Value Line Mid Cap Focused Fund, Inc.
Form N-CSRS
September 08, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file Number 811-02265

Value Line Mid Cap Focused, Inc.

(Exact name of registrant as specified in charter)

7 Times Square, New York, N.Y. 10036

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 212-907-1900

Date of fiscal year end: December 31, 2017

Date of reporting period: June 30, 2017

Item I. Reports to Stockholders.

A copy of the Semi-Annual Report to Stockholders for the period ended 6/30/17 is included with this Form.

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Semi-Annual Report
June 30, 2017

Value Line Premier Growth Fund, Inc.
(VALSX)
Value Line Mid Cap Focused Fund, Inc.
(VLIFX)
Value Line Income and Growth Fund, Inc.
Investor Class (VALIX)
Institutional Class (VLIIX)
Value Line Larger Companies Focused Fund, Inc.
Investor Class (VALLX)
Institutional Class (VLLIX)

This unaudited report is issued for information to shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a currently effective prospectus of the Fund (obtainable from the Distributor).
#00196557

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President's Letter (unaudited)

Dear Fellow Shareholders:

We are pleased to present you with this semi-annual report for Value Line Premier Growth Fund, Inc., Value Line Mid Cap Focused Fund, Inc., Value Line Income and Growth Fund, Inc. and Value Line Larger Companies Focused Fund, Inc. (individually, a "Fund" and collectively, the "Funds") for the six months ended June 30, 2017.

During the semi-annual period, the broad U.S. equity indices generated strong positive absolute returns. Each of the four Funds posted strong positive absolute returns as well, and each also outperformed its respective benchmark index on a relative basis. Further, the semi-annual period was highlighted by each of the four equity and hybrid Value Line Funds being recognized for their long-term performance and attractive risk profiles.

- Value Line Premier Growth Fund, Inc. outpaced the category average return of its peers for the three- and ten-year periods ended June 30, 2017 (mid-cap growth category), as measured by Morningstar.1 Additionally, the Fund earned an overall four-star rating from Morningstar2 in the mid-cap growth category among 576 funds as of June 30, 2017 based on risk-adjusted returns. Morningstar gave the Fund an overall Risk rating of Low.i

- Value Line Mid Cap Focused Fund, Inc.   outpaced the category average return of its peers for the three- and five-year periods ended June 30, 2017 (mid-cap growth category), as measured by Morningstar.1 Additionally, the Fund earned an overall four-star rating from Morningstar2 in the mid-cap growth category among 576 funds as of June 30, 2017 based on risk-adjusted returns. Morningstar2 gave the Fund an overall Risk Rating of Low.ii

- Value Line Income and Growth Fund, Inc.*outpaced the category average return of its peers for the one-, three-, five- and ten-year periods ended June 30, 2017 (allocation-70% to 85% equity category), as measured by Morningstar.1 Additionally, the Fund earned an overall five-star rating from Morningstar in the allocation-70% to 85% equity category among 334 funds as of June 30, 2017 based on risk-adjusted returns. Morningstar gave the Fund an overall Return rating of High.iii

- Value Line Larger Companies Focused Fund, Inc.* outpaced the category average return of its peers for the one-, three- and five-year periods ended June 30, 2017 (large growth category), as measured by Morningstar.1 Additionally, the Fund earned an overall four-star rating from Morningstar2 in the large growth category among 1,277 funds as of June 30, 2017 based on risk-adjusted returns.iv

On the following pages, the Funds' portfolio managers discuss the management of their respective Funds during the semi-annual period. The discussions highlight key factors influencing recent performance of the Funds. You will also find a schedule of investments and financial statements for each of the Funds.

Before reviewing the performance of your individual mutual fund investment(s), we encourage you to take a brief look at the major factors affecting the financial markets during the six months ended June 30, 2017, especially given the newsworthy events of the semi-annual period. With meaningful and surprising shifts during the first half of 2017 in several drivers of the capital markets, we also invite you to take this time to consider a broader diversification strategy by including additional Value Line Funds in your investment portfolio. You can find out more about the entire family of Value Line Funds at our website, www.vlfunds.com.

