund may redeem your account, after first notifying you in writing.

#### Redemption in kind

The Fund reserves the right to make a redemption in kind—payment in liquid portfolio securities, wholly or in part, rather than cash—if the amount being redeemed is large enough to affect Fund operations. The redeeming shareholder will pay transaction costs, including brokerage fees, to sell these securities and will bear the market and tax risk of holding the securities.

### Frequent purchases and redemptions of Fund shares

Frequent purchases and redemptions of a Fund's shares entail risks, including dilution in the value of the Fund shares held by long-term shareholders, interference with the efficient management of the Fund's portfolio, and increased brokerage and administrative costs. Because the Funds do not accommodate frequent purchases and redemptions of Fund shares, the Funds' Board of Directors has adopted policies and procedures to prohibit investors from engaging in late trading and to discourage excessive and short-term trading practices that may disrupt portfolio management strategies and harm Fund performance.


Although there is no generally applied standard in the marketplace as to what level of trading activity is excessive, the Funds consider trading to be excessive if an investor:

sells shares of the Fund within 30 days after the shares were purchased;

makes more than four exchanges out of the Fund during a calendar year (other than systematic purchases and

redemptions); or

enters into a series of transactions that is indicative of a timing pattern strategy.




In order to seek to detect frequent purchases and redemptions of Fund shares, the Distributor monitors selected trades that have been identified by a Fund's transfer agent. If the Distributor determines that an investor or a client of a broker has engaged in excessive short-term trading that may be harmful to the Fund, the Distributor will ask the investor or broker to cease such activity and may refuse to process purchase orders (including purchases by exchange) of such investor or broker, or accounts that the Distributor believes are under their control.

While the Distributor uses its reasonable efforts to detect excessive trading activity, there can be no assurance that its efforts will be successful or that market timers will not employ tactics designed to evade detection. Neither the Adviser, the Distributor, the Funds nor any of the Funds' service providers may enter into arrangements intended to facilitate frequent purchases and redemptions of Fund shares. Frequently, shares are held through omnibus accounts maintained by financial intermediaries such as brokers and retirement plan administrators, where the holdings of multiple shareholders, such as all the clients of a particular broker, are aggregated. The ability to monitor trading practices by investors purchasing shares through omnibus accounts is dependent upon the cooperation of the financial intermediary in observing a Fund's policies. Consequently, it may be more difficult for the Funds to detect market timing activity through such accounts. However, each Fund, through its agent, has entered into an information sharing agreement with each financial intermediary, which provides, among other things, that the financial intermediary shall provide, promptly upon a Fund's request, certain identifying and transaction information regarding its underlying shareholders.

Should a Fund detect market timing activity, it may terminate the account or prohibit future purchases or exchanges by the underlying shareholders. Because omnibus accounts may apply their own market timing policies with respect to their accounts and because the Distributor retains discretion in applying market timing policies, there is a risk that different shareholders may be treated differently and some level of market timing activity could occur.

### Special services

To help make investing with a Fund as easy as possible, and to help you manage your investments, the following special services are available. You can get further information about these programs by calling Shareholder Services at 800-243-2729.



Valu-Matic® allows you to make regular monthly investments of \$25 or more automatically from your checking account.


The Systematic Cash Withdrawal Plan allows you to arrange a regular monthly or quarterly payment from your account payable to you or someone you designate. If your account is \$5,000 or more, you can have monthly or quarterly withdrawals of \$25 or more. Such withdrawals will each constitute a redemption of a portion of your Fund shares which may result in income, gain or loss to you for federal income tax purposes.

You may buy shares in a Fund for your individual or group retirement plan, including your Regular or Roth IRA. You may establish your IRA account even if you already are a member of an employer-sponsored retirement plan. Not all contributions to an IRA account are tax deductible; consult your tax advisor about the tax consequences of your contribution.

#### Dividends, distributions and taxes

Each Fund intends to pay dividends from its net investment income, if any, annually and to distribute any capital gains that it has realized annually. The Value Line Tax Exempt Fund declares dividends from its net investment income daily and distributes the accrued dividends each month. Each Fund may also pay dividends and capital gain distributions at other times if necessary for the Fund to avoid U.S. federal income or excise tax. Dividends and any capital gains are automatically reinvested, unless you indicate otherwise in your application to purchase shares. If you elect to receive distributions and dividends by check and the post office cannot deliver the check, or if the check remains uncashed for six months, the Fund will cancel your check and reinvest the proceeds in additional Fund shares at the NAV per share on the date of cancellation. No interest will be paid on your uncashed check. Thereafter, your dividends and other distributions will be automatically reinvested in additional Fund shares unless you subsequently contact the Fund and request to receive distributions by check.

Investors should consider the tax consequences of buying shares of a Fund shortly before the record date of a dividend or capital gain distribution, because such dividend or distribution will generally be taxable even though the NAV of shares of the Fund will be reduced by the dividend or distribution.




You will generally be taxed on dividends and distributions you receive, regardless of whether you reinvest them or receive them in cash. For federal income tax purposes, distributions from short-term capital gains will be taxable as ordinary income. Dividends from net investment income will either be taxable as ordinary income or, if certain conditions are met by the Fund and the shareholder, including holding period requirements, as “qualified dividend income” taxable to individual shareholders at a reduced maximum U.S. federal income tax rate.

Since the Value Line Core Bond Fund’s income is derived from sources that do not pay qualified dividend income, it is not expected that dividends received from the investment company taxable income of that Fund will qualify for the reduced maximum U.S. federal income tax rate applicable to individuals on qualified dividend income. For U.S. federal income tax purposes, distributions from the Value Line Tax Exempt Fund’s tax exempt interest called “exempt-interest dividends,” are exempt from regular federal income tax. Certain of these exempt-interest dividends may be treated as a preference item for purposes of the alternative minimum tax, but, for non-corporate shareholders, such distributions are expected to be less than 20% of the Fund’s total distributions under normal conditions. All exempt-interest dividends, however, may result in or increase a corporate shareholder’s liability for alternative minimum tax. Shareholders should consult their tax advisers to determine whether the alternative minimum tax is applicable in their particular circumstances.

Distributions reported to you by a Fund as capital gain dividends will be taxable to you as long-term capital gains, no matter how long you have owned your Fund shares. In addition, you may be subject to state and local taxes on dividends and distributions.

The applicable reduced maximum federal income tax rate on qualified dividend income and long-term capital gains varies depending on the taxable income and status of the shareholder, but generally is 20% for individual shareholders with taxable income in excess of \$400,000 (\$450,000 if married and file jointly/\$225,000 if married and file separately) and 15% for individual shareholders with taxable income less than such amounts (unless such shareholders are in the 10% or 15% income tax brackets and meet certain other conditions, in which case the applicable tax rate is 0%).




Also, a 3.8% Medicare tax is imposed on the net investment income of U.S. individuals, estates and trusts whose income exceeds certain threshold amounts. For this purpose, net investment income generally will include distributions from each Fund and capital gains attributable to the sale, redemption or exchange of Fund shares. This tax is in addition to the income taxes that are otherwise imposed on ordinary income, qualified dividend income and capital gains.

Your Fund will send you a statement by February 15th each year detailing the amount and nature of all dividends and capital gains that you received during the prior year.

If you hold your Fund shares in a tax-deferred retirement account, such as an IRA, you generally will not have to pay tax on distributions until they are distributed from the account. These accounts are subject to complex tax rules, and you should consult your tax adviser about the tax consequences of investing through a tax-deferred account.

You generally will have a capital gain or loss if you dispose of your Fund shares by redemption, exchange or sale in an amount equal to the difference between the net amount of the redemption or sale proceeds (or in the case of an exchange, the fair market value of the shares) that you receive and your tax basis for the shares you redeem, sell or exchange. Certain limitations may apply to limit your ability to currently deduct capital losses.

Each Fund is required to report to the Internal Revenue Service (“IRS”) and to furnish to Fund shareholders “cost basis” information for Fund shares that are purchased on or after January 1, 2012 (“covered shares”) and that are redeemed, exchanged or otherwise sold on or after that date. These requirements generally do not apply to investments through a tax-deferred arrangement or to certain types of entities (such as C corporations). S corporations, however, are not exempt from these rules. Please note that if you are a C corporation, unless a Fund has actual knowledge that you are a C corporation or you have previously notified us in writing that you are a C corporation, you must complete a new Form W-9 exemption certificate informing us of your C corporation status or the Fund will be obligated to presume that you are an S corporation and to report sales of covered shares to the IRS and to you pursuant to these rules. Also, if you purchase Fund shares through a broker (or other nominee) on or after such date, please contact that broker (or nominee) with respect to the reporting of cost basis and available elections for your account.



If you purchase d Fund shares directly from us on or after January 1, 2012, cost basis will be calculated using the Fund's default method of average cost basis, unless you instruct the Fund to use a different IRS-accepted cost basis method. Please note that you will continue to be responsible for calculating and reporting the cost basis of Fund shares that were purchased prior to January 1, 2012. Fund shareholders should consult with their tax advisors to determine the best IRS-accepted cost basis method for their tax situation and to obtain more information about how the new cost basis reporting law applies to them.

Shareholders also should carefully review the cost basis information provided to them by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on their federal income tax returns.

As with all mutual funds, the Funds may be required to withhold a 28% backup withholding tax on all taxable distributions payable to you if you fail to provide the Fund with your correct social security number or other taxpayer identification number or make required certifications, or if you have been notified by the IRS that you are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the IRS ensures it will collect taxes otherwise due. Any amounts withheld may be credited against your U.S. federal income tax liability.

The above discussion is meant only as a summary; more information is available in the SAI. You should consult your tax adviser about your particular tax situation including federal, state, local and foreign tax considerations and possible withholding taxes for non-U.S. shareholders.

***Financial  
Highlights***

The financial highlights table is intended to help you understand each Fund's financial performance for the past five years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the applicable Fund assuming reinvestment of all dividends and distributions. This information has been derived from each Fund's financial statements which were audited by PricewaterhouseCoopers LLP, whose report, along with each Fund's financial statements, is included in that Fund's annual report, which is available upon request by calling 800-243-2729 or at [www.vlfunds.com](http://www.vlfunds.com).

## FINANCIAL HIGHLIGHTS

Selected data for a share of capital stock outstanding throughout each year:

	Income/(loss) from investment operations					Less distributions:			
	Net asset value, beginning of year	Net investment income/(loss)	Net gains/(losses) on securities (both realized and unrealized)	Total from investment operations	Redemption fees	Dividends from net investment income	Distributions from net realized gains	Distributions from return of capital	Total distributions
Value Line Premier Growth Fund, Inc. Year ended December 31, 2014	\$ 33.99	0.01	2.29	2.30	—	(0.01 )	(2.44 )	—	(2.45 )
Year ended December 31, 2013	28.84	0.00 (1)	7.64	7.64	—	—	(2.49 )	—	(2.49 )
Year ended December 31, 2012	26.48	0.09	4.59	4.68	—	(0.09 )	(2.23 )	—	(2.32 )
Year ended December 31, 2011	26.82	(0.08 )	1.30	1.22	—	—	(1.56 )	—	(1.56 )
Year ended December 31, 2010	22.07	(0.01 )(2)	4.79	4.78	—	(0.03 )	—	—	(0.03 )
Value Line Mid Cap Focused Fund, Inc. Year ended December 31, 2014	13.50	(0.01 )	1.08	1.07	—	(0.01 )	—	—	(0.01 )
Year ended December 31, 2013	10.36	0.01	3.19	3.20	—	(0.06 )	—	—	(0.06 )



Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

Year ended December 31, 2012	9.04	0.05	1.27	1.32	—	—	—	—	—
Year ended December 31, 2011	8.55	(0.00 )(1)	0.49	0.49	—	(0.00 )(1)	—	—	(0.00 )
Year ended December 31, 2010	6.81	0.00 (1)	1.74	1.74	—	—	—	—	—
Value Line Income and Growth Fund, Inc.									
Year ended December 31, 2014	9.82	0.12	0.92	1.04	—	(0.11 )	(1.35 )	—	(1.46 )
Year ended December 31, 2013	8.67	0.12	1.57	1.69	—	(0.12 )	(0.42 )	—	(0.54 )
Year ended December 31, 2012	8.27	0.13	0.74	0.87	—	(0.13 )	(0.34 )	—	(0.47 )
Year ended December 31, 2011	8.46	0.11	(0.19 )	(0.08 )	—	(0.11 )	—	—	(0.11 )
Year ended December 31, 2010	7.75	0.10	0.71	0.81	—	(0.10 )	—	—	(0.10 )
Value Line Larger Companies Focused Fund, Inc.									
Year ended December 31, 2014	25.57	(0.01 )	3.23	3.22	—	(0.11 )	(3.40 )	—	(3.51 )
Year ended December 31, 2013	19.78	0.13	5.81	5.94	—	(0.15 )	—	—	(0.15 )
Year ended December 31, 2012	17.34	0.16	2.40	2.56	—	(0.12 )	—	—	(0.12 )
Year ended December 31, 2011	17.47	0.12	(0.17 )	(0.05 )	—	(0.08 )	—	—	(0.08 )
Year ended December 31, 2010	15.40	0.09	2.08	2.17	—	(0.10 )	—	—	(0.10 )
Value Line Core Bond Fund(9)									

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

Year ended December 31, 2014	14.55	0.27	0.38	0.65	—	(0.26 )	—	—	(0.26 )
Period ended December 31, 2013(5)	15.21	0.18	(0.66 )	(0.48 )	—	(0.15 )	—	(0.03 )	(0.18 )
Year ended January 31, 2013	14.76	0.78	0.45	1.23	0.00 (1)	(0.78 )	(0.00 )(1)	—	(0.78 )
Year ended January 31, 2012	14.85	0.87	(0.09 )	0.78	0.00 (1)	(0.87 )	—	—	(0.87 )
Year ended January 31, 2011	14.10	0.90	0.75	1.65	0.00 (1)	(0.90 )	—	—	(0.90 )
Year ended January 31, 2010	11.67	0.84	2.43	3.27	0.00 (1)	(0.84 )	—	—	(0.84 )
The Value Line Tax Exempt Fund, Inc. Period ended December 31, 2014(8)	9.87	0.22	0.21	0.43	—	(0.22 )	—	—	(0.22 )
Year ended February 28, 2014	10.31	0.27	(0.44 )	(0.17 )	—	(0.27 )	—	—	(0.27 )
Year ended February 28, 2013	10.14	0.26	0.17	0.43	—	(0.26 )	—	—	(0.26 )
Year ended February 29, 2012	9.43	0.29	0.71	1.00	—	(0.29 )	—	—	(0.29 )
Year ended February 28, 2011	9.60	0.33	(0.17 )	0.16	—	(0.33 )	—	—	(0.33 )
Year ended February 28, 2010	9.36	0.38	0.24	0.62	—	(0.38 )	—	—	(0.38 )

\* Ratio reflects expenses grossed up for the custody credit arrangement, waiver of the advisory fees by the Adviser and the service and distribution plan fees by the Distributor. The custody credit arrangement was discontinued as of January 1, 2013.

\*\* Ratio reflects expenses net of the custody credit arrangement, waiver of the advisory fees by the Adviser and the service and distribution plan fees by the Distributor. The custody credit arrangement was discontinued as of January 1, 2013.

(1) Amount is less than \$0.01 per share.

(2) Based on average shares outstanding.

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

- (3) Ratio reflects expenses grossed up for the reimbursement by Value Line, Inc. of certain expenses incurred by the Fund.
- (4) Ratio reflects expenses net of the reimbursement by Value Line, Inc. of certain expenses incurred by the Fund.
- (5) Period from February 1, 2013 to December 31, 2013.
- (6) Not Annualized.
- (7) Annualized.
- (8) Period from March 1, 2014 to December 31, 2014.
- (9) A 3 to 1 reverse stock split occurred on October 17, 2014. The 3 to 1 reverse stock split has been retroactively applied to the per share data listed above that occurred prior to October 17, 2014. Please see Note 7 for further information.



Ratios/Supplemental Data

Net asset value, end of year	Total return	Net assets, end of year (in thousands)	Ratio of gross expenses to average net assets*	Ratio of net expenses to average net assets**	Ratio of net investment income/(loss) to average net assets	Portfolio turnover rate
\$ 33.84	6.75 %	\$ 379,205	1.23 %	1.23 %	0.01 %	9 %
33.99	26.56 %	402,073	1.24 %	1.24 %	(0.02 )%	11 %
28.84	17.80 %	337,436	1.25 %	1.25 %	0.28 %	15 %
26.48	4.59 %	298,428	1.24 %	1.24 %	(0.28 )%	20 %
26.82	21.66 %	311,829	1.23 % (3)	1.19 % (4)	(0.02 )%	16 %
14.56	7.90 %	125,330	1.23 %	1.23 %	(0.06 )%	61 %
13.50	30.86 %	125,268	1.26 %	1.12 %	0.05 %	7 %
10.36	14.60 %	109,798	1.28 %	1.03 %	0.46 %	6 %
9.04	5.75 %	133,336	1.29 %	0.94 %	(0.02 )%	18 %
8.55	25.55 %	104,200	1.31 % (3)	0.91 % (4)	0.02 %	27 %
9.40	10.62 %	372,707	1.15 %	1.12 %	1.17 %	57 %
9.82	19.55 %	330,698	1.16 %	1.11 %	1.26 %	27 %
8.67	10.62 %	295,705	1.19 %	1.14 %	1.48 %	31 %
8.27	(0.90 )%	306,227	1.20 %	1.15 %	1.25 %	57 %
8.46	10.55 %	332,695	1.14 % (3)	1.05 % (4)	1.22 %	46 %
25.28	12.41 %	220,548	1.23 %	1.13 %	(0.07 )%	89 %
25.57	30.05 %	211,508	1.25 %	1.06 %	0.48 %	8 %
19.78	14.82 %	184,243	1.27 %	1.02 %	0.72 %	17 %
17.34	(0.27 )%	178,783	1.25 %	1.00 %	0.60 %	30 %
17.47	14.09 %	199,524	1.21 % (3)	0.92 % (4)	0.44 %	153 %
14.94	4.49 %	79,297	1.26 %	1.01 %	1.96 %	111 %
14.55	(3.13 )% (6)	85,045	1.30 % (7)	1.15 % (7)	1.17 % (7)	61 % (6)
15.21	8.49 %	30,550	1.62 %	1.32 %	5.18 %	103 %
14.76	5.48 %	32,203	1.55 %	1.25 %	5.95 %	50 %
14.85	12.01 %	34,885	1.48 % (3)	1.13 % (4)	6.20 %	42 %
14.10	28.92 %	37,787	1.56 %	1.13 %	6.51 %	51 %

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

10.08	4.38	%(6)	75,533	1.19	%(7)	0.94	%(7)	2.61	%(7)	4	%(6)
9.87	(1.55	)%	78,045	1.08	%	0.83	%	2.79	%	11	%
10.31	4.33	%	91,124	1.24	%	0.99	%	2.58	%	28	%
10.14	10.77	%	95,405	1.13	%	0.88	%	2.95	%	24	%
9.43	1.67	%	76,972	1.01	%(3)	0.74	%(4)	3.45	%	36	%
9.60	6.70	%	84,067	1.02	%	0.76	%	3.99	%	146	%

81



For more  
information

Two documents are available that offer further information about the Funds:

Annual/Semi-annual report to shareholders

Includes financial statements, a discussion of the market conditions and investment strategies that significantly affected performance, as well as the auditors' report (in annual report only).

Statement of Additional Information

The SAI contains more detailed information about the Funds. A current SAI has been filed with the SEC and is incorporated by reference into (and is legally a part of) this prospectus.

To obtain a free copy of these documents from the Funds:

There are several ways you can get a current annual/semi-annual report, prospectus or SAI:

Online: [www.vlfunds.com](http://www.vlfunds.com)  
By mail: 7 Times Square, 21st Floor, New York, NY 10036-6524  
By phone: 1-800-243-2729

You can also view or obtain copies of these documents through the SEC:

Online: [www.sec.gov](http://www.sec.gov)

By e-mail:	(duplicating fee required)	<a href="mailto:publicinfo@sec.gov">publicinfo@sec.gov</a>
By mail:	(duplicating fee required)	Public Reference Section Securities and Exchange Commission Washington, DC 20549-1520

In person: at the SEC's Public Reference Room in Washington, D.C. For access to the Reference Room call 1-202-551-8090.



Investment Adviser  
 EULAV Asset Management  
 7 Times Square, 21st floor  
 New York, NY 10036-6524

Service Agent  
 State Street Bank and Trust Company  
 c/o BFDS  
 P.O. Box 219729  
 Kansas City, MO 64121-9729

Custodian  
 State Street Bank and Trust Company  
 225 Franklin Street  
 Boston, MA 02110

Distributor  
 EULAV Securities LLC  
 7 Times Square, 21st floor  
 New York, NY 10036-6524

Value Line Mid Cap Focused Fund, Inc.  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811-02265

Value Line Core Bond Fund  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811-04471

Value Line Income and Growth Fund, Inc.  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811- 02277

Value Line Larger Companies Focused Fund,  
 Inc.  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811-01807

Value Line Premier Growth Fund, Inc.  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811-02278

Value Line Tax Exempt Fund, Inc.  
 7 Times Square, 21st Floor,  
 New York, NY 10036-6524

File No. 811-03904

VALUE LINE MID CAP FOCUSED FUND, INC.

(Ticker Symbol: VLIFX)

VALUE LINE CORE BOND FUND

(Ticker Symbol: VAGIX)

VALUE LINE INCOME AND GROWTH FUND, INC.

(Ticker Symbol: VALIX)

VALUE LINE LARGER COMPANIES FOCUSED FUND, INC.

(Ticker Symbol: VALLX)

VALUE LINE PREMIER GROWTH FUND, INC.

(Ticker Symbol: VALSX)

THE VALUE LINE TAX EXEMPT FUND, INC.

(Ticker Symbol: VLHYX)

7 Times Square, 21st Floor, New York, New York 10036-6524

800-243-2729

[www.vlfunds.com](http://www.vlfunds.com)

## STATEMENT OF ADDITIONAL INFORMATION

MAY 1, 2015

This Statement of Additional Information is not a prospectus and should be read in conjunction with the Prospectus of Value Line Mid Cap Focused Fund, Inc. (“Value Line Mid Cap Focused Fund”), the Prospectus of Value Line Core Bond Fund (“Value Line Core Bond Fund”), the Prospectus of Value Line Income and Growth Fund, Inc. (“Value Line Income & Growth Fund”), the Prospectus of Value Line Larger Companies Focused Fund, Inc. (“Value Line Larger Companies Focused Fund”), the Prospectus of Value Line Premier Growth Fund, Inc. (“Value Line Premier Growth Fund”) and the Prospectus of The Value Line Tax Exempt Fund, Inc. (“Value Line Tax Exempt Fund”) (individually, a “Fund” and collectively, the “Funds”), dated May 1, 2015, a copy of which may be obtained without charge by writing or telephoning the Funds. The financial statements, accompanying notes and the report of the independent registered public accounting firm appearing in each Fund’s 2014 Annual Report to Shareholders (“Annual Report”) are incorporated by reference in this Statement of Additional Information. A copy of each Fund’s Annual Report and most recent semi-annual report are available from the Fund upon request and without charge by calling 800-243-2729 or online at [www.vlfunds.com](http://www.vlfunds.com).

---

## TABLE OF CONTENTS



	Page
<u>Description of the Funds and their Investments and Risks</u>	B-2
<u>Management of the Funds</u>	B-1
	3
<u>Investment Advisory and Other Services</u>	B-
	22
<u>Service and Distribution Plan</u>	B-2
	6
<u>Brokerage Allocation and Other Practices</u>	B-
	30
<u>Capital Stock</u>	B-31
<u>Purchase, Redemption and Pricing of Shares</u>	B-
	32
<u>Taxes</u>	B-
	33
<u>Financial Statements</u>	B-
	42

B-1

## DESCRIPTION OF THE FUNDS AND THEIR INVESTMENTS AND RISKS

### History and Classification.

Each of the Funds is an open-end, diversified management investment company. The investment adviser of each Fund is EULAV Asset Management (the “Adviser”), a Delaware statutory trust.

Value Line Mid Cap Focused Fund was incorporated in Delaware in 1949 and reincorporated in Maryland in 1972. In March 2015 it changed its name from “The Value Line Fund, Inc.” to “Value Line Mid Cap Focused Fund, Inc.” The Value Line Core Bond Fund was established as a Massachusetts business trust in 1995. In November 2012, it changed its name from “Value Line Aggressive Income Trust” to “Value Line Core Bond Fund.” The Value Line Income and Growth Fund was incorporated in Delaware in 1952 and reincorporated in Maryland in 1972. Value Line Larger Companies Focused Fund was incorporated in Maryland in 1972. On June 1, 2006, it changed its name from “Value Line Leveraged Growth Investors, Inc.” to “Value Line Larger Companies Fund, Inc.” and in March 2015 it changed its name to “Value Line Larger Companies Focused Fund, Inc.” The Value Line Premier Growth Fund was incorporated in Delaware in 1956 and reincorporated in Maryland in 1972. On October 5, 2005, it changed its name from “The Value Line Special Situations Fund, Inc.” to “Value Line Premier Growth Fund, Inc.” Value Line Tax Exempt Fund, is a series of an open-end, diversified management company incorporated in Maryland in 1983.

### Non-Principal Investment Strategies and Associated Risks.

The investment objective(s), principal investment strategies and related principal risks for each Fund are discussed in its Prospectus. The following is a discussion of the non-principal investment strategies and related risks for the Funds. Unless otherwise noted, an investment strategy and the related risks described below are applicable to all Funds.

**Restricted and Illiquid Securities.** On occasion, the Funds, other than Value Line Tax Exempt Fund, may purchase illiquid securities or securities which would have to be registered under the Securities Act of 1933, as amended (the “Securities Act”), if they were to be publicly distributed. However, the Funds will not do so if the value of such securities (other than securities eligible to be sold in a Rule 144A transaction and determined by the Adviser to be liquid) and other securities which are not readily marketable (including repurchase agreements maturing in more than seven days) would exceed 15% of the market value of such Fund’s net assets. The acquisition in limited amounts of restricted securities is believed to be helpful toward the attainment of each Fund’s investment objective without unduly restricting its liquidity or freedom in the management of its portfolio. However, because restricted securities may only be sold privately or in an offering registered under the Securities Act, or pursuant to an exemption from such registration, substantial time may be required to sell such securities, and there is greater than usual risk of price decline prior to sale.

In addition, the Funds may purchase certain securities (“Rule 144A securities”) for which there is a secondary market of qualified institutional buyers, as contemplated by Rule 144A under the Securities Act. Rule 144A provides an exemption from the registration requirements of the Securities Act for the resale of certain restricted securities to qualified institutional buyers.

The Adviser, under the supervision of each Fund's Board of Directors, will consider whether securities purchased under Rule 144A are liquid or illiquid for purposes of the Fund's limitation on investment in securities which are not readily marketable or are illiquid. Among the factors to be considered are the frequency of trades and quotes, the number of dealers and potential purchasers, dealer undertakings to make a market and the nature of the security and the time needed to dispose of it.

To the extent that the liquid Rule 144A securities that a Fund holds become illiquid, due to lack of sufficient qualified institutional buyers or market or other conditions, the percentage of the Fund's assets invested in illiquid assets would increase. The Adviser, under the supervision of each Fund's Board of Directors, will monitor the Funds' investments in Rule 144A securities and will consider appropriate measures to enable each Fund to maintain sufficient liquidity for operating purposes and to meet redemption requests.

**Lower Rated Securities.** Value Line Income & Growth Fund may invest up to 5% of its total assets in below investment grade, high-yield bonds also known as junk bonds. Value Line Core Bond Fund may invest up to 20% in junk bonds. The total return and yield of these lower rated bonds can be expected to fluctuate more than the total return and yield of higher quality bonds. Junk bonds have certain speculative characteristics and involve greater investment risk, including the possibility of default or bankruptcy and a risk of loss of income and principal, than is the case with lower yielding, higher rated securities. Junk bonds are often thinly traded and can be more difficult to sell and value accurately than high quality bonds.

**Stock Index Futures Contracts and Options Thereon.** Value Line Mid Cap Focused Fund, Value Line Core Bond Fund, Value Line Income & Growth Fund and Value Line Larger Companies Focused Fund may trade in stock index futures contracts and in options on such contracts. Such contracts will be entered into on exchanges designated by the Commodity Futures Trading Commission ("CFTC"). The Funds will only enter into futures and options on futures transactions in compliance with the applicable regulations promulgated by the CFTC.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") resulted in historic and comprehensive statutory reform of certain derivatives, including futures contracts, options on futures contracts, certain forward contracts and swap agreements (generally, "commodity interests"). Historically, advisers of registered investment companies trading commodity interests have been excluded from regulation as commodity pool operators ("CPOs") pursuant to CFTC Regulation 4.5. Following enactment of the Dodd-Frank Act, the CFTC amended Regulation 4.5 to dramatically narrow this exclusion.

Under the amended Regulation 4.5 exclusion, the Funds' commodity interests – other than those used for bona fide hedging purposes (as defined by the CFTC) – must be limited such that the aggregate initial margin and premiums required to establish the positions do not exceed 5% of the Fund's net asset value (after taking into account unrealized profits and unrealized losses on any such positions and excluding the amount by which options are "in-the-money" at the time of purchase), or alternatively, the aggregate net notional value of the positions, determined at the time the most recent position was established, does not exceed 100% of the Fund's net asset value (after taking into account unrealized profits and unrealized losses on any such positions). Further, to qualify for the exclusion in amended Regulation 4.5, the Fund must satisfy a marketing test, which requires, among other things, that the Fund not hold itself out as a vehicle for trading commodity interests. An exclusion under Rule 4.5 has been claimed with respect to each of these Funds.

Any trading of commodity interests by the Funds will comply with one of the two alternative limitations described above. Complying with the limitations may restrict the Fund's ability to use derivatives as part of its investment strategies and may subject the Fund to additional costs, expenses and administrative burdens.

The Funds may invest in stock index futures and options to realize profits and to hedge securities positions held by the Fund. There can be no assurance of a Fund's successful use of stock index futures for investment purposes or as a hedging device. Hedging transactions involve certain risks. One risk arises because of the imperfect correlation between movements in the price of the stock index future and movements in the price of the securities which are the subject of the hedge. The risk of imperfect correlation increases as the composition of a Fund's securities portfolio diverges from the securities included in the applicable stock index, in addition to the possibility that there may be an imperfect correlation, or no correlation at all, between movements in the stock index future and the portion of the portfolio being hedged, the price of stock index futures may not correlate perfectly with the movement in the stock index due to certain market distortions. Increased participation by speculators in the futures market also may cause temporary price distortions. Due to the possibility of price distortions in the futures market and because of the imperfect correlation between movements in the stock index and movements in the price of stock index futures, a correct forecast of general market trends by the Adviser still may not result in a successful hedging transaction.

For example, should a Fund anticipate a decrease in the value of its portfolio securities, it could enter into futures contracts to sell stock indices thereby partially hedging its portfolio against the anticipated losses. Losses in the portfolio, if realized, should be partially offset by gains on the futures contracts. Conversely, if a Fund anticipated purchasing additional portfolio securities in a rising market, it could enter into futures contracts to purchase stock indices thereby locking in a price. The implementation of these strategies by a Fund should be less expensive and more efficient than buying and selling the individual securities at inopportune times.

A stock index future obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the contract is entered into. There can be no assurance of a Fund's successful use of stock index futures as a hedging device. The contractual obligation is satisfied by either a cash settlement or by entering into an opposite and offsetting transaction on the same exchange prior to the delivery date. Entering into a futures contract to deliver the index underlying the contract is referred to as entering into a short futures contract. Entering into a futures contract to take delivery of the index is referred to as entering into a long futures contract. An offsetting transaction for a short futures contract is effected by a Fund entering into a long futures contract for the same date, time and place. If the price of the short contract exceeds the price in the offsetting long, the Fund is immediately paid the difference and thus realizes a gain. If the price of the long transaction exceeds the short price, the Fund pays the difference and realizes a loss. Similarly, the closing out of a long futures contract is effected by a Fund entering into a short futures contract. If the offsetting short price exceeds the long price, the Fund realizes a gain, and if the offsetting short price is less than the long price, the Fund realizes a loss.

B-4

No consideration will be paid or received by a Fund upon entering into a futures contract. Initially, the Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount. This amount is subject to change by the board of trade on which the contract is traded and members of such board of trade may charge a higher amount. This amount is known as “initial margin” and is in the nature of a performance bond or good faith deposit on the contract which is returned to the Fund upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments, known as “variation margin,” to and from the broker will be made daily as the price of the index underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as “marking-to-market.”

The Funds may also purchase put and call options on stock index futures contracts on commodity exchanges or write covered options on such contracts. A call option gives the purchaser the right to buy, and the writer the obligation to sell, while a put option gives the purchaser the right to sell and the writer the obligation to buy. Unlike a stock index futures contract, which requires the parties to buy and sell the stock index on a set date, an option on a stock index futures contract entitles its holder to decide on or before a future date whether to enter into such a futures contract. If the holder decides not to enter into the contract, the premium paid for the option is lost. Since the value of the option is fixed at the point of sale, the purchase of an option does not require daily payments of cash in the nature of “variation” or “maintenance” margin payments to reflect the change in the value of the underlying contract. The value of the option purchased by a Fund does change and is reflected in the net asset value of the Fund. The writer of an option, however, must make margin payments on the underlying futures contract. Exchanges provide trading mechanisms so that an option once purchased can later be sold and an option once written can later be liquidated by an offsetting purchase.

Successful use of stock index futures by a Fund also is subject to the Adviser’s ability to predict correctly movements in the direction of the market. If the Adviser’s judgment about the several directions of the market is wrong, the Fund’s overall performance may be worse than if no such contracts had been entered into. For example, if a Fund has hedged against the possibility of a decline in the market adversely affecting stocks held in its portfolio and stock prices increase instead, the Fund will lose part or all of the benefit of the increased value of its stock which it has hedged because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund has insufficient cash, it may have to sell securities to meet daily variation margin requirements. Such sales of securities may be, but will not necessarily be, at increased prices which reflect the rising market. The Fund may have to sell securities at a time when it may be disadvantageous to do so. When stock index futures are purchased to hedge against a possible increase in the price of stocks before the Fund is able to invest its cash (or cash equivalents) in stocks in an orderly fashion, it is possible that the market may decline instead; if the Fund then concludes not to invest in stocks at that time because of concern as to possible further market decline or for other reasons, the Fund will realize a loss on the futures contract that is not offset by a reduction in the price of securities purchased.

Use of options on stock index futures entails the risk that trading in the options may be interrupted if trading in certain securities included in the index is interrupted. The Funds will not purchase these options unless the Adviser is satisfied with the development, depth and liquidity of the market and the Adviser believes the options can be closed out.

Options and futures contracts entered into by the Funds will be subject to special tax rules. These rules may accelerate income to a Fund, defer Fund losses, cause adjustments in the holding periods of Fund securities, convert capital gain into ordinary income and convert short-term capital losses into long-term capital losses. As a result, these rules could affect the amount, timing and character of Fund distributions. However, each Fund anticipates that these investment activities will not prevent the Fund from qualifying as a regulated investment company.

Value Line Core Bond Fund can purchase futures contracts on debt securities such as U.S. Treasury bills, bonds, and notes, certificates of the Government National Mortgage Association and bank certificates of deposit. The Fund may invest in futures contracts covering these types of financial instruments as well as in new types of such contracts that become available in the future. The Fund will only enter into financial futures contracts which are traded on national futures exchanges, principally the Chicago Board of Trade and the Chicago Mercantile Exchange.