Economic Review

Overall, the semi-annual period was one of slow economic growth and low inflation both in the U.S. and globally. For the first quarter of 2017, U.S. Gross Domestic Product (GDP) averaged 1.4%, which was weaker than the 2.1% growth rate registered in the fourth quarter of 2016. This weaker number was due primarily to a drop in federal, state and local government spending along with a deceleration in imports. Second quarter GDP is expected to be better, around 2% or somewhat higher. During the semi-annual period, the labor market was a source of strength. U.S.

unemployment declined from 4.7% to 4.4%, considered near full employment. Nonfarm payroll gains averaged 180,000 for the semi-annual period, strong but slightly less than the 186,000 per month on average in 2016. However, average hourly earnings declined from a 2.9% to a 2.5% growth rate, below the peak of previous economic expansions. Manufacturing was an additional source of strength to the U.S. economy, improving throughout the first half of 2017. Inflation, as measured by the Consumer Price Index (CPI) was lower than expected, as energy and consumer prices fell and wage growth remained muted. More specifically, headline CPI rose 1.6% year over year before seasonal adjustment as of June 2017, a figure that has been declining rather steadily since February 2017, when it was 2.7%. Core inflation, which excludes food and energy, was up 1.7% in June 2017 from a year earlier. While the food segment of the CPI increased 0.9% during the 12 months ended June 30, 2017, the energy segment of the CPI rose 2.3% over the same 12-month span. However, notably, the energy segment of the CPI decreased in four of the six months of the semi-annual period, most recently declining 2.7% in May 2017 and 1.6% in June 2017.

Based in large part on the U.S. Federal Reserve's (the Fed) view that the low unemployment rate would trigger wage inflation, the Fed embarked on a path of tightening monetary policy, raising the targeted federal funds rate twice during the semi-annual period — in March and June 2017 — by 25 basis points each, bringing it to a range of 1.00% to 1.25% by the end of the semi-annual period. (A basis point is 1/100th of a percentage point.) At the end of June 2017, the Fed was widely expected to raise interest rates once more this calendar year. This caused short-term interest rates to rise, with the yield on the two-year

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President's Letter (unaudited) (continued)

U.S. Treasury note increasing from 1.19% to 1.38% during the first half of 2017. Seemingly moving in a similar direction, the European Central Bank (ECB) signaled its intention during the semi-annual period to pull back from its accommodative stance, putting pressure on European short-term interest rates. Since many European investors buy U.S. bonds, this put further upward pressure on U.S. short-term interest rates. On the other hand, yields on longer-term U.S. Treasuries were not adversely affected by Fed or ECB policy. The yield on the 10-year U.S. Treasury note declined from 2.44% to 2.27% during the semi-annual period, with longer-term investors purchasing bonds spurred by lower than expected inflation.

Rising interest rates in the U.S. did not benefit the U.S. dollar relative to other major currencies. On June 30, 2017, the U.S. Dollar Index ("DXY")3 declined to its lowest level since October 2016. Following the U.S. presidential elections, the DXY had risen to its highest level in 14 years, but it declined since, mainly reflecting the potential impact of the new Administration's protectionist trade policies.

Equity Market Review

U.S. equities, as measured by the S&P 500® Index4, gained 9.34% during the six months ended June 30, 2017, buoyed by still relatively low interest rates and by positive trends in corporate earnings. International equities, both developed and emerging, as measured by the MSCI EAFE Index4 and MSCI Emerging Markets Index4, respectively, outperformed the U.S. equity market. The benefit of a broad earnings recovery and ongoing, albeit slow, economic expansion was greater in markets outside of the relatively advanced U.S. market.

As 2017 began, U.S. equities rallied to new highs on the prospect of deregulation following President Trump's executive orders on oil pipelines and on further optimism around infrastructure spending after a $1 trillion proposal from Senate Democrats. Despite political uncertainty and concerns about protectionism, U.S. equities continued to rally in February 2017 on anticipation of potential U.S. tax reform and by stronger economic data. In March 2017, the Fed raised interest rates for the third time since the 2008 global financial crisis. After House Republicans were unable to schedule a vote on health care, U.S. equities moved lower. All told, then, for the month of March 2017, U.S. equities were virtually flat.

U.S. equities fell in April 2017, as Fed minutes suggested stocks were overvalued. However, U.S. equities subsequently rebounded on strong first quarter 2017 earnings results and less political risk in Europe following the centrist candidate's win in the French election. Although the U.S. labor market remained strong, economic and inflation data appeared to soften. In addition, market expectations for pro-growth U.S. fiscal policy were dampened by developments in Washington D.C. Still, the Fed raised the targeted federal funds rate 25 basis points in June 2017, citing ongoing strength in the labor market and a pick-up in household spending and business fixed investment.