**Covered Call Options.** The Funds may write covered call options on stocks held in that Fund's portfolio. The Funds may write covered call options to realize profits through the receipt of premiums and to hedge securities positions held by such Fund.

When a Fund writes a covered call option, it gives the purchaser of the option the right to buy the underlying security at the price specified in the option (the "exercise price") at any time during the option period. If the option expires unexercised, the Fund will realize income in the amount received for writing the option (the "premium"). If the option is exercised, a decision over which the Fund has no control, the Fund must sell the underlying security to the option holder at the exercise price. By writing a covered option, the Fund foregoes, in exchange for the premium less the commission ("net premium"), the opportunity to profit during the option period from an increase in the market value of the underlying security above the exercise price. Because the call option must be covered, the Fund also forgoes the opportunity to sell the underlying security during the option period.

The purchase of a call option has the effect of closing out a position when the purchased call option is for the same security at the same exercise price and expiration date as a call option which a Fund has written. Purchasing call options to close out call options written by a Fund may be done to avoid liquidating that Fund's position upon exercise of the option by its purchaser or to extinguish the call option sold by the Fund so as to be free to sell the underlying security. In closing out a position, a Fund realizes a gain if the amount paid to purchase the call option is less than the net premium received for writing a similar option and a loss if the amount paid to purchase a call option is greater than the net premium received for writing a similar option. Generally, a Fund realizes a short-term capital loss if the amount paid to purchase the call option with respect to a stock is greater than the premium received for writing the option. If the underlying security has substantially risen in value, it may be difficult or expensive to purchase the call option for the closing transaction.

**Repurchase Agreements.** The Funds may invest temporary cash balances in money market funds and/or repurchase agreements to generate current income. A repurchase agreement involves a sale of securities to a Fund, with the concurrent agreement of the seller (a member bank of the Federal Reserve System or a securities dealer which the Adviser believes to be financially sound) to repurchase the securities at the same price plus an amount equal to an agreed-upon interest rate, within a specified time, usually less than one week, but, on occasion, at a later time. A Fund may permit the seller's obligation to be novated to the Fixed Income Clearing Corporation ("FICC") pursuant to an agreement between the Fund, FICC and the seller as a sponsoring member of FICC. A Fund will make payment for such securities only upon physical delivery or evidence of book-entry transfer to the account of the sponsoring member, the custodian or a bank acting as agent for the Fund. Repurchase agreements may also be viewed as loans made by a Fund which are collateralized by the securities subject to repurchase. The value of the underlying securities will be at least equal at all times to the total amount of the repurchase obligation, including the interest factor. In the event of a bankruptcy or other default of FICC or a seller of a repurchase agreement, to which a Fund is a party, the Fund could experience both delays in liquidating the underlying securities and losses, including: (a) a possible decline in the value of the underlying securities during the period while the Fund seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights. For more information regarding the risks associated with investing temporary cash balances in money market funds, please see "ETFs and Other Investment Companies" below.

B-6

**Loans of Portfolio Securities.** Each Fund may lend its portfolio securities to certain borrowers if, as a result thereof, the aggregate value of all securities loaned does not exceed 33 1/3% (10% for Value Line Tax Exempt Fund) of the total assets of the Fund (including the loan collateral), and each Fund may pay reasonable fees in connection with the loans. The loans will be made in conformity with the Fund's policies and are collateralized by cash or liquid securities on a daily basis in an amount at least equal to 100% of the market value of the securities loaned and interest earned thereon. Each Fund retains the right to call the loaned securities upon notice and intends to call loaned voting securities in anticipation of any matter to be voted on by stockholders and deemed material by the Adviser acting in accordance with the Fund's proxy voting policies. The Funds invest cash collateral in high quality, readily marketable short-term obligations and/or money market funds (to the extent consistent with each Fund's investment restrictions). Each Fund bears the risk of any loss in connection with such investment of collateral. While securities lending involves risk of delays in recovery or even loss of rights in the collateral should the borrower fail financially, loans are made only to borrowers approved in accordance with a Fund's securities lending guidelines.

**ETFs and Other Investment Companies.** The Funds may invest in exchange-traded funds ("ETFs") to quickly gain exposure to a broad index of securities in lieu of investing directly in such securities. The Funds may also invest temporary cash balances and/or cash collateral received from securities lending arrangements in other investment companies to seek to generate income in excess of that available on other investments. When a Fund invests in another investment company, including an ETF, the Fund will indirectly bear its proportionate share of any fees and expenses payable directly by the investment company. These fees and expense are in addition to, and may be duplicative of, the Fund's direct fees and expenses. The Fund has no control over the investment decisions made by other investment companies. If the investment company is buying (or selling) a security of the same issuer whose securities are being sold (or bought) by the Fund, the result of this would be an indirect expense to the Fund without accomplishing any investment purpose. ETFs are subject to additional risks such as the fact that their shares may trade at a market price above or below their net asset values or that an active market may not develop. The Investment Company Act of 1940 (the "1940 Act") generally limits a fund's ability to invest in other investment companies such that, following any purchase, the fund: (1) has invested no more than 5% of its total assets in any single investment company and no more than 10% of its total assets in investment companies overall, and (2) owns no more than 3% of the voting securities of any given investment company.

**Variable Rate Demand Instruments.** Value Line Tax Exempt Fund may invest in variable rate demand instruments are tax-exempt municipal obligations that provide for a periodic adjustment in the interest rate paid on the instrument according to changes in interest rates generally. These instruments permit the Fund to demand payment of the unpaid principal balance plus accrued interest upon a specified number of days' notice to the issuer or its agent. The demand feature may be backed by a bank letter of credit or guarantee issued with respect to such instrument. The Fund intends to exercise the demand only (1) upon a default under the terms of the municipal obligation, (2) as needed to provide liquidity to the Fund, or (3) to maintain a high quality investment portfolio. The issuer of a variable rate demand instrument may have a corresponding right to prepay at its discretion the outstanding principal of the instrument plus accrued interest upon notice comparable to that required for the holder to demand payment. The variable rate demand instruments that the Fund may purchase are payable on demand on not more than seven calendar days' notice. The terms of the instruments provide that interest rates are adjustable at intervals ranging from daily up to six months, and the adjustments are based upon the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective instruments.



**When-Issued Securities.** Value Line Tax Exempt Fund may invest in municipal securities which may be purchased or sold on a delayed-delivery basis or on a when-issued basis. These transactions arise when the Fund buys or sells securities with payment and delivery taking place in the future, to secure what is considered to be an advantageous price and yield to the Fund. No Payment is made until delivery is due, often a month or more after the purchase. When the Fund engages in when-issued and delayed-delivery transactions, certain risks are involved. The Fund relies on the buyer or seller, as the case may be, to consummate the transaction. Failure of the buyer or seller to do so may result in the Fund failing to obtain a price considered to be advantageous. The securities are subject to market fluctuations and no interest accrues to the purchaser during this period. At the time the Fund commits to purchase municipal securities on a delayed-delivery basis or a when-issued basis, it will record the transaction and reflect the value of the municipal securities in determining the net asset value of the appropriate portfolio. A separate account for the Fund consisting of cash or liquid securities equal to the amount of the when-issued commitments will be established at the Fund's custodian bank. For the purpose of determining the adequacy of the securities in the account, the deposited securities will be valued at market. If the market value of the deposited securities declines, additional cash or securities will be placed in the account on a daily basis so that the market value of the account will equal the amount of such commitments by the Fund.

**Municipal Securities.** Value Line Tax Exempt Fund may invest in municipal securities which are debt issues of governmental bodies, other than the U.S. government, within the United States, including securities issued by or on behalf of states, territories, and possessions of the United States, by the District of Columbia, and by political subdivisions and their duly constituted agencies and instrumentalities. The interest on these issues generally is not includable in "gross income" for regular federal income tax purposes, subject, however, to many exceptions and limitations. The purpose of these issues is to obtain funds for various public uses, including the construction, repair, or improvement of various public facilities, such as airports, bridges, highways, housing, hospitals, mass transit, schools, streets, waterworks and sewage systems.

The two principal classifications of municipal bonds are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith, credit and taxing power for the payment of interest and principal. Revenue bonds are payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the revenues from a special excise tax or other specific source, but not from general tax revenues. Revenue bonds include tax-exempt industrial revenue bonds that generally do not have the pledge of the credit of the issuer but are supported by revenues from a taxable corporation that operates a facility that was financed by the funds from the bond issue, and the pledge, if any, of real and personal property so financed as security for such payment. There are also a variety of hybrid and special types of municipal securities that have characteristics of both general obligation and revenue bonds.

Municipal notes are short-term obligations issued to obtain temporary funds for states, cities, municipalities and municipal agencies. These notes include tax, revenue and bond anticipation notes that provide temporary funds until the anticipated taxes, revenues, or bond proceeds, respectively, are received by the issuer. Other municipal notes include construction loan notes and short-term discount notes. Certain project notes, issued by a state or local housing authority, are secured by the full faith and credit of the United States. Municipal commercial paper consists of very short-term negotiable notes, which provide seasonal working capital needs or interim construction financing. The commercial paper and tax and revenue anticipation notes are paid from general revenues or may be refinanced with long-term debt.

Legislation to restrict or eliminate the federal income tax exemption for interest on municipal securities has, from time to time, been introduced before Congress. If such a proposal were enacted, the availability of municipal securities for investment by the Fund could be adversely affected. In such event, the Fund would re-evaluate its investment objectives and strategies and submit possible changes in the structure of the Fund for the consideration of the shareholders.

#### Fundamental Policies.

The policies set forth below may not be changed with respect to a Fund without the affirmative vote of the majority of the outstanding voting securities of such Fund, which means the lesser of (1) the holders of more than 50% of the outstanding shares of capital stock of the Fund or (2) 67% of the shares present if more than 50% of the shares are present at a meeting in person or by proxy.

In addition to any fundamental policies set forth in the Prospectus, each Fund (except Value Line Tax Exempt Fund) has the following fundamental policies:

Except as permitted by (i) the 1940 Act and the rules and regulations thereunder, or other successor law governing the regulation of registered investment companies, or interpretations or modifications thereof by the SEC, SEC staff or other authority of competent jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff, or other authority of competent jurisdiction, the Fund may not:

- |                            |  |
|----------------------------|--|
| Concentration.             | (1) purchase the securities of any issuer if, as a result of such purchase, the Fund's investments would be concentrated in any particular industry. |
| Borrowing.                 | (2) borrow money.  |
| Senior Securities.         | (3) issue senior securities.   |
| Lending.                   | (4) make loans.  |
| Real Estate & Commodities. | (5) purchase or sell commodities or real estate.   |
| Underwriting Securities.   | (6) underwrite the securities of other issuers.  |

Value Line Tax Exempt Fund has the following fundamental policies:

- (i)

The Fund may not borrow money, except from banks on a temporary basis or via entering into reverse repurchase agreements for extraordinary or emergency purposes or to facilitate redemptions and in amounts not exceeding 10% of the total assets of the Fund, or mortgage, pledge or hypothecate the assets of the Fund except as may be necessary in connection with such borrowings. Securities will not be purchased while borrowings are outstanding.

B-9

- (ii) The Fund may not engage in the underwriting of securities except to the extent that the Fund may be deemed an underwriter as to restricted securities under the Securities Act in selling portfolio securities.
- (iii) The Fund may not invest 25% or more of its assets in securities of issuers conducting their principal business activities in any one industry. (For purposes of applying the limitation set forth in this restriction, securities of the U.S. government, its agencies, or instrumentalities, and securities backed by the credit of a governmental entity are not considered to represent industries. However, obligations backed only by the assets and revenues of non-governmental issuers may for this purposes be deemed to be issued by such non-governmental issuers and the 25% limitation would apply to such obligations. It is nonetheless possible that the Fund may invest more than 25% of its total assets in a broader economic sector of the market for municipal obligations, such as revenue obligations of hospitals and other health care facilities or electrical utility revenue obligations.)
- (iv) The Fund may not purchase equity securities, securities convertible into equity securities or invest in real estate, although the Fund may invest in municipal securities secured by real estate or interests therein.
- (v) The Fund may not lend money except as provided under “Lending Securities” or in connection with the purchase of debt obligations or by investment in repurchase agreements, provided that repurchase agreements maturing in more than seven days when taken together with other liquid investments do not exceed 10% of the Fund’s assets.
- (vi) The Fund may not engage in short sales, purchases on margin or participate on a joint or a joint and several basis in any trading account in securities.
- (vii) The Fund may not write, purchase or sell puts (except for standby commitments), calls or combinations thereof or purchase interests in oil, gas or other mineral exploration or development programs or leases.
- (viii) The Fund may not invest more than 5% of its total assets in the securities of any one issuer or purchase more than 10% of the outstanding publicly issued debt obligations of any issuer or invest in companies for the purposes of exercising control. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities.
- (ix) The Fund may not invest more than 5% of its total assets in securities of issuers having a record, together with their predecessors, of less than three years of continuous operation. This restriction does not apply to any obligation issued or guaranteed by the U.S. government, its agencies or instrumentalities.
- (x) The Fund may not invest more than 2% of the value of its total assets in warrants (valued at the lower of cost or market), except that warrants attached to other securities are not subject to these limitations.
- (xi) The Fund may not invest in commodities or commodity contracts.

- (xii) The Fund may not purchase the securities of any issuer if, to the knowledge of the Fund, those officers and directors of the Fund and of the Adviser, who each owns more than 0.5% of the outstanding securities of such issuer, together own more than 5% of such securities.
- (xiii) The Fund may not purchase or invest in restricted securities or securities which at the time of investment are not readily marketable or invest in repurchase agreements maturing in more than seven days if, as a result of such investment, more than 15% of the Fund's assets would then be invested in such securities.
- (xiv) The Fund's assets will be invested so that at least 80% of the annual income of the Fund will be exempt from regular federal income taxation and will not subject non-corporate shareholders to the alternative minimum tax.

If a percentage restriction used in this Statement of Additional Information or the Prospectus for the Value Line Tax Exempt Fund is adhered to at the time of investment, a later change in percentage resulting from changes in values or assets will not be considered a violation of the restriction except for restrictions (i) and (xiii). For purposes of industry classifications, the Value Line Tax Exempt Fund follows the industry classifications in The Value Line Investment Survey.

#### Non-fundamental Policies.

The following policies are considered non-fundamental and can be changed by the Board of Directors without the approval of shareholders. Shareholders will be notified of any changes to their Fund's non-fundamental policies.

- (1) Each Fund's investment objective is non-fundamental. Value Line Mid Cap Focused Fund's primary investment objective is long-term growth of capital and current income is a secondary investment objective. Value Line Core Bond Fund's primary investment objective is to maximize current income and capital appreciation is a secondary investment objective. Value Line Income & Growth Fund's investment objective is income, as high and dependable as is consistent with reasonable risk and capital growth to increase total return. Value Line Larger Companies Focused Fund's sole investment objective is to realize capital growth. Value Line Premier Growth Fund's investment objective is long-term growth of capital. Value Line Tax Exempt Fund's primary investment objective is to maximize income exempt from federal income taxes while avoiding undue risk to principal and capital appreciation is a secondary objective.
- (2) Value Line Premier Growth Fund invests at least 80% of its net assets in a diversified portfolio of U.S. equity securities with favorable growth prospects.
- (3) Value Line Core Bond Fund invests at least 80% of its assets (including borrowings for investment purposes) in bonds and other debt instruments.
- (4) Value Line Mid Cap Focused Fund invests at least 80% of its assets in common stocks and other equity securities of mid-sized companies.

Additional Information about the Funds' Policies.

The information below is not part of any Fund's fundamental or non-fundamental policies. This information is intended to provide a summary for each of the Fund's (other than Value Line Tax Exempt Fund) fundamental policy of what is currently required or permitted by the 1940 Act, and the rules and regulations thereunder, and the interpretive guidance thereof by the SEC or SEC staff. Where applicable, information is also provided regarding the Funds' current intention with respect to certain investment practices permitted by the 1940 Act.

For purposes of fundamental policy (1), a Fund may not invest 25% or more of its total assets in the securities of issuers in a particular industry. This policy does not apply to investments in securities of the U.S. Government, its agencies or Government Sponsored Enterprises or repurchase agreements with respect thereto.

For purposes of fundamental policy (2), a Fund may borrow money in amounts of up to 331/3% of its total assets from banks for any purpose. Additionally, a Fund may borrow up to 5% of its total assets from banks or other lenders for temporary purposes (a loan is presumed to be for temporary purposes if it is repaid within 60 days and is not extended or renewed).

For purposes of fundamental policy (3), a senior security does not include any promissory note or evidence of indebtedness if such loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the Fund at the time the loan is made (a loan is presumed to be for temporary purposes if it is repaid within 60 days and is not extended or renewed). Further, to the extent a Fund covers its commitments under certain types of agreements and transactions – including reverse repurchase agreements, mortgage-dollar-roll transactions, sale-buybacks, when-issued, delayed-delivery, or forward commitment transactions, and other similar trading practices – by segregating or earmarking liquid assets equal in value to the amount of the Fund's commitment, such agreement or transaction will not be considered a senior security by the Fund.

For purposes of fundamental policy (4), a Fund may not lend more than 331/3% of its total assets, provided that this limitation shall not apply to the Fund's purchase of debt obligations.

For purposes of fundamental policy (5), a Fund may invest in securities or other instruments backed by real estate or commodities or securities of issuers engaged in the real estate business, including real estate investment trusts, or issuers engaged in business related to commodities. Further, the Funds do not consider currency contracts or hybrid instruments to be commodities.

For purposes of fundamental policy 6, the policy will not apply to a Fund to the extent such Fund may be deemed an underwriter within the meaning of the 1933 Act in connection with the purchase and sale of Fund portfolio securities in the ordinary course of pursuing its investment objectives and strategies.

B-12

## MANAGEMENT OF THE FUNDS

The business and affairs of each Fund are managed by the Fund's officers under the direction of its Board of Directors. The following table sets forth information on the Directors and officers of the Funds, each of which serves in that capacity for every Fund. Each Director serves as a director or trustee of each of the registered investment companies advised by the Adviser (the "Value Line Funds"). Each Director serves until his or her successor is elected and qualified.

Name, Address, and Age	Position	Length of Time Served	Principal Occupations During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director During the Past 5 Years
Interested Director* Mitchell E. Appel Age: 44	Director	Since 2010	President of each of the Value Line Funds since June 2008; Chief Financial Officer of Value Line, Inc. ("Value Line") from April 2008 to December 2010 ; Director from February 2010 to December 2010; Chief Financial Officer of the Distributor since April 2008 and President since February 2009; President of the Adviser since February 2009, Trustee since December 2010 and Treasurer since January 2011.	12	Forethought Variable Insurance Trust (September 2013- present)
Non-Interested Directors Joyce E. Heinzerling 500 East 77th Street New York, NY 10162 Age: 59	Director	Since 2008	President, Meridian Fund Advisers LLC (consultants) since 2009 .	12	None
James E. Hillman 59 Westminster Rd. Lynbrook, NY 11563 Age: 58	Director	Since 2015	Chief Financial Officer Notre Dame School of Manhattan since 2011; Director and Principal Financial Officer, Merrill Lynch Global Wealth Management, 2006-2011.	12	Miller/Howard High Income Equity Fund (November 2014 to present)
Michael Kuritzkes	Director			12	None

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

<p>132 Fairview Rd, Narbeth, PA 19072 Age: 54</p>		<p>Since 2015</p>	<p>Consultant, Coronado Advisors LLC since June 2014; Executive Vice President and General Counsel, Harbinger Group Inc. (public holding company), 2013-2014; Executive Vice President and General Counsel, Philadelphia Media LLC, 2010-2013.</p>		
<p>Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 Age: 83</p>	<p>Director</p>	<p>Since 2000</p>	<p>Professor of History, Williams College, 1961 to 2002, Professor Emeritus since 2002, President Emeritus since 1994 and President, 1985-1994; Chairman (1993-1997) and Interim President (2002-2003) of the America Council of Learned Societies; Trustee since 1997 and Chairman of the Board since 2005, National Humanities Center.</p>	<p>12</p>	<p>None</p>

B-13



Name, Address, and Age	Position	Length of Time Served	Principal Occupations During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director During the past 5 Years
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age: 79	Director (Chair of the Board of the Value Line Funds since 2014)	Since 1997	Professor, Skidmore College 2008-2013 ; Visiting Professor of Classics, Williams College, 1999-2008; President Emeritus, Skidmore College since 1999 and President, 1987-1998.	12	None
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age: 76	Director	Since 1983	Chairman, Institute for Political Economy.	12	None
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age: 66	Director	Since 1996	Senior Financial Consultant, Veritable, L.P. (investment advisor) until December 2013.	12	None
Officers Mitchell E. Appel Age: 44	President	Since 2008	President of each of the Value Line Funds since June 2008; Chief Financial Officer of Value Line from April 2008 to December 2010; Director from February 2010 to December 2010 ; Chief Financial Officer of the Distributor since April 2008 and President since February 2009; President of the Adviser since February 2009, Trustee since December 2010 and Treasurer since January 2011.		
Michael J. Wagner Age: 64	Chief Compliance Officer	Since 2009	Chief Compliance Officer of each of the Value Line Funds since 2009; President of Northern Lights Compliance Services, LLC (formerly Fund Compliance Services, LLC) (2006-present) and Senior Vice President (2004-2006); President (2004-2006) and Chief Operations		

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

Officer (2003-2006) of Gemini Fund Services, LLC .

Emily D. Washington Age: 36	Treasurer and Chief Financial Officer; Secretary	Since 2009	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer) of each of the Value Line Funds since 2008 and Secretary since 2010; Secretary of the Adviser since 2011
--------------------------------	--	---------------	--

---

\* Mr. Appel is an “interested person” as defined in the 1940 Act by virtue of his position with EULAV Securities LLC (the “Distributor”) and the Adviser.

Unless otherwise indicated, the address for each of the above is 7 Times Square, 21st Floor, New York, NY 10036-6524.

B-14

Committees. The non-interested Directors of each Fund serve as members of the Audit Committee of the Board of Directors. The principal function of the Audit Committee consists of overseeing the accounting and financial reporting policies of the Fund and meeting with the Fund's independent registered public accounting firm to review the range of their activities and to discuss the Fund's system of internal accounting controls. The Audit Committee also meets with the Fund's independent registered public accounting firm in executive session at each meeting of the Audit Committee. There were four meetings of each Fund's Audit Committee during the last calendar year. Each Fund has a Valuation Committee consisting of Mitchell E. Appel and Joyce E. Heinzerling (or one other non-interested Director if she is not available). There were no meetings of the Valuation Committees during the last calendar year. The Valuation Committee reviews any actions taken by the Pricing Committee of each Fund which consists of certain officers and employees of the respective Fund and the Adviser, in accordance with the valuation procedures adopted by each Fund's Board of Directors. Each Fund also has a combined Nominating/Governance Committee consisting of certain of the non-interested directors the purpose of which is to review and nominate candidates to serve as non-interested directors and supervise Fund governance matters. The Nominating/Governance Committee generally will not consider nominees recommended by shareholders. The Nominating/Governance Committee met two times during the last calendar year.

**Board Structure.** The Board is comprised of eight Directors, seven of whom (87%) are not "interested persons" (as that term is defined in the 1940 Act) of the Fund (the "Independent Directors"). The Board has appointed Dr. Porter (an Independent Director) as its Chair and Mr. Appel (the President of the Adviser) as its Chief Executive Officer. The Board has established three standing committees: the Audit Committee, the Nominating/Governance Committee and the Valuation Committee. The Audit Committee and the Nominating/Governance Committee are chaired by, and composed entirely of, Independent Directors. The Valuation Committee is composed of an Independent Director and an interested Director. See "Committees" above for a further description of the composition, duties and responsibilities of these committees.

The Directors and the members of the Board's committees annually evaluate the performance of the Board and the committees, which evaluation includes considering the effectiveness of the Board's committee structure. The Board believes that their leadership structure, including an Independent Director as the Chair, is appropriate in light of the asset size of the respective Funds and the other Value Line Funds, the number of Value Line Funds, and the nature of the Funds' business, and is consistent with industry best practices. In particular, the Board believes that having a super-majority of Independent Directors is appropriate and in the best interests of Fund shareholders.

**Risk Oversight.** As part of their responsibilities for oversight of the Funds, the Board oversees risk management of each Fund's investment program and business affairs. The Board performs its oversight responsibilities as part of its Board and Committee activities. The Independent Directors also regularly meet outside the presence of management and have engaged independent legal counsel to assist them in performing their oversight responsibilities. The Board has delegated to the Audit Committee oversight responsibility of the integrity of the Funds' financial statements, the Funds' compliance with legal and regulatory requirements as they relate to the financial statements, the independent auditor's qualifications and independence, the Funds' internal controls over financial reporting, the Funds' disclosure controls and procedures and the Funds' code of business conduct and ethics pursuant to the Sarbanes-Oxley Act of 2002. The Audit Committee reports areas of concern, if any, to the Fund's Board for discussion and action.

The Board, including the Independent Directors, have approved the Funds' compliance program and appointed the Funds' Chief Compliance Officer, who is responsible for testing the compliance procedures of the Funds and certain of its service providers. Senior management and the Chief Compliance Officer report at least quarterly to the Board regarding compliance matters relating to the Funds, and the Chief Compliance Officer annually assesses (and reports to the Board regarding) the operation of the Funds' compliance program. The Independent Directors generally meet at least quarterly with the Chief Compliance Officer outside the presence of management.

**Qualifications and Experience of Directors.** The Board believes that each Director's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Directors lead to the conclusion that each Director should serve in such capacity. Among other attributes common to all Directors are their ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the Adviser, other service providers, counsel and the independent registered public accounting firm, to exercise effective business judgment in the performance of their duties, and to represent the interests of all the shareholders. A Director's ability to perform his duties effectively may have been attained through his educational background or professional training; business, consulting or academic leadership positions; experience from service as a Director of a Fund, or in various roles at public companies, private entities or other organizations; and/or other life experiences. In addition to these shared characteristics, set forth below is a brief discussion of the specific qualifications, attributes or skills of each Director that support the conclusion that each person is qualified to serve as a Director.

Mr. Appel has served as an interested Director on the Board since 2010. His relevant experience includes serving as President of each Value Line Fund since 2008, Chief Financial Officer of Value Line, Inc. from September 2005 to December 2010 (excluding November 2007 - April 2008) and President of the Adviser since February 2009.

Ms. Heinzerling has served as an Independent Director on the Board since 2008. Her relevant experience includes being the president of a regulatory consulting company, former general counsel to an investment adviser and a former director of an unaffiliated mutual fund family.

Mr. Hillman has served as an Independent Director on the Board since March 2015. His relevant experience includes being a certified Public Accountant, serving as an independent director to closed-end mutual funds and authoring the book *Regulated Investment Companies*, as well as having been a Principal Financial Officer of four registered investment advisors and a tax partner of two public accounting firms.

Mr. Kuritzkes has served as an Independent Director on the Board since March 2015. His relevant experience includes having been an officer and general counsel to several large public and private companies as well as serving on the board of a university-based center for performing arts.

Dr. Oakley has served as an Independent Director on the Board since 2000. His relevant experience includes being the former president of a college with endowment fund oversight responsibility and serving in other leadership positions and serving on other boards.

Dr. Porter has served as an Independent Director on the Board since 1997. His relevant experience includes being the former president of a college with endowment fund oversight responsibility and serving in other leadership positions and serving on other boards.

Dr. Roberts has served as an Independent Director on the Board since 1983. His relevant experience includes being an economist and a former Assistant Secretary of the U.S. Treasury and a nationally syndicated columnist.

Ms. Sheerr has served as an Independent Director on the Board since 1996. Her relevant experience includes having been a senior financial adviser of an investment adviser and serving on other boards, including as chairman, with endowment fund oversight responsibility.

The following table sets forth information regarding compensation of Directors by the Funds and the other Value Line Funds of which each of the Directors was a director or trustee for the fiscal year ended December 31, 2014. Directors who are officers or employees of the Adviser do not receive any compensation from the Funds or any of the Value Line Funds. The Funds have no retirement or pension plan for its Directors.

Name of Person Interested Director	Aggregate	Aggregate	Aggregate	Aggregate	Aggregate	Aggregate	Total
	Compensation From Value Line Mid Cap Focused Fund	Compensation From Value Line Core Bond Fund	Compensation From Value Line Income & Growth Fund	Compensation From Value Line Larger Companies Focused Fund	Compensation From Value Line Premier Growth Fund	Compensation From Value Line Tax Exempt Fund	
Mitchell E. Appel	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Non-Interested Directors *							
Joyce E. Heinzerling	\$ 4,247	\$ 2,807	\$ 11,861	\$ 7,419	\$ 13,228	\$ 2,614	\$ 74,000
Francis C. Oakley	\$ 4,247	\$ 2,807	\$ 11,861	\$ 7,419	\$ 13,228	\$ 2,614	\$ 74,000
David H. Porter	\$ 4,381	\$ 2,887	\$ 12,273	\$ 7,661	\$ 13,633	\$ 2,690	\$ 81,500
Paul Craig Roberts	\$ 3,980	\$ 2,627	\$ 11,096	\$ 6,944	\$ 12,401	\$ 2,444	\$ 74,000
Nancy-Beth Sheerr	\$ 4,353	\$ 2,878	\$ 12,166	\$ 7,609	\$ 13,560	\$ 2,680	\$ 81,000
Daniel S. Vandivort **	\$ 3,745	\$ 2,507	\$ 10,217	\$ 6,478	\$ 11,734	\$ 2,321	\$ 69,500

\* Messrs. Hillman and Kuritzkes were not directors of any Value Line Fund during the fiscal year ended December 31, 2014 and accordingly received no compensation from any Value Line Fund during that period.

\*\* Mr. Vandivort resigned from his positions with the Value Line Funds, effective September 19, 2014.

The following table illustrates the dollar range of any equity securities beneficially owned by each Director in the Funds and in 2014 :

Name of Director Interested	Dollar Range of Equity Securities in Value Line Mid Cap Focused Fund	Dollar Range of Equity Securities in Value Line Core Bond Fund	Dollar Range of Equity Securities in Value Line Income & Growth Fund	Dollar Range of Equity Securities in Value Line Larger Companies Focused Fund	Dollar Range of Equity Securities in Value Line Premier Growth Fund
Director Mitchell E. Appel	\$ 10,001 – \$ 5 0,000	\$ 10,001 – \$ 5 0,000	\$ 10,001 – \$ 5 0,000	\$ 10,001 – \$ 5 0,000	\$10,001 – \$50,000
Non-Interested Directors					
Joyce E. Heinzerling	\$10,001 – \$50,000	\$–0 –	\$–0 –	\$–0 –	\$10,001 – \$50,000
James E. Hillman	\$–0 –	\$–0 –	\$–0 –	\$–0 –	\$–0 –
Michael Kuritzkes	\$–0 –	\$–0 –	\$–0 –	\$–0 –	\$–0 –
Francis C. Oakley	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000
David H. Porter	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000
Paul Craig Roberts	\$–0 –	\$–0 –	\$–0 –	\$–0 –	Over \$100,000
Nancy-Beth Sheerr	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000	\$1 – \$10,000

As of March 31, 2015 , with respect to each Fund, no person owned of record or, to the knowledge of the Fund, owned beneficially, 5% or more of its outstanding shares, other than:

Value Line Core Bond Fund

Charles Schwab & Co., Inc., 101 Montgomery Street, San Francisco, CA 94104 486,015 shares (approximately 9.1 % of the shares outstanding)

Value Line Income & Growth Fund

Charles Schwab & Co., Inc., 101 Montgomery Street, San Francisco, CA 94104 10,897,584 shares (approximately 26.8 % of the shares outstanding)

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

National Financial Services Co., 200 Liberty Street, New York, NY 10281 6,695,763 shares (approximately 16.5 % of the shares outstanding)

Value Line Larger Companies Focused Fund

Charles Schwab & Co., Inc., 101 Montgomery Street, San Francisco, CA 94101 582,126 shares (approximately 6.8 % of the shares outstanding)

National Financial Services Co., 200 Liberty Street, New York, NY 10281 478,126 shares (approximately 5.6% of the shares outstanding)

B-18

Value Line Premier Growth Fund

Charles Schwab & Co. Inc., 101 Montgomery Street, San Francisco, CA 94101 2,680,083 shares (approximately 24.8 % of the shares outstanding)

National Financial Services Co., 200 Liberty Street, New York, NY 10281 2,113,858 shares (approximately 19.5 % of the shares outstanding)

Value Line Tax Exempt Fund

Charles Schwab & Co. Inc., 101 Montgomery Street, San Francisco, CA 94101 586,982 shares (approximately 8% of the shares outstanding)

Officers and Directors of each Fund owned less than 1% of the outstanding shares of each Fund. None of the non-interested Directors, and his or her immediate family members, own any shares in the Adviser or a subsidiary of the Adviser or a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with the Adviser or the Distributor.

Proxy Voting Policies

As a shareholder of the companies in which it invests, each Fund receives proxies to vote at those companies' annual or special meetings. Each Fund's Board of Directors has adopted Proxy Voting Policies and Procedures ("Proxy Voting Policies") pursuant to which the Adviser votes shares owned by a Fund. The Adviser endeavors to vote proxies relating to portfolio securities in accordance with its best judgment as to the advancement of the Fund's investment objective. The general principles of the Proxy Voting Policies reflect the Adviser's basic investment criterion that good company management is shareholder focused and should generally be supported. The Funds generally support management on routine matters and support management proposals that are in the interests of shareholders. The Board of each Fund reviews the Proxy Voting Policies periodically.

Subject to each Board's oversight, the Adviser has final authority and fiduciary responsibility for voting proxies received by a Fund; however, the Adviser has delegated the implementation of each Fund's Proxy Voting Policies to Broadridge Financial Solutions ("Broadridge"), a proxy voting service that is not affiliated with the Adviser or the Funds. In addition, Broadridge will make a recommendation to the Adviser consistent with the Proxy Voting Policies with respect to each proxy that the Funds receive. On matters involving corporate governance, Broadridge will provide recommendations generated by the independent proxy advisory firm, Glass, Lewis & Co., LLC. The Adviser generally anticipates that it will follow the recommendations of Broadridge.

The following is a summary of the manner in which the Adviser would normally expect to vote on certain matters that typically are included in the proxies that the Funds receive each year; however, each proxy needs to be considered separately and a Fund's vote may vary depending upon the actual circumstances presented. Proxies for extraordinary matters, such as mergers, reorganizations and other corporate transactions, may be considered on a case-by-case basis in light of the merits of the individual transactions.



## Election of Directors, Corporate Governance and Routine Matters

The Funds generally support management on routine corporate matters and matters relating to

corporate governance. For example, the Adviser generally expects to support management on the following matters:

Increases in the number of authorized shares of or issuances of common stock or other equity securities pursuant to an appropriate detailed plan ;

Shareholder rights and recapitalization measures; and

The selection of independent accountants.

The types of matters on corporate governance that the Adviser would expect to vote against include:

The adoption of a classified board;

The adoption of proposals that tend to limit or reduce the market value of the company's securities; and

The adoption of poison pill plans or similar anti-takeover measures.

## Compensation Arrangements and Stock Option Plans

The Adviser believes, if its view of management is favorable enough that a Fund has invested in the company, that arrangements that align the interests of management and shareholders are beneficial to long-term performance. However, some arrangements or plans have features that a Fund would oppose. For example, the Funds would normally vote against a "say-on-pay" proposal if deficiencies are identified in the design of the company's compensation program.