In a reversal from 2016, growth stocks outperformed value stocks by a wide margin across the capitalization spectrum of the U.S. equity market for the semi-annual period overall. In another reversal from 2016, large-cap stocks performed best, followed by mid-cap stocks and then at some distance by small-cap stocks, though each market capitalization segment of the U.S. equity market generated solid gains during the semi-annual period. (All as measured by the Russell U.S. Indexes.)

In the S&P 500® Index, the best performing sectors were information technology, health care and consumer discretionary, each of which posted double-digit gains. The weakest performing sectors in the S&P 500® Index during the semi-annual period were energy and telecommunication services, the only two to post negative absolute returns, followed by real estate and financials, which were comparatively weak but generated positive returns.

Fixed Income Market Review

The broad U.S. investment grade fixed income market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index5, posted a return of 2.27% during the semi-annual period. Less accommodative central bank policy both domestically and globally put pressure on shorter-term interest rates, while longer-term rates declined due to lower than expected inflation. This caused a flattening of the yield curve. (A flattening yield curve is one in which the differential in yields of securities with various maturities narrows.) Interest rates on maturities of three years or less rose during the semi-annual period, while interest rates on maturities of beyond three years declined.

More specifically, the yield on the three-month U.S. Treasury bill rose approximately 52 basis points, and the yield on the two-year U.S. Treasury note increased approximately 19 basis points. The yield on the bellwether 10-year U.S.

Treasury note decreased approximately 17 basis points, and the yield on the 30-year U.S. Treasury bond declined approximately 24 basis points during the semi-annual period.

Corporate bonds, both investment grade and high yield, benefited during the semi-annual period from investors' preference for risk assets. Consequently, higher rated bonds tended to lag lower rated bonds, and high yield corporate bonds posted the strongest fixed income returns for the six months ended June 30, 2017. Corporate bond supply was not robust enough to meet strong demand, leading to the tightening of most corporate bond subsectors. However, energy-related bond spreads, or yield differentials to U.S. Treasuries, were choppier, as energy prices were more volatile during the semi-annual period. Still, market volatility overall was relatively low in the bond market, with bonds trading in a relatively tight range. U.S. Treasuries were weak performers against this backdrop of spread tightening for risk assets.

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We thank you for trusting us to be a part of your long-term, comprehensive investment strategy. We appreciate your confidence in the Value Line Funds and look forward to serving your investment needs in the years ahead just as we have been helping to secure generations' financial futures for more than 65 years — based on solid fundamentals, sound investment principles and the power of disciplined and rigorous analytics. If you have any questions or would like additional information on these or other Value Line Funds, we invite you to contact your investment representative or visit us at www.vlfunds.com.

Sincerely,

Mitchell Appel
President of the Value Line Funds

Past performance does not guarantee future results. Investment return and principal value of an investment can fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost; and that current performance may be lower or higher than the performance data quoted. Investors should carefully consider the investment objective, risks, charges and expense of a fund. This and other important information about a fund is contained in the fund's prospectus. A copy of our funds' prospectuses can be obtained free of charge by going to our website at www.vlfunds.com or calling 800.243.2729.

The Value Line Funds are distributed by EULAV Securities LLC.

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Data, rankings and ratings are based on the Investor Share Class of the Fund.

1

Morningstar, Inc. is an investment research and investment management firm headquartered in Chicago, Illinois, United States.

2

The Morningstar RatingTM for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/ 40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

i

For Value Line Premier Growth Fund, Inc.: Three-star rating for 3-year (576 funds) and 5-year (502 funds) periods ended June 30, 2017; four-star rating for 10-year (370 funds) and overall (576 funds) periods ended June 30, 2017. All in the mid-cap growth category. Morningstar Risk: Low for the 3-year, 5-year and overall periods ended June 30, 2017; Below Average for the 10-year period ended June 30, 2017.

ii

For Value Line Mid Cap Focused Fund, Inc.: Five-star rating for 3-year (576 funds) period ended June 30, 2017; four-star rating for 5-year (502 funds) and overall (576 funds) periods ended June 30, 2017; three-star rating for 10-year (370 funds) period ended June 30, 2017. Morningstar Risk: Low for the 3-year-5-year, 10-year and overall periods ended June 30, 2017.