## Social Policy Based Proposals

Generally, the Adviser will vote against proposals that address social or political issues but will consider supporting such proposals when they seek to protect shareholder rights or minimize risks to shareholder value.

If the Adviser believes that a conflict of interest exists with respect to its exercise of any proxy received by a Fund, the Adviser will report the potential conflict to a Proxy Voting Committee consisting of members of the Adviser's staff. A conflict of interest may arise, for example, if the company to which the proxy relates is a client of the Adviser or one of its affiliates or if the Adviser or one of its affiliates has a material business relationship with that company. The Adviser's Proxy Voting Committee is responsible for ensuring that the Adviser complies with its fiduciary obligations in voting proxies. If a proxy is referred to the Proxy Voting Committee, the Proxy Voting Committee evaluates whether a potential conflict exists and, if there is such a conflict, determines how the proxy should be voted in

accordance with the best interests of the Fund and its shareholders.

Every August, each Fund will file with the Securities and Exchange Commission (“SEC”) information regarding the voting of proxies by the Fund for the 12-month period ending the preceding June 30th. Shareholders will be able to view such filings on the SEC’s website at <http://www.sec.gov> or at the Funds’ website at <http://www.vlfunds.com>.

B-20

Shareholders may also obtain a copy of the Proxy Voting Policies by contacting the Funds at the address or phone number on the cover page of this Statement of Additional Information.

#### Disclosure of Portfolio Holdings

Each Fund's policy is to provide portfolio holdings information to all investors on an equal basis and in a manner that is not expected to interfere with the Fund's investment strategies. To that end, each Fund provides general portfolio holdings information to shareholders in their annual and semi-annual reports, which reports are also filed with the SEC. In addition, with respect to fiscal quarter ends for which there is no shareholder report, each Fund files with the SEC a Form N-Q. Each of these shareholder reports or filings provides full period end portfolio holdings and are filed or mailed to shareholders within 60 days of the period end.

In addition, the Funds' Distributor may produce for marketing purposes Fund fact sheets, which would include each Fund's top ten holdings and other information regarding a Fund's portfolio. These fact sheets would be prepared as soon as possible after the end of the fiscal quarter but would not be released until after the Fund has filed with the SEC its annual, semi-annual or quarterly report.

**Ongoing Relationships.** Officers of the Funds who are also officers of the Adviser currently authorize the distribution of portfolio holdings information other than that stated above to (i) each Fund's service providers and (ii) investment company rating agencies which are Morningstar, S&P, Lipper, Thomson Financial, Value Line Publishing and Bloomberg pursuant to policies and procedures adopted by each Fund's Board of Directors. The Funds' service providers are their accountants, administrator, custodian, counsel, pricing service (Interactive Data Corporation) and proxy voting service, who may need to know a Fund's portfolio holdings in order to provide their services to the Fund. Information is provided to such firms without a time lag. Investment company rating agencies require the portfolio holdings information more frequently than the Funds otherwise disclose portfolio holdings in order to obtain their ratings. This information is normally provided as soon as possible after the period end, which may be month end or quarter end. The Adviser believes that obtaining a rating from such rating agencies, and providing the portfolio holdings information to them, is in the best interest of shareholders. While the Funds do not have written confidentiality agreements from any rating agency or service provider and may be subject to potential risks, the information is provided with the understanding, based on duties of confidentiality arising under law or contract, that it only may be used for the purpose provided and should not be used to trade on such information or communicated to others.

**Non-Ongoing Relationships.** Except for rating agencies and service providers, non-public portfolio holdings disclosure may only be made if a Fund's Chief Compliance Officer determines that there are legitimate business purposes for the Fund in making the selective disclosure and adequate safeguards to protect the interest of the Fund and its shareholders have been implemented. These safeguards may include requiring written undertakings regarding confidentiality, use of the information for specific purposes and prohibition against trading on that information. To the extent that an officer of a Fund determines that there is a potential conflict of interest with respect to the disclosure of information that is not publicly available between the interests of Fund shareholders, on the one hand, and those of the Adviser, the Distributor or any affiliated person of the Fund, the Adviser or the Distributor on the other, the officer must inform the Fund's Chief Compliance Officer of such potential conflict who shall determine whether disclosure is reasonable under the circumstances and shall report such potential conflict of interest to the Fund's Board of Directors. The Chief Compliance Officer will also report to the Board of Directors regarding any disclosure (other than to rating agencies and service providers) at the Board meeting next following the selective disclosure. The Funds do not release portfolio holdings information to any person for compensation.

B-21

Each Fund's Board of Directors has approved its portfolio holdings disclosure policy and may require the Adviser to provide reports on its implementation from time to time including a review of any potential conflicts of interest in the disclosure made by the Adviser in accordance with the policy or the exceptions permitted under the policy. It may also require that each Fund's Chief Compliance Officer monitor compliance with this policy.

#### INVESTMENT ADVISORY AND OTHER SERVICES

The investment advisory agreement between each Fund and the Adviser provides for an advisory fee based on the Fund's average daily net assets at the annual rates indicated below. The table also sets forth the advisory fee paid by each Fund during the fiscal years ended December 31, 2014, 2013, and 2012.

Fund	Advisory Fee Rate as a % of Average Daily Net Assets	Advisory Fees Paid or Accrued to the Adviser for the fiscal years ended December 31:		
		2014	2013	2012
Value Line Mid Cap Focused Fund	0.70% in the first \$100 million of the Fund's average daily net assets and 0.65% on any additional assets.	\$ 854,491	\$ 807,293	\$ 834,131
Value Line Core Bond Fund(1)	0.50%(2)	\$ 414,473	\$ 382,486	\$ 237,606
Value Line Income & Growth Fund	0.70% in the first \$100 million of the Fund's average daily net assets and 0.65% on any additional assets.	\$ 2,284,424	\$ 2,095,572	\$ 2,027,879
Value Line Larger Companies Focused Fund	0.75%	\$ 1,607,518	\$ 1,458,201	\$ 1,406,574
Value Line Premier Growth Fund	0.75%	\$ 2,897,997	\$ 2,798,432	\$ 2,467,463
Value Line Tax Exempt Fund(3)	0.50%	\$ 322,539	\$ 407,267	\$ 467,799

(1) In 2013, Value Line Core Bond Fund changed its fiscal year end from January 31 to December 31. The information shown for 2012, 2013 and 2014 is for the Fund's fiscal years ended January 31, 2012, and December 31, 2013 and 2014, respectively. For the period June 1, 2012 through June 30, 2013, the Adviser waived a portion of the management fee in an amount equal to 0.20% of the Fund's average daily net assets. Effective June 1, 2013 to June 30, 2014, the Adviser contractually agreed to waive a portion of the management fee in an amount equal to 0.10% of its average daily net assets. Effective July 1, 2014, the Adviser contractually agreed to waive a portion of the management fee in an amount equal to 0.20% of the Fund's average daily net assets. There is no assurance that the Adviser will extend the contractual fee waiver beyond

such date. The fees waived amounted to \$63,362 , \$76,530 and \$123,886 for the year ended January 31, 2013, the 11-month period ending December 31, 2013 and the year ended December 31, 2014 , respectively.

B-22

- (2) Following a permanent fee reduction effective February 1, 2013, the investment advisory agreement between the Value Line Core Bond Fund and the Adviser provides for a monthly advisory fee at an annual rate equal to 0.50% of average daily net assets. Prior to this permanent fee reduction, the investment advisory agreement between the Fund and the Adviser provided for a monthly advisory fee at an annual rate equal to 0.70% on the first \$100 million of the Fund's average daily net assets and 0.50% on any additional assets.
- (3) In 2014, Value Line Tax Exempt Fund changed its fiscal year from the last day of February to December 31. The information shown for 2014 is for the period March 1, 2014 through December 31, 2014; the information shown for 2013 and 2012 is for the fiscal year ended on the last day of February 2014 and 2013.

Each Fund's investment advisory agreement provides that the Adviser shall render investment advisory and other services to the Fund including, at its expense, all administrative services, office space and the services of all officers and employees of the Fund. Each Fund pays all other expenses not assumed by the Adviser including taxes, interest, brokerage commissions, insurance premiums, fees and expenses of the custodian and shareholder servicing agents, legal, audit and Fund accounting expenses and fees, fees and expenses in connection with qualification under federal and state securities laws and costs of shareholder reports and proxy materials. Each Fund has agreed that it will use the words "Value Line" in its name only so long as the Adviser serves as investment adviser to the Fund and the Fund does not alter its investment objectives or fundamental policies to use leverage for investment purposes or other strategies similar to that of hedge funds. The agreement will terminate upon its "assignment", as such term is defined in the 1940 Act.

The Adviser currently acts as investment adviser to six other investment companies which, together with the Funds, constitute the Value Line Funds with combined assets under management of approximately \$2.4 billion as of March 31, 2015.

Certain of the Adviser's clients may have investment objectives similar to a Fund and certain investments may be appropriate for a Fund and for other clients advised by the Adviser. From time to time, a particular security may be bought or sold for only one client or in different amounts and at different times for more than one but less than all such clients. In addition, a particular security may be bought for one or more clients when one or more other clients are selling such security, or purchases or sales of the same security may be made for two or more clients at the same time. In such event, such transactions, to the extent practicable, will be averaged as to price and allocated as to amount in proportion to the amount of each order. In some cases, this procedure could have a detrimental effect on the price or amount of the securities purchased or sold by a Fund. In other cases, however, it is believed that the ability of a Fund to participate, to the extent permitted by law, in volume transactions will produce better results for the Fund.

The Adviser and/or its affiliates, officers, directors and employees may from time to time own securities which are also held in the portfolio of a Fund. The Funds, the Adviser and the Distributor have adopted a Code of Ethics under Rule 17j-1 of the 1940 Act which permits personnel subject to the Code of Ethics to invest in securities, including securities that may be purchased or held by a Fund. The Code of Ethics requires that such personnel submit reports of security transactions for their respective accounts and restricts trading in various situations in order to avoid possible conflicts of interest.

**Principal Underwriter.** Each Fund has entered into a distribution agreement with the Distributor, a wholly-owned subsidiary of the Adviser, whose address is 7 Times Square, 21st Floor, New York, NY 10036-6524, pursuant to which the Distributor acts as principal underwriter and distributor of the Fund for the sale and distribution of its shares. For its services under the agreement, the Distributor is not entitled to receive any compensation, although it is entitled to receive fees under each Fund's Service and Distribution Plan (12b-1 Plan) (each a "Plan" and together the "Plans"). The Distributor also serves as distributor to the other Value Line Funds.

**Other Service Providers.** State Street Bank and Trust Company ("State Street") has been retained to provide certain bookkeeping, accounting and administrative services for the Funds. The Adviser has paid State Street \$66,900 for each Fund for each of the prior three fiscal years for providing these services. State Street, whose address is 225 Franklin Street, Boston, MA 02110, also acts as each Fund's custodian, transfer agent and dividend-paying agent. As custodian, State Street is responsible for safeguarding each Fund's cash and securities, handling the receipt and delivery of securities and collecting interest and dividends on each Fund's investments. As transfer agent and dividend-paying agent, State Street effects transfers of Fund shares by the registered owners and transmits payments for dividends and distributions declared by each Fund. Boston Financial Data Services, Inc., a State Street affiliate, whose address is 330 W. 9th Street, Kansas City, MO 64105, provides certain transfer agency functions to each Fund as an agent for State Street.

PricewaterhouseCoopers LLP, whose address is 300 Madison Avenue, New York, NY 10017, acts as the Fund's independent registered public accounting firm.

**Ownership and Control of the Adviser.** The Adviser's voting securities are held in equal percentages by four shareholders, each of which also serves as a trustee of the Adviser. Together, they manage the combined company consisting of the Adviser and the Distributor much like a board of directors. Day-today management of the Adviser and the Distributor is delegated to its senior executive, Mitchell E. Appel. The current trustees and holders of the Adviser's voting profits interests are: Mr. Appel, Avi T. Aronovitz, Robert E. Rice and R. Alastair Short.

A non-voting profits interest in the Adviser is retained by its predecessor, Value Line. Value Line has with respect to the Adviser the benefit of certain consent rights, such as selling all or a significant part of the Adviser, making material acquisitions, entering into businesses other than asset management and fund distribution, declaring bankruptcy, making material changes in tax or accounting policies or making material borrowing, and entering into related party transactions. However, Value Line has no power to vote for the election, removal or replacement of trustees of the Adviser.

Value Line has (1) granted the Adviser, the Distributor and the Fund a permanent right to use of the name "Value Line" so long as the Adviser remains the Fund's adviser and the Fund does not alter its investment objectives or fundamental policies as they exist on the date of the investment advisory agreement to create a risk profile similar to that of so-called hedge funds and (2) agreed to provide the Adviser its ranking information without charge on as favorable a basis as to its best institutional customers.



Portfolio Managers

Fund	Portfolio Manager
Value Line Mid Cap Focused Fund	Stephen E. Grant is primarily responsible for the day-to-day management of the Fund's portfolio.
Value Line Core Bond Fund	Liane Rosenberg and Jeffrey Geffen are primarily responsible for the day-to-day management of the Fund's portfolio.
Value Line Income & Growth Fund	Stephen E. Grant and Cindy Starke are primarily responsible for the day-to-day management of the Fund's equity portfolio and allocation of the Fund's assets, Liane Rosenberg is primarily responsible for the day-to-day management of the non-equity portion of the Fund's portfolio.
Value Line Larger Companies Focused Fund	Cindy Starke is primarily responsible for the day-to-day management of the Fund's portfolio.
Value Line Premier Growth Fund	Stephen E. Grant is primarily responsible for the day-to-day management of the Fund's portfolio .
Value Line Tax Exempt Fund	Liane Rosenberg is primarily responsible for the day-to-day management of the Fund's portfolio.

Compensation. Each portfolio manager employed by the Adviser receives a fixed base salary. In addition, a manager may receive an annual bonus in the Adviser's discretion. Salary and bonus are paid in cash. Base salary is normally reevaluated on an annual basis. Any bonus is completely discretionary and may be in excess of a manager's base salary. The profitability of the Adviser and the investment performance of the accounts that the portfolio manager is responsible for are factors in determining the manager's overall compensation. The level of any bonus compensation may be influenced by the relative performance of the accounts managed by the portfolio manager or the financial performance of the Adviser. However, as noted, all bonus compensation is discretionary and the Adviser does not employ formulas with respect to either of these factors to compute a portfolio manager's bonus. There are no differences in a portfolio manager's compensation structure for managing mutual funds or private accounts.

Other Accounts Managed. The table below shows the number of Value Line Funds for which each portfolio manager has primary or joint responsibility of day-to-day management and the combined total assets of those Value Line Funds at December 31, 2014. None of the portfolio managers currently manage any private accounts.

	Number of Funds	Total Assets
Stephen E. Grant	7	\$ 2.0 billion
Liane Rosenberg	5	\$ 1.1 billion
Jeffrey Geffen	3	\$657 million
Cindy Starke	4	\$592 million

Material Conflicts of Interest. The Adviser's portfolio managers typically manage more than one account. Portfolio managers make investment decisions for each account based on the investment objectives and policies of each such

account. If the portfolio manager identifies an investment opportunity that may be suitable for multiple accounts, the Fund may not take full advantage of that opportunity because the opportunity may need to be allocated among more than one account. In addition, a portfolio manager may purchase or sell securities of one account and not another account. None of the accounts pay performance-related fees. Investments are allocated pro rata among all of the Adviser's accounts in a manner which the Adviser deems to be fair and equitable. The Adviser currently does not have any private accounts.

B-25

Ownership of Securities. None of Funds' portfolio managers own shares of the Fund(s) they manage, respectively.

#### SERVICE AND DISTRIBUTION PLAN

Each Plan is designed to finance the activities of the Distributor in advertising, marketing and distributing Fund shares and for servicing Fund shareholders at an annual rate of 0.25% of the Fund's average daily net assets. The Distributor has contractually agreed to waive a portion of certain Funds' Rule 12b-1 fees. The contractual waiver amount and amounts waived for the fiscal year ended December 31, 2014 for the applicable Funds are set forth in the chart below. There is no assurance that the Distributor will extend the fee waiver beyond the date indicated, and the fee waiver may be modified or terminated before such date with the approval of the Fund's Board.

Fund	Contractual Fee Waiver	Total Fees Waived for the Fiscal Year Ended December 31, 2014
Value Line Core Bond Fund	Effective June 1, 2013 through June 30, 2014, the Distributor waived a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.05% of its average daily net assets. Effective July 1, 2014 through June 30, 2016, the Distributor waived a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.15% of its average daily net assets.	\$ 82,439
Value Line Income & Growth Fund	During a portion of the Fund's fiscal year ended December 31, 2014, the Distributor waived a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.05% of its average daily net assets. The waiver was discontinued as of July 1, 2014.	\$ 82,712
Value Line Larger Companies Focused Fund	Effective May 1, 2013 through the Fund's fiscal year ended December 31, 2014, the Distributor waived a portion of the Fund's Rule 12b-1 fees in an amount equal to 0.10% of its average daily net assets. The Distributor has agreed to extend the contractual fee waiver through June 30, 2016.	\$ 214,336
Value Line Tax Exempt Fund	Effective July 1, 2013 through the Fund's fiscal year end, the Distributor waived the Fund's Rule 12b-1 fee. The Distributor has agreed to extend the fee waiver through June 30, 2016.	\$204,326

B-26

The table below sets forth for each Fund's fiscal year ended December 31, 2014 the net fees paid by the Fund to the Distributor pursuant to the Plan, the amounts paid by the Distributor to other broker-dealers, and the amounts incurred by the Distributor in advertising and other marketing expenses. The fees payable to the Distributor under the Plan are payable without regard to actual expenses incurred.

	Net Fees Paid to the Distributor	Fees Paid by the Distributor to other Broker-Dealers	Advertising and Marketing Expenses Paid by the Distributor
Value Line Mid Cap Focused Fund	\$ 309,419	\$ 48,424	\$ 143,027
Value Line Core Bond Fund	\$ 124,798	\$ 60,547	\$ 37,077
Value Line Income & Growth Fund	\$ 776,682	\$ 615,699	\$ 262,978
Value Line Larger Companies Focused Fund	\$ 321,504	\$ 104,227	\$ 192,499
Value Line Premier Growth Fund	\$ 965,999	\$ 733,739	\$ 285,125
Value Line Tax Exempt Fund	\$ -0-	\$ 40,986	\$ 31,864

The principal services and expenses for which such compensation may be used include: compensation to employees or account executives and reimbursement of their expenses; overhead and telephone costs of such employees or account executives; printing of prospectuses or reports for prospective shareholders advertising; preparation, printing and distribution of sales literature; and allowances to other broker-dealers. A report of the amounts expended under each Plan is submitted to the Directors each quarter. Because of the Plan, long-term shareholders may pay more than the economic equivalent of the maximum sales charge permitted by the Financial Industry Regulatory Authority regarding investment companies.

As noted above, each Plan is a compensation plan, which means that the Distributor's fees under the Plan are payable without regard to actual expenses incurred by the Distributor. To the extent the revenue received by the Distributor pursuant to a Plan exceeds the Distributor's marketing expenses, the Distributor may earn a profit under the Plan.

Each Plan is subject to annual approval by the respective Fund's Directors, including the non-interested Directors. Each Plan is terminable at any time by vote of the respective Fund's Directors or by vote of a majority of the shares of the Fund. Pursuant to each Plan, a new Director who is not an "interested person" (as defined in the 1940 Act) must be nominated by existing Directors who are not "interested persons".

Because amounts paid pursuant to each Plan are paid to the Distributor, the Distributor and its officers, directors and employees may be deemed to have a financial interest in the operation of the Plan. None of the non-interested Directors has a financial interest in the operation of each Plan.

Each Plan was adopted because of its anticipated benefits to the Fund. These anticipated benefits include: the ability to realize economies of scale as a result of increased promotion and distribution of the Fund's shares, and enhancement in the Fund's ability to maintain accounts and improve asset retention, increased stability of net assets for the Fund, increased stability in the Fund's investment positions, and greater flexibility in achieving investment objectives. The costs of any joint distribution activities between a Fund and other Value Line Funds will be allocated among the Funds in proportion to the number of their shareholders or another reasonable method of allocation.

### Sub-Transfer Agency Services and Fees

In addition, each Fund (other than Value Line Core Bond Fund and Value Line Tax Exempt Fund) compensates financial intermediaries that provide sub-transfer agency and related services to investors that hold their Fund shares in omnibus accounts maintained by the financial intermediaries with the Fund. The sub-transfer agency fee, which may be paid directly to the financial intermediary or indirectly via the Distributor, is equal to the lower of (i) the aggregate amount of additional transfer agency fees and expenses that a Fund would otherwise pay to State Street if each subaccount in the omnibus account maintained by the financial intermediary with the Fund were a direct account with the Fund and (ii) the amount by which the fees charged by the financial intermediary for including the Fund on its platform and providing shareholder, sub-transfer agency and related services exceed the amount paid under the Fund's Plan with respect to Fund assets attributable to shares held by the financial intermediary in the omnibus account. In addition, the amount of sub-transfer agency fees payable by a Fund to all financial intermediaries in the aggregate is subject to a maximum cap of 0.05% of the Fund's average daily net assets. If the sub-transfer agency fee is paid to financial intermediaries indirectly via the Distributor, the Distributor does not retain any amount thereof and such fee otherwise reduces the amount that the Distributor is contractually obligated to pay to the financial intermediary. The plan pursuant to which the sub-transfer agency fee is paid is subject to annual approval by each Board and is terminable at any time by the Board. In addition to a financial intermediary receiving a sub-transfer agency fee and payments under a Fund's Plan, the Distributor or its affiliates may make additional payments to the financial intermediary out of their own assets as described below under the caption "SERVICE AND DISTRIBUTION PLAN — Additional Dealer Compensation."

### Additional Dealer Compensation

If you purchase shares of a Fund through a broker, fund trading platform or other financial intermediary (collectively, "intermediaries"), your intermediary may receive various forms of compensation (which may come directly or indirectly from the Fund and other Value Line Funds) from the Fund, the Distributor, the Adviser and/or their affiliates (collectively, the "Service Providers"). The amount of such payments may be based on a variety of factors, including sales of Fund shares through that intermediary or the value of shares held by investors through that intermediary and in certain instances are subject to minimum payment levels. Compensation from the Service Providers may vary among intermediaries. The types of payments an intermediary may receive include:

Payments under the Plan which are asset based charges paid from the assets of the Fund;

Payments for sub-transfer agency and related services to omnibus account investors, which are also paid from the assets of the Fund; and

Payments by the Service Providers out of its own assets. These payments are in addition to payments made from assets of the Fund, such as payments under the Plan and payments for sub-transfer agency and related services. These payments may take the form of, among other things: "due diligence" payments for an intermediary's examination for the Fund and payments for providing extra employee training, education and information relating to the Fund; "listing" fees for the placement of the Fund on an intermediary's list of mutual funds available for purchase by its customers; "finders" fees for directing investors to the Fund; "distribution and marketing support" fees for providing assistance in promoting the sale of the funds' shares; payments for the sale of shares and/or the maintenance of share balances; maintenance fees; and set-up fees regarding the establishment of new accounts. You should consult with your intermediary and review carefully any disclosure by the intermediary as to compensation received by it for more information about the payments described above. Although a portion of the Service Providers' revenue comes directly or

indirectly in part from fees paid by the Fund and other funds, these payments do not increase the price paid by investors for the purchase of shares of the Fund or other funds. The Service Providers generally agree amongst themselves what payment to make to intermediaries and which Service Provider will bear or make such payments. Payments of this type are sometimes referred to as revenue-sharing payments.

B-28

In addition, the Service Providers may contribute to various non-cash and cash incentive arrangements to promote the sale of Fund shares, and may sponsor various contests and promotions subject to applicable FINRA regulations in which participants may receive prizes such as travel awards, merchandise and cash. Subject to applicable FINRA regulations, the Service Providers may also: (i) pay for the travel expenses, meals, lodging and entertainment of intermediaries and their salespersons in connection with educational and sales promotional programs, (ii) sponsor speakers, educational seminars and charitable events and (iii) provide other sales and marketing conferences and other resources to intermediaries and their salespersons.

Payments to an intermediary may be significant to the intermediary, and amounts that intermediaries pay to your salesperson, financial advisor or other investment professional may also be significant for your salesperson, financial advisor or other investment professional. Because an intermediary may make decisions about which investment options it will recommend or make available to its clients or what services to provide for various products based on payments it receives or is eligible to receive, revenue sharing payments create conflicts of interest between the intermediary and its clients and these financial incentives may cause the intermediary to recommend the Fund and other funds over other investments. The same conflict of interest exists with respect to your salesperson, financial advisor or other investment professional if he or she receives similar payments from his or her intermediary firm.

Brokerage firms and other intermediaries that sell Fund shares may make decisions about which investment options they will service and make available to their clients based on the payments these entities may be eligible to receive for their services. Therefore, payments to a brokerage firm or other intermediary may create potential conflicts of interest between that entity and its clients where that entity determines which investment options it will make available to those clients.

The maximum amount of compensation that may be paid to any intermediary under each Plan is 0.25% of the Fund's average daily net assets. The maximum amount of compensation for sub-transfer agency and related services that may be paid out of the assets of a Fund to any intermediary is the lower of (i) the aggregate amount of additional transfer agency fees and expenses that a Fund would otherwise pay to State Street if each subaccount in the omnibus account maintained by the financial intermediary with the Fund were a direct account with the Fund and (ii) the amount by which the fees charged by the financial intermediary for including the Fund on its platform and providing shareholder, sub-transfer agency and related services exceed the amount paid under the Fund's Plan with respect to Fund assets attributable to shares held by the financial intermediary in the omnibus account. In addition, the amount of compensation for sub-transfer agency and related services payable by a Fund to all financial intermediaries in the aggregate is subject to a maximum cap of 0.05% of the Fund's average daily net assets. Generally, the maximum amount of additional compensation that the Distributor pays to any intermediary from its own assets is 0.15% of the respective Fund's average daily net assets. However, to the extent one or more Service Providers waives any fees it would have otherwise received under a Plan or if payments for sub-transfer agency and related services are not paid by the Fund, such Service Provider or the Distributor (and not the Fund) would pay the intermediaries out of its own assets any such amounts waived.

As of December 31, 2014, the Distributor may make payments out of its own assets to the following financial intermediaries whose fees exceed a Fund's payment of 0.25% of average daily net assets pursuant to its Plan and the maximum amount of sub-transfer agency fees that may be paid to such intermediary.

Brown Bros Harriman  
E\*Trade  
Fidelity/NFSC  
Hand Securities  
Lincoln Financial Grp  
MG Trust  
Mid Atlantic Corp  
Pershing LLC  
PNC Bank  
Schwab  
Smith Hayes  
TD Ameritrade  
TD Ameritrade Trust  
USAA  
Vanguard Fiduciary  
Vanguard Mkt Corp  
Wilmington Trust

Financial intermediaries may have been added or removed from the list above since December 31, 2014.

#### BROKERAGE ALLOCATION AND OTHER PRACTICES

Orders for the purchase and sale of portfolio securities are placed with brokers and dealers who, in the judgment of the Adviser, will obtain the best results for a Fund's portfolio taking into consideration such relevant factors as price, the ability of the broker to effect the transaction and the broker's facilities, reliability and financial responsibility.

Commission rates and spreads, being a component of price, are considered together with such factors. Debt securities are traded principally in the over-the-counter market on a net basis through dealers acting for their own account as principals and not as brokers, without stated commissions, though the price of a security usually includes a profit to the dealer. In underwritten offerings, securities are bought at a fixed price that includes an amount of compensation to the underwriter, generally referred to as the underwriter's "concession" or "discount." On occasion, certain money market instruments may be bought directly from an issuer, in which case no commissions or discounts are paid.

B-30



Pursuant to the provisions of Section 28(e) of the Securities Exchange Act of 1934, the Adviser is also authorized to place purchase or sale orders with brokers or dealers who may charge a commission in excess of that charged by other brokers or dealers if the amount of the commission charged is reasonable in relation to the value of the brokerage and research services provided viewed either in terms of that particular transaction or in relation to the Adviser's overall responsibilities with respect to the account as to which the Adviser exercises investment discretion. Research services provided to the Adviser by broker-dealers are available for the benefit of all Funds and accounts managed by the Adviser, and the allocation of such benefits relative to commissions paid by a Fund or account will be in such amounts and in such proportion as the Adviser may determine. The information and services that may be furnished to the Adviser include the furnishing of research reports and statistical compilations and computations and the providing of current quotations for securities. When services and information are furnished to the Adviser at no cost, certain of these services might relieve the Funds or the Adviser of expenses which they would otherwise have to pay. The advisory fee paid by the Funds to the Adviser will not be reduced as a result of the Adviser's receipt of information and research services. Such information and services are considered by the Adviser, and brokerage commissions are allocated in accordance with its assessment of such information and services, but only in a manner consistent with the placing of purchase and sale orders with brokers and/or dealers, which, in the judgment of the Adviser, are able to execute such orders as expeditiously as possible. Orders may also be placed with brokers or dealers who sell shares of the Funds or other Value Line Funds, but this fact, or the volume of such sales, is not a consideration in their selection.

The table below sets forth the brokerage commissions paid by each Fund during the fiscal years ended December 31, 2012, 2013 and 2014. During the fiscal year ended December 31, 2014, all of the Funds' brokerage commissions were paid to brokers or dealers solely for their services in obtaining the best prices and executions. The reason for the increase in commissions paid in 2014 for certain Funds was an increase in the Fund's portfolio turnover rate.

	Brokerage Commissions Paid During the Fiscal Years Ended December 31:		
	2012	2013	2014
Value Line Mid Cap Focused Fund	\$ 7,369	\$ 3,290	\$ 16,149
Value Line Core Bond Fund	\$ 38	\$ 37	\$ -0-
Value Line Income & Growth Fund	\$ 23,410	\$ 15,626	\$ 40,719
Value Line Larger Companies Focused Fund	\$ 16,251	\$ 7,408	\$ 42,113
Value Line Premier Growth Fund	\$ 14,471	\$ 11,731	\$ 16,640
Value Line Tax Exempt Fund	\$ -0-	\$ -0-	\$ -0-

Portfolio Turnover. Each Fund's portfolio turnover rate for recent fiscal years is shown under "Financial Highlights" in the Funds' Prospectus.

#### CAPITAL STOCK

Each share of each Fund's common stock, \$.01 par value, has one vote with fractional shares voting proportionately. Shares have no preemptive rights, are freely transferable, are entitled to dividends as declared by the Directors and, if a Fund were liquidated, would receive the net assets of the respective Fund.

## PURCHASE, REDEMPTION AND PRICING OF SHARES

**Purchases.** Shares of a Fund are purchased at the net asset value next calculated after receipt of a purchase order. Minimum orders are \$1,000 for an initial purchase and \$100 for each subsequent purchase. Each Fund reserves the right to reduce or waive the minimum purchase requirements.

**Automatic Purchases.** Each Fund offers a free service to its shareholders, Valu-Matic®, through which monthly investments of \$25 or more may be made automatically into the shareholder's Fund account. The required form to enroll in this program is available upon request from the Distributor.

**Retirement Plans.** Shares of a Fund may be purchased as the investment medium for various tax-sheltered retirement plans. Upon request, the Distributor will provide information regarding eligibility and permissible contributions. Because a retirement plan is designed to provide benefits in future years, it is important that the Fund's investment objective be consistent with the participant's retirement objectives. Premature withdrawals from a retirement plan may result in adverse tax consequences. For more complete information, contact Shareholder Services at 1-800-243-2729.

**Redemptions.** The right of redemption may be suspended, or the date of payment postponed beyond the normal seven-day period, by a Fund under the following conditions authorized by the 1940 Act: (1) For any period (a) during which the New York Stock Exchange is closed, other than customary weekend and holiday closing, or (b) during which trading on the New York Stock Exchange is restricted; (2) For any period during which an emergency exists as a result of which (a) disposal by the Fund of securities owned by it is not reasonably practical, or (b) it is not reasonably practical for the Fund to determine the fair value of its net assets; or (3) For such other periods as the SEC may by order permit for the protection of the Fund's shareholders.

Redemptions are taxable transactions for shareholders that are subject to tax. The value of shares of a Fund on redemption may be more or less than the shareholder's cost, depending upon the market value of a Fund's assets at the time. Shareholders should note that if a loss has been realized on the sale of shares of the Fund, the loss may be disallowed for tax purposes to the extent that shares of the same Fund are purchased within (before or after) 30 days of the sale.

It is possible that conditions may exist in the future which would, in the opinion of a Fund's Board of Directors, make it undesirable for the Fund to pay for redemptions in cash. In such cases the Board may authorize payment to be made in portfolio securities or other property of the Fund. However, the Funds have obligated themselves under the 1940 Act to redeem for cash all shares presented for redemption by any one shareholder up to \$250,000 (or 1% of the respective Fund's net assets if that is less) in any 90-day period. Securities delivered in payment of redemptions are valued at the same value assigned to them in computing the net asset value per share. Shareholders receiving such securities may incur brokerage costs on their sales.

**Calculation of Net Asset Value.** The net asset value of each Fund's shares for purposes of both purchases and redemptions is determined once daily as of the close of regular trading on the New York Stock Exchange (generally 4:00 p.m., Eastern time) on each day that the New York Stock Exchange is open for business. The net asset value per share is determined by dividing the total value of all the securities and other assets of the Fund, less any liabilities, by the total number of outstanding shares. Securities for which market prices or quotations are readily available are priced at their market value, which in the case of securities traded on an exchange or the NASDAQ Stock Market is typically the last quoted sale or the NASDAQ Official Closing Price. In the absence of closing sales prices for such securities, market value is typically deemed to be the midpoint between the latest available and representative asked and bid prices. Securities for which market quotations are not readily available, or are determined not to reflect

accurately fair value, are valued at fair value as determined by the Adviser pursuant to policies and procedures adopted by each Fund's Board of Directors. Debt securities with remaining maturities of 60 days or more at the time of acquisition are valued using prices provided by a pricing service or by prices furnished by recognized dealers in such securities. Short-term instruments with maturities of 60 days or less at the date of purchase are valued at amortized cost, which approximates market value.

B-32

## TAXES

(See “Dividends, Distributions and Taxes” in the Funds’ Prospectus)

Each Fund has elected to be treated, has qualified and intends to continue to qualify for the favorable tax treatment as a regulated investment company under the Internal Revenue Code of 1986, as amended (the “Code”). By so qualifying, and assuming each Fund meets the distribution requirements stated below, each Fund will not be subject to federal income tax on net investment income or net realized capital gains which are distributed to shareholders (whether or not reinvested in additional Fund shares). In order to qualify as a regulated investment company under Subchapter M of the Code, which qualification this discussion assumes, each Fund must, among other things, (i) derive at least 90% of its gross income for each taxable year from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including gains from options, futures and forward contracts) derived with respect to its business of investing in such stock, securities or currencies, and net income derived from an interest in a qualified publicly traded partnership (as defined in Section 851(h) of the Code) (the “90% income test”) and (ii) diversify its holdings so that at the end of each quarter of each taxable year: (a) at least 50% of the value of the Fund’s total assets is represented by (1) cash and cash items, U.S. government securities, securities of other regulated investment companies, and (2) other securities, with such other securities limited, in respect to any one issuer, to an amount not greater than 5% of the value of the Fund’s total assets and to not more than 10% of the outstanding voting securities of such issuer and (b) not more than 25% of the value of the Fund’s total assets is invested in (1) the securities (other than U.S. government securities and securities of other regulated investment companies) of any one issuer, (2) the securities (other than securities of other regulated investment companies) of two or more issuers that the Fund controls and that are engaged in the same, similar, or related trades or businesses, or (3) the securities of one or more qualified publicly traded partnerships.