iii
For Value Line Income and Growth Fund: Five-star rating for 3-year (334 funds), 5-year (291 funds) and overall (334) periods ended June 30, 2017; four-star rating for 10-year (291 funds) period ended June 30, 2017. All in the allocation-70% to 85% equity category. Morningstar Return: High for the 3-year, 10-year and overall periods ended June 30, 2017; Above Average for the 5-year period ended June 30, 2017.

iv
For Value Line Larger Companies Focused Fund, Inc.: Five-star rating for 3-year (1,277 funds) period ended June 30, 2017; four-star rating for 5-year (1,152 funds) and overall (1,277 funds) periods ended June 30, 2017; three-star rating for 10-year (803 funds) period ended June 30, 2017.

3
The U.S. Dollar Index (DXY) is a measure of the value of the U.S. dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies.

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President’s Letter (unaudited) (continued)

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The S&P 500® Index consists of 500 stocks that are traded on the New York Stock Exchange, American Stock Exchange and the NASDAQ national Market System and is representative of the broad stock market. The MSCI EAFE Index is an equity index that captures large-cap and mid-cap representation across 21 developed markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI Emerging Markets Index captures large-cap and mid-cap representation across 24 emerging markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. These are unmanaged indices and do not reflect charges, expenses or taxes, and it is not possible to directly invest in these indices.

5
The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS. This is an unmanaged index and does not reflect charges, expenses or taxes, which are deducted from the Fund’s return. It is not possible to directly invest in this index.

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VALUE LINE PREMIER GROWTH FUND, INC.

INVESTMENT OBJECTIVE AND STRATEGY (condensed) (unaudited)

The Fund’s sole investment objective is long-term growth of capital.

To achieve the Fund’s goal, 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.

Manager Discussion of Fund Performance

Below, Value Line Premier Growth Fund, Inc. portfolio manager Stephen E. Grant discusses the Fund’s performance and positioning for the six months ended June 30, 2017.

How did the Fund perform during the semi-annual period?

The Fund generated a total return of 12.56% during the six months ended June 30, 2017. This compares to the 9.34% return of the Fund’s benchmark, the S&P 500® Index, during the same semi-annual period.

What key factors were responsible for the Fund’s performance during the six-month reporting period?

The Fund outperformed the S&P 500® Index during the six-month reporting period, driven primarily by stock selection overall. Favorable sector allocation decisions also contributed positively.

Further, during the semi-annual period, growth-oriented stocks outpaced value-oriented stocks. Among value-oriented stocks, the energy and telecommunication services sectors of the S&P 500® Index were particularly lagging, each posting double-digit losses. These trends in the broad U.S. equity market boosted the Fund’s relative results, as the Fund, unlike the S&P 500® Index, leans more toward the growth end of the spectrum and owned no energy or telecommunication services stocks during the six-month reporting period.

Which equity market sectors most significantly affected Fund performance?

The Fund benefited most from having no allocation at all to either the energy or telecommunication services sectors, as each posted negative absolute returns during the semi-annual period. The Fund also enjoyed positive results in all sectors of the S&P 500® Index in which it was invested, except consumer discretionary. In particular, effective stock selection in the health care, industrials and financials sectors boosted the Fund’s relative performance.

These positive contributors were partially offset by the detracting effect of weak stock selection in the consumer discretionary sector. Having an underweight to the strongly performing information technology sector also dampened relative results. Specifically, the Fund did not own Apple or Facebook, each of which posted sizable double-digit gains during the semi-annual period. However, the Fund’s strategy is to invest lower on the capitalization spectrum. It does not typically invest in giant, mega-cap companies, with investment research and investment management firm Morningstar placing the Fund in its mid-cap growth category.

What were some of the Fund’s best-performing individual stocks?

Among the individual stocks that contributed most to the Fund’s relative results were weighing instruments manufacturer Mettler-Toledo International, a component of the health care sector, and India-based bank HDFC Bank, each of whose stocks were boosted to robust double-digit gains during the semi-annual period by stronger than expected operating performance. A position in C.R. Bard, which designs, manufactures, packages, distributes and sells medical, surgical, diagnostic and patient care devices, was also a top positive contributor to the Fund’s relative results, with its shares increasing on the back of a takeover offer from Becton Dickinson.

Which stocks detracted significantly from the Fund’s performance during the semi-annual period?

Two auto parts