If a Fund qualifies as a regulated investment company and distributes to its shareholders each taxable year an amount equal to or exceeding the sum of (i) 90% of its “investment company taxable income” as that term is defined in the Code (which includes, among other things, dividends, taxable interest, and the excess of any net short-term capital gains over net long-term capital losses, as reduced by certain deductible expenses) without regard to the deduction for dividends paid and (ii) 90% of the excess of its gross tax-exempt interest, if any, over certain disallowed deductions, the Fund generally will be relieved of U.S. federal income tax on any income of the Fund, including “net capital gain” (the excess of net long-term capital gain over net short-term capital loss), distributed to shareholders. However, if a Fund meets such distribution requirements, but chooses to retain some portion of its investment company taxable income or net capital gain, it generally will be subject to U.S. federal income tax at regular corporate rates on the amount retained. Each Fund intends to distribute at least annually all or substantially all of its investment company taxable income, net tax-exempt interest, and net capital gain. If for any taxable year a Fund did not qualify as a regulated investment company or did not satisfy the distribution requirement described above but was eligible for statutory relief, the Fund might be required to pay penalty taxes (or interest charges in the nature of a penalty) and/or to dispose of certain assets in order to continue to qualify for such tax treatment. If a Fund were not eligible for such relief or does not choose to avail itself of such relief, the Fund generally would be treated as a corporation subject to U.S. federal income tax and when the Fund’s income is distributed, it would be subject to a further tax at the shareholder level.

The Code requires each regulated investment company to pay a nondeductible 4% excise tax to the extent the company does not distribute, during each calendar year, 98% of its ordinary income, determined on a calendar year basis, and 98.2% of its capital gains in excess of capital losses, determined, in general, for a one-year period ending on October 31 of such year, plus certain undistributed amounts from previous years. Each Fund anticipates that it will make sufficient timely distributions to avoid imposition of the excise tax.

Realized losses incurred after October 31, if so elected by a Fund, are deemed to arise on the first day of the following fiscal year. In addition, for U.S. federal income tax purposes, a Fund is permitted to carry forward its net capital losses (1) attributable to any taxable year of the Fund commencing prior to December 23, 2010, for up to eight years following the year of the loss and (2) attributable to any taxable year of the Fund commencing on or after December 23, 2010, indefinitely to offset future capital gains of the Fund in such years (if any). Pursuant to an ordering rule, however, net capital losses incurred in taxable years of a Fund beginning before December 23, 2010 may not be used to offset the Fund's future capital gains until all net capital losses incurred in taxable years of the Fund beginning after December 22, 2010 have been utilized. As a result of the application of this rule, certain net capital losses incurred in taxable years of a Fund beginning before December 23, 2010 may expire unutilized. To the extent subsequent capital gains are offset by such losses, they would not result in U.S. federal income liability to the Fund and are not expected to be distributed as such to shareholders.

During the year ended December 31, 2014, Value Line Larger Companies Focused Fund utilized \$ 35,126,549 of capital loss carryforwards.

Value Line Mid Cap Focused Fund had a capital loss carryforward at December 31, 2014 of \$7,366,758 which will expire on December 31, 2017. During the year ended December 31, 2014, Value Line Mid Cap Focused Fund utilized \$ 35,481,465 of capital loss carryforwards.

Value Line Core Bond Fund has \$ 913,444 of unlimited short-term losses.

Value Line Tax Exempt Fund had a capital loss carryforward of \$6,904,990 of which \$5,827,979 will expire on December 31, 2016 and \$1,077,011 will expire on December 31, 2017.

Unless a shareholder elects otherwise, distributions from each Fund will be automatically invested in additional common shares of the Fund. For U.S. federal income tax purposes, such distributions generally will be taxable whether a shareholder takes them in cash or they are reinvested in additional shares of the Fund. In general, assuming that a Fund has sufficient earnings and profits, dividends from investment company taxable income are taxable either as ordinary income or if certain conditions are met, as "qualified dividend income" taxable to individual shareholders at a reduced maximum U.S. federal income tax rate. Dividend income distributed to individual shareholders will qualify for such reduced maximum U.S. federal income tax rate to the extent that such dividends are attributable to "qualified dividend income" as that term is defined in Section 1(h)(11)(B) of the Code from a Fund's investment in common and preferred stock of U.S. companies and stock of certain foreign corporations, provided that certain holding period and other requirements are met by both the Fund and the shareholders.

Since the Value Line Core Bond Fund's income is derived primarily from sources that do not pay qualified dividend income, the dividends from the investment company taxable income of that Fund generally are not expected to qualify for taxation at the reduced maximum U.S. federal income tax rate available to individuals on qualified dividend income.

The applicable reduced maximum federal income tax rate on qualified dividend income varies depending on the taxable income and status of the shareholder, but generally is 20% for individual shareholders with taxable income in excess of \$400,000 (\$450,000 if married and file jointly/\$225,000 if married and file separately) and 15% for individual shareholders with taxable income less than such amounts (unless such shareholders are in the 10% or 15% income tax brackets and meet certain other conditions in which case the applicable tax rate is 0%).

A dividend that is attributable to qualified dividend income of a Fund that is paid by such Fund to an individual shareholder will not be taxable as qualified dividend income to such shareholder if (1) the dividend is received with respect to any share of the Fund held for fewer than 61 days during the 121-day period beginning on the date which is 60 days before the date on which such share became ex-dividend with respect to such dividend, (2) to the extent that the shareholder is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, or (3) the shareholder elects to have the dividend treated as investment income for purposes of the limitation on deductibility of investment interest.

Distributions from net capital gain that are reported to you as capital gain dividends, if any, are taxable as long-term capital gains for U.S. federal income tax purposes without regard to the length of time the shareholder has held shares of a Fund. Capital gain dividends distributed by a Fund to individual shareholders generally will qualify for the reduced maximum federal income tax rate on long-term capital gains. The applicable reduced maximum federal income tax rate on capital gains also depends on the taxable income and status of the shareholder, but generally is 20% for individual shareholders with taxable income in excess of \$400,000 (\$450,000 if married and file jointly/\$225,000 if married and file separately) and 15% for individual shareholders with taxable income less than such amounts (unless such shareholders are in the 10% or 15% income tax brackets and meet certain other conditions, in which case the applicable tax rate is 0%). A shareholder should also be aware that the benefits of the favorable tax rate on long-term capital gains and qualified dividend income may be impacted by the application of the alternative minimum tax to individual shareholders.

A 3.8% Medicare tax also is imposed on the net investment income of U.S. individuals, estates and trusts whose income exceeds certain threshold amounts. For this purpose, net investment income generally includes distributions from each Fund and capital gains attributable to the sale, redemption or exchange of Fund shares. For U.S. individuals, this threshold generally is exceeded if an individual has adjusted gross income that exceeds \$200,000 (\$250,000 if married and file jointly/\$125,000 if married and file separately). This tax is in addition to the income taxes that are otherwise imposed on ordinary income, qualified dividend income and capital gains as discussed above.

Because the ultimate tax characterization of a Fund's distributions cannot be determined until after the end of a tax year, there is a possibility that a Fund may make distributions to shareholders that exceed the Fund's current earnings and profits for a tax year. Any such distributions will not be treated as taxable dividends, but instead will be treated as a return of capital to the extent of (and in reduction of) the shareholder's basis in its shares. To the extent that any such distributions are in excess of that basis, the excess amounts will be treated as gain from the sale of the shares, as discussed below.

At the time of an investor's purchase of Fund shares, a portion of the purchase price may be attributable to realized or unrealized appreciation in the Fund's portfolio or undistributed taxable income of the Fund. Consequently, subsequent distributions by the Fund with respect to these shares from such appreciation or income may be taxable to such investor even if the net asset value of the investor's shares is, as a result of the distributions, reduced below the investor's cost for such shares and the distributions economically represent a return of a portion of the investment. In particular, investors should be careful to consider the tax implications of buying shares just prior to a distribution. The price of shares purchased at that time (at the net asset value per share) may include the amount of the forthcoming distribution. Those purchasing just prior to a distribution will then receive, in effect, a return of capital upon the distribution which will nevertheless be taxable to them.

Under the Code, dividends declared by a Fund in October, November or December of any calendar year, and payable to shareholders of record in such a month, shall be deemed to have been received by such shareholder on December 31 of such calendar year even when such dividend is actually paid in January of the following calendar year. In addition, certain other distributions made after the close of a taxable year of a Fund may be "spilled back" and treated as paid by the Fund (except for purposes of the 4% excise tax) during such taxable year. In such case, shareholders generally will be treated as having received such dividends in the taxable year in which the distributions were actually made.

If the Value Line Core Bond Fund or Value Line Income and Growth Fund invests in certain pay-in-kind securities, zero coupon securities or, in general, any other securities with original issue discount (or with market discount if the Fund elects to include market discount in income currently), the Fund must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, the Fund must distribute, at least annually, all or substantially all of its net investment income, including such accrued income, to shareholders to qualify as a regulated investment company under the Code and avoid U.S. federal income and excise taxes. Therefore, the Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to borrow the cash, to satisfy distribution requirements.

Dividends received by a Fund, other than the Value Line Core Bond Fund, from U.S. corporations in respect of any share of stock with a tax holding period of at least 46 days (91 days in the case of certain preferred stock) extending before and after each dividend held in an unleveraged position and distributed and reported by the Fund (except for capital gain dividends received from a regulated investment company) may be eligible for the 70% dividends-received deduction generally available to corporations under the Code. Any corporate shareholder should consult its adviser regarding the possibility that its tax basis in its shares may be reduced for U.S. federal income tax purposes by reason of "extraordinary dividends" received with respect to the shares and, to the extent reduced below zero, current recognition of income may be required. In order to qualify for the deduction, corporate shareholders must meet the minimum holding period requirement stated above with respect to their Fund shares, taking into account any holding period reductions from certain hedging or other transactions or positions that diminish their risk of loss with respect to their Fund shares, and, if they borrow to acquire or otherwise incur debt attributable to Fund shares, they may be denied a portion of the dividends-received deduction. The entire dividend, including the otherwise deductible amount, will be included in determining the excess, if any, of a corporation's adjusted current earnings over its alternative

minimum taxable income, which may increase a corporation's alternative minimum tax liability. Upon request, a Fund will inform shareholders of the amounts of the qualifying dividends.

B-36



It is not expected that the Value Line Core Bond Fund's or Value Line Tax Exempt Fund's dividends and distributions will qualify to any material extent for any dividends-received deduction that might otherwise be available for certain dividends received by shareholders that are corporations.

Options written or purchased by a Fund and futures contracts purchased on certain securities and indices may cause the Fund to recognize gains or losses from marking-to-market even though such options may not have lapsed, been closed out, or exercised or such futures contracts may not have been performed or closed out. The tax rules applicable to these contracts may affect the characterization of some capital gains and losses recognized by a Fund as long-term or short-term. Additionally, a Fund may be required to recognize gain if an option, futures contract, short sale, or other transaction that is not subject to the mark-to-market rules is treated as a "constructive sale" of an "appreciated financial position" held by the Fund under Section 1259 of the Code. Any net mark-to-market gains and/or gains from constructive sales may also have to be distributed to satisfy the distribution requirements referred to above even though a Fund may receive no corresponding cash amounts, possibly requiring the Fund to dispose of portfolio securities or to borrow to obtain the necessary cash. Losses on certain options, futures and/or offsetting positions (portfolio securities or other positions with respect to which a Fund's risk of loss is substantially diminished by one or more options or futures contracts) may also be deferred under the tax straddle rules of the Code, which may also affect the characterization of capital gains or losses from straddle positions and certain successor positions as long-term or short-term. Certain tax elections may be available that would enable the Fund to ameliorate some adverse effects of the tax rules described in this paragraph. The tax rules applicable to options, futures contracts, short sales, and straddles may affect the amount, timing and character of each Fund's income and gains or losses and hence of its distributions to shareholders.

A shareholder may realize a capital gain or capital loss on the sale, exchange or redemption of shares of a Fund. The tax consequences of a sale, exchange or redemption depend upon several factors, including the shareholder's adjusted tax basis in the shares sold, exchanged or redeemed and the length of time the shares have been held. Initial basis in the shares will be the actual cost of those shares (net asset value of Fund shares on purchase or reinvestment date). In general, if Fund shares are sold, redeemed or exchanged, the shareholder will recognize gain or loss equal to the difference between the amount realized on the sale and the shareholder's adjusted tax basis in the shares. Such gain or loss generally will be treated as long-term capital gain or loss if the shares were held for more than one year and otherwise generally will be treated as short-term capital gain or loss. In addition, capital gains recognized from redemptions and exchanges of Fund shares generally will be included in the calculation of "net investment income" for purposes of the 3.8% Medicare tax applicable to certain U.S. individuals, estates and trusts as discussed above.

Any loss realized by shareholders upon the sale, redemption or exchange of shares within six months of the date of their purchase will generally be treated as a long-term capital loss to the extent of any distributions of net long-term capital gains with respect to such shares. Moreover, a loss on a sale, exchange or redemption of Fund shares will be disallowed to the extent that shares of the Fund are purchased (including through the reinvestment of dividends) within 30 days before or after the shares are sold, exchanged or redeemed. Individual shareholders may generally deduct in any year only \$3,000 of capital losses that are not offset by capital gains and remaining losses may be carried over to future years. Corporations may generally deduct capital losses only against capital gains with certain carrybacks and carryovers allowable for excess losses.

In addition to reporting gross proceeds from redemptions, exchanges or other sales of mutual fund shares, federal law requires mutual funds, such as the Funds, to report to the Internal Revenue Service (“IRS”) and shareholders the “cost basis” of shares acquired by shareholders on or after January 1, 2012 (“covered shares”) that are redeemed, exchanged or otherwise sold on or after such date. These requirements generally do not apply to investments through a tax-deferred arrangement or to certain types of entities (such as C corporations). S corporations, however, are not exempt from these new rules. Please note that if a shareholder is a C corporation, unless the Fund has actual knowledge that it is a C corporation or it has previously notified us in writing that it is a C corporation, the shareholder must complete a new Form W-9 exemption certificate informing us of its C corporation status or the Funds will be obligated to presume that it is an S corporation and to report the cost basis of covered shares that are redeemed, exchanged or otherwise sold after January 1, 2012 to the IRS and to the shareholder pursuant to these rules. Also, if the shareholder holds Fund shares through a broker (or another nominee), the shareholder should contact that broker (nominee) with respect to the reporting of cost basis and available elections for the shareholder’s account.

If a shareholder holds Fund shares directly, the shareholder may request that the shareholder’s cost basis be calculated and reported using any one of a number of IRS-approved alternative methods. A shareholder should contact the applicable Fund to make, revoke or change such an election. If a shareholder does not affirmatively elect a cost basis method, the Fund will use the average cost basis method as its default method for determining the cost basis for such shareholder.

Please note that shareholders will continue to be responsible for calculating and reporting the cost basis, as well as any corresponding gains or losses, of Fund shares that were purchased prior to January 1, 2012 that are subsequently redeemed, exchanged or sold. Shareholders are encouraged to consult their tax advisors regarding the application of the new cost basis reporting rules to them and, in particular, which cost basis calculation method a shareholder should elect. In addition, because each Fund is not required to, and in many cases does not possess the information to, take into account all possible basis, holding period or other adjustments into account in reporting cost basis information to shareholders, shareholders also should carefully review the cost basis information provided to them by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on a federal income tax return.

Under Treasury regulations, if a shareholder recognizes a loss with respect to Fund shares of \$2 million or more for an individual shareholder, or \$10 million or more for a corporate shareholder, in any single taxable year (or greater amounts over a combination of years), the shareholder must file with the IRS a disclosure statement on Form 8886. Shareholders who own portfolio securities directly are in many cases excepted from this reporting requirement but, under current guidance, shareholders of regulated investment companies are not excepted. A shareholder who fails to make the required disclosure to the IRS may be subject to substantial penalties. The fact that a loss is reportable under these regulations does not affect the legal determination of whether or not the taxpayer’s treatment of the loss is proper. Shareholders should consult with their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

B-38

The Value Line Income & Growth Fund and Value Line Core Bond Fund may invest, in debt obligations that are in the lowest rating categories or are unrated, including debt obligations of issuers not currently paying interest or who are in default. Investment in debt obligations that are at risk of or in default present special tax issues for the Fund. Tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a workout context are taxable. These and other issues will be addressed by the Fund, in the event it invests in such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a regulated investment company and does not become subject to U.S. federal income or excise tax.

To the extent that the Value Line Mid Cap Focused Fund, Value Line Larger Companies Focused Fund or Value Line Premier Growth Fund invests in stock of foreign issuers, such Fund may be subject to withholding and other taxes imposed by foreign countries, including taxes on interest, dividends and capital gains with respect to such investments. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes in some cases. Each Fund does not expect to satisfy the requirements for passing through to its shareholders their pro rata shares of qualified foreign taxes paid by the Fund, with the result that shareholders will not be entitled to a tax deduction or credit for such taxes on their own tax returns.

If the Value Line Mid Cap Focused Fund, Value Line Larger Companies Focused Fund or Value Line Premier Growth Fund acquires any equity interest (under proposed Treasury regulations, generally including not only stock but also an option to acquire stock such as is inherent in a convertible bond) in certain foreign corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties, or capital gains) or that hold at least 50% of their assets in investments producing such passive income (“passive foreign investment companies”), the Fund could be subject to U.S. federal income tax and additional interest charges on “excess distributions” received from such companies or on gain from the sale of stock in such companies, even if all income or gain actually received by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. Elections may generally be available that would ameliorate these adverse tax consequences, but such elections could require the Fund to recognize taxable income or gain (subject to tax distribution requirements) without the concurrent receipt of cash. These investments could also result in the treatment of capital gains from the sale of stock of passive foreign investment companies as ordinary income. The Fund may limit and/or manage its holdings in passive foreign investment companies to limit its tax liability or maximize its return from these investments. Shareholders that are exempt from U.S. federal income tax, such as retirement plans that are qualified under Section 401 of the Code, generally are not subject to U.S. federal income tax on Fund dividends or distributions or on sales or exchanges of Fund shares. However, a tax-exempt shareholder may recognize unrelated business taxable income if (1) the acquisition of Fund shares was debt financed or (2) the Fund recognizes certain “excess inclusion income” derived from direct or indirect investments (including from an investment in a REIT) in (a) residual interests in a real estate mortgage investment conduit or (b) equity interests in a taxable mortgage pool if the amount of such income that is recognized by the Fund exceeds the Fund’s investment company taxable income (after taking into account the deductions for dividends paid by the Fund).

A plan participant whose retirement plan invests in a Fund generally is not taxed on Fund dividends or distributions received by the plan or on sales or exchanges of Fund shares by the plan for U.S. federal income tax purposes. However, subject to certain limited exceptions, distributions to plan participants from a retirement plan account generally are taxable as ordinary income and different tax treatment, including penalties on certain excess contributions and deferrals, certain pre-retirement and post-retirement distributions and certain prohibited transactions, is accorded to accounts maintained as qualified retirement plans. Shareholders and plan participants should consult their tax advisers for more information.

For shareholders who fail to furnish to a Fund their social security or taxpayer identification numbers and certain related information or who fail to certify that they are not subject to back-up withholding, dividends, distributions of capital gains and redemption proceeds paid by the Fund will be subject to a U.S. federal 28% “backup withholding” requirement. In addition, each Fund may be required to backup withhold if it receives notice from the IRS or a broker that the number provided is incorrect or backup withholding is applicable as a result of previous underreporting of interest or dividend income. If the withholding provisions are applicable, any such dividends or capital-gain distributions to these shareholders, whether taken in cash or reinvested in additional shares, and any redemption proceeds will be reduced by the amounts required to be withheld.

U.S. persons who own (either directly or indirectly) more than 50% of the vote or value of a mutual fund, such as the Funds, could be required to report each year their “financial interest” in such fund’s “foreign financial accounts,” if any, on FinCEN Form 114, Report of Foreign Bank and Financial Accounts (“FBAR”). Shareholders should consult their tax advisors regarding the applicability of this reporting requirement to their individual circumstances.

The foregoing discussion relates solely to U.S. federal income tax laws as applicable to shareholders who are U.S. persons (i.e., U.S. citizens or residents, domestic corporations and partnerships, and certain trusts and estates) and hold their shares as capital assets and is not intended to be a complete discussion of all federal tax consequences. Except as otherwise provided, this discussion does not address the special tax rules that may be applicable to particular types of investors, such as financial institutions, insurance companies, securities dealers or tax-exempt or tax-deferred plans, accounts or entities. Shareholders who are not U.S. persons may be subject to a non-resident alien U.S. withholding tax at the rate of 30% or at a lower treaty rate on amounts treated as ordinary dividends from a Fund (other than certain dividends derived from short-term capital gains and qualified interest income of the Fund currently only for certain taxable years of the Fund commencing prior to January 1, 2015, provided that the Fund chooses to report such dividends in a manner qualifying for such favorable tax treatment) and, unless an effective IRS Form W-8 BEN or other authorized certificate is on file, to backup withholding at the rate of 28% on certain other payments from a Fund. While the Funds do not expect their shares will constitute U.S. real property interests, if a Fund’s direct and indirect investments in U.S. real property (which includes investments in REITs and certain other regulated investment companies that invest in U.S. real property) were to exceed certain levels, a portion of that Fund’s distributions may be attributable to gain from the sale or exchange of U.S. real property interests. In such case, if a non-U.S. shareholder were to own more than 5% of a class of the Fund’s shares within a one-year period prior to such a distribution, the non-U.S. shareholder would be (1) subject to a 35% U.S. federal withholding tax on the portion of the Fund’s distributions attributable to such gain, (2) required to file a U.S. federal income tax return to report such gain, and (3) subject to certain “wash sale” rules if the shareholder disposes of Fund shares just prior to a distribution and reacquires Fund shares shortly thereafter. If a non-U.S. shareholder were to own 5% or less of each class of the Fund’s shares at all times within such one-year period, any such distribution by the Fund would not be subject to these requirements, but if the distribution might otherwise have been reported as a capital gain dividend or as short-term capital gain dividend to such shareholder, the distribution would be re-characterized as an ordinary dividend and would be subject to the non-resident alien U.S. withholding tax at the 30% rate (or lower treaty rate if applicable). Non-U.S. shareholders should consult their own tax advisor on these matters.

B-40

Under the Foreign Account Tax Compliance Act (“FATCA”), each Fund may be required to withhold 30% from payments of dividends and gross redemption proceeds by the Fund to ( 1 ) certain foreign financial institutions unless they (i) enter into an agreement with the IRS to determine which (if any) of its accounts are U.S. accounts and comply with annual information reporting with respect to such accounts, (ii) comply with an applicable intergovernmental agreement entered into with respect to FATCA, or (iii) demonstrate that they are otherwise exempt from reporting under FATCA, and (2) certain other foreign entities unless (i) they certify certain information about their direct and indirect U.S. owners, or (ii) demonstrate that they are otherwise exempt from reporting under FATCA. This withholding tax is being phased in commencing on July 1, 2014 for certain payments of income dividends and will apply to payments of capital gain dividends and gross redemption proceeds made by a Fund on or after December 31, 2016.

In order to avoid this withholding, non-exempt foreign financial institutions will have to enter into an agreement with the IRS (unless they are resident in a country that has entered into an Intergovernmental Agreement with the U.S. that provides for an alternative regime) stipulating that they will (1) provide the IRS with certain information about direct and indirect U.S. account holders (such as the name, address and taxpayer identification number of the holders), (2) comply with verification and due diligence procedures with respect to the identification of U.S. accounts, (3) report to the IRS certain additional information with respect to U.S. accounts maintained by them, and (4) agree to withhold tax on certain payments made to non-compliant foreign financial institutions or to account holders who fail to provide the required information. Certain other foreign entities will need to provide the name, address, and taxpayer identification number of each substantial (i.e., more than 10%) U.S. owner or a certification of no substantial U.S. ownership, unless certain exceptions apply. A foreign non-exempt shareholder resident in a country that has entered into an intergovernmental agreement with the U.S. with respect to FATCA will be exempt from FATCA withholding provided that the shareholders and the applicable foreign government comply with the terms of the agreement. A foreign shareholder that invests in a Fund will need to provide the Fund with documentation properly certifying the shareholder’s status under FATCA (currently proposed as /Form W-8BEN-E for entities) to avoid the FATCA withholding. The foregoing is only a general summary of certain provisions of FATCA. The scope of these requirements is potentially subject to material change and shareholders are urged to consult their tax advisers regarding the potential applicability of FATCA to their own situation.

B-41

## FINANCIAL STATEMENTS

Each Fund's financial statements for the year ended December 31, 2014, including the financial highlights for each of the five fiscal years in the period ended December 31, 2014, appearing in the 2014 Annual Report to Shareholders and the report thereon of PricewaterhouseCoopers LLP, an independent registered public accounting firm, appearing therein, are incorporated by reference in this Statement of Additional Information.

B-42



## DESCRIPTION OF RATINGS

### Description of Value Line Financial Strength Ratings

Value Line ranks the companies followed by The Value Line Investment Survey (Standard Edition or the Small and Mid-Cap Edition), into nine categories as follows:

**A++** Greatest relative financial strength. Companies among the very strongest of the approximately 3,500 followed by The Value Line Investment Survey.

**A+** Excellent relative financial strength. Companies with very high financial strength, but not quite the highest among the Value Line 3,500.

**A** High-grade relative financial strength.

**B++** Above average relative financial strength among the Value Line 3,500.

**B+** Very good relative financial strength; approximately average among the companies in the Value Line 3,500.

**B** Good relative financial strength, although somewhat below the average of all 3,500 Value Line companies.

**C++** Below average relative financial strength.

**C+** Significantly below average relative financial strength.

**C** Weakest relative financial strength.

The Value Line ratings are based upon an analysis of a number of financial variables including the size and stability of a company's profit stream, the level and consistency of the returns on capital and equity, the amount of financial leverage (including both short-and long-term debt), the level of cash on the balance sheet, the profile of the industry, or industries in which the company participates, the company's tax rate and the stock's price stability.

### Description of Standard & Poor's Ratings Services

#### AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

#### AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

#### A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

B-43

### BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

### BB, B, CCC, CC, and C

Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

### BB

An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

### B

An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

### CCC

An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

### CC

An obligation rated 'CC' is currently highly vulnerable to nonpayment.

### C

A subordinated debt or preferred stock obligation rated 'C' is currently highly vulnerable to nonpayment. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are being continued. A 'C' also will be assigned to a preferred stock issue in arrears on dividends or sinking fund payments, but that is currently paying.

### D

An obligation rated 'D' is in payment default.

Description of Moody's Investors Service, Inc. Ratings

Aaa

Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa

Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A

Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa

Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba

Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B

Obligations rated B are considered speculative and are subject to high credit risk.

Caa

Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca

Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C

Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

B-45

PART C: OTHER INFORMATION

Item 28. Exhibits.

- (a) (1) Articles of Incorporation , dated November 11, 1971, and Articles of Amendment, dated May 28, 1976.  
(2) Articles of Amendment, dated March 23, 2015.†
  - (b) By-laws(1) and Amendment to the By-laws.(5)
  - (c) Instruments Defining Rights of Security Holders. Reference is made to Article Fifth of the Articles of Incorporation filed as Exhibit (a) to Post-Effective Amendment No. 84, filed February 24, 1999.
  - (d) Investment Advisory Agreement.(4)
  - (e) Underwriting Contract.(4)
  - (f) Not applicable.
  - (g) Custodian Agreement.(1)
  - (h) (1) Administration Agreement with State Street Bank and Trust Company.(3)  
(2) Sub-Transfer Agency and Servicing Plan.(6)
  - (i) Legal Opinion.(1)
  - (j) Consent of Independent Registered Public Accounting Firm.†
  - (k) Not applicable.
  - (l) Not applicable.
  - (m) Service and Distribution Plan.(2)
  - (p) Code of Ethics.†
  - (r) (1) Powers of Attorney.(4)  
(2) Powers of Attorney for Messrs. Hillman and Kuritzkes.†
- (1) Filed as an exhibit to Post-Effective Amendment No. 84, filed February 24, 1999, and incorporated herein by reference.
- (2) Filed as an exhibit to Post-Effective Amendment No. 86, filed April 27, 2001, and incorporated herein by reference.

Edgar Filing: Value Line Mid Cap Focused Fund, Inc. - Form 485BPOS

- (3) Filed as an exhibit to Post-Effective Amendment No. 93, filed April 27, 2007, and incorporated herein by reference.
  - (4) Filed as an exhibit to Post-Effective Amendment No. 98, filed February 28, 2011, and incorporated herein by reference.
  - (5) Filed as an exhibit to Post-Effective Amendment No. 100, filed April 27, 2012, and incorporated herein by reference.
  - (6) Filed as an exhibit to Post-Effective Amendment No. 102, filed April 30, 2013, and incorporated herein by reference.
- † Filed herewith.

C-1

Item 29. Persons Controlled by or Under Common Control With Registrant.

None

Item 30. Indemnification.

Incorporated by reference to Article Seventh (7)(c) of the Articles of Incorporation filed as Exhibit (a) to Post-Effective Amendment No. 84, filed February 24, 1999.

Item 31. Business or Other Connections of Investment Adviser.

EULAV Asset Management, Registrant's investment adviser, acts as investment adviser to the registered investment companies in the Value Line Family of Funds listed in Item 32.

Name	Position With the Adviser	Other Employment
Mitchell Appel	President; Treasurer; Trustee	Chief Financial Officer since 2008 and President since 2009 of the Distributor; President since 2008 and Director since 2010 of each of the Value Line Funds.
Robert Scagnelli	Vice President	None.
Mark Marrone	Chief Compliance Officer	Senior Compliance Officer, Northern Lights Compliance Services, LLC, 80 Arkay Drive, Suite 110 , Hauppauge, NY 11788 since 2009.
Emily Washington	Secretary	Chief Financial Officer, Secretary and Treasurer of each of the Value Line Funds.
Avi T. Aronovitz	Trustee	Senior Vice President/CFO, OTT Americas + Global OVP, Piksel. INC., 1250 Broadway, NY, NY 10001 since 2012.
Robert E. Rice	Trustee	Managing Partner, Tangent Capital, 9 West 57th Street, New York, NY 10019.
R. Alastair Short	Trustee	Director, Vice Chairman and Chairman of the Audit Committee, Van Eck Funds, 335 Madison Avenue, NY, NY 10017; Director and Chairman of the Audit Committee, Market Vectors ETFs, 335 Madison Avenue, NY, NY 10017; Director Tremont offshore funds; Director, North Vu Inc., Toronto, Canada.

The business address of the Distributor and the Value Line Funds is 7 Times Square, 21st Floor, New York, NY 10036-6524.

Item 32. Principal Underwriters.

(a) EULAV Securities LLC acts as principal underwriter for the following Value Line funds: Value Line Mid Cap Focused Fund, Inc.; Value Line Income and Growth Fund, Inc.; Value Line Premier Growth Fund, Inc.; Value Line Larger Companies Focused Fund, Inc.; Value Line Centurion Fund, Inc.; The Value Line Tax Exempt Fund, Inc.; Value Line Core Bond Fund; Value Line Strategic Asset Management Trust, a series of the Value Line Funds Variable Trust; Value Line VIP Equity Advantage Fund, a series of the Value Line Funds Variable Trust. Value Line Small Cap Opportunities Fund, Inc.; Value Line Asset Allocation Fund, Inc.; Worthington Value Line Equity Advantage Fund, a series of the Value Line Funds Investment Trust.

(b)

(1) Name and Principal Business Address	(2) Position and Offices with EULAV Securities LLC	(3) Position and Offices with Registrant
Mitchell Appel	President	President and Director
Raymond Stock	Vice President; Secretary	None
Howard Spindel	Chief Compliance Officer	None

The business address of each of the officers and directors is 7 Times Square, 21st floor, New York, NY 10036-6524.

(c) Not applicable.

Item 33. Location of Accounts and Records.

EULAV Asset Management  
7 Times Square, 21st floor  
New York, NY 10036-6524  
For records pursuant to:  
Rule 31a-1(b)(4),(5),(6),(7),(10),(11)  
Rule 31a-1(f)

State Street Bank and Trust Company  
c/o BFDS  
P.O. Box 219729  
Kansas City, MO 64121-9729  
For records pursuant to Rule 31a-1(b)(2)(iv)

State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02110  
For all other records

Item 34. Management Services.



None.

Item 35. Undertakings.

None.

C-3

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirement for effectiveness of this registration statement under rule 485(b) under the Securities Act and has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and State of New York, on the 29th day of April, 2015.

VALUE LINE MID CAP FOCUSED FUND, INC.  
 By: /s/ Mitchell E. Appel  
 Mitchell E. Appel, President and Chief  
 Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment has been signed below by the following persons in the capacities and on the dates indicated.

Signatures	Title	Date
*Joyce E. Heinzerling (Joyce E. Heinzerling)	Director	April 29, 2015
* *James E. Hillman (James E. Hillman)	Director	April 29, 2015
* *Michael Kuritzkes (Michael Kuritzkes)	Director	April 29, 2015
*Francis C. Oakley (Francis C. Oakley)	Director	April 29, 2015
*David H. Porter (David H. Porter)	Director	April 29, 2015
*Paul Craig Roberts (Paul Craig Roberts)	Director	April 29, 2015
*Nancy-Beth Sheerr (Nancy-Beth Sheerr)	Director	April 29, 2015
/s/ Mitchell E. Appel  (Mitchell E. Appel)	Director, President and Chief Executive Officer (Principal Executive Officer)	April 29, 2015
		April 29, 2015

/s/ Emily D. Washington (Emily D. Washington)	Treasurer; Principal Financial and Accounting Officer; Secretary
---	--

\*By: /s/ Mitchell E. Appel  
(Mitchell E. Appel,  
Attorney-In-Fact)

---

\* Pursuant to Power of Attorney filed as an exhibit to Post-Effective Amendment No. 98, and incorporated herein by reference.

\*\* Pursuant to Power of Attorney filed as an exhibit to this Post-Effective Amendment.

C-4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form N-1A (the “Registration Statement”) of our report dated February 25, 2015, relating to the financial statements and financial highlights which appears in the December 31, 2014 Annual Report to Shareholders of Value Line Premier Growth Fund, Inc., Value Line Mid Cap Focused Fund, Inc. (Formerly known as The Value Line Fund, Inc.), Value Line Income and Growth Fund, Inc., Value Line Larger Companies Focused Fund, Inc. (Formerly known as Value Line Larger Companies Fund, Inc. ), Value Line Core Bond Fund, and The Value Line Tax Exempt Fund, Inc., which are also incorporated by reference into the Registration Statement. We also consent to the references to us under the headings “Financial Highlights”, “Investment Advisory and Other Services” and “Financial Statements” in such Registration Statement.

/s/PricewaterhouseCoopers LLP  
New York, New York  
April 29, 2015

C-5

EXHIBIT INDEX

Exhibit Number		Document Title
(a)	(2)	Articles of Amendment, dated March 23, 2015
(j)		Consent of Independent Registered Public Accounting Firm
(r)	(2)	Powers of Attorney for Messrs. Hillman and Kuritzkes

C-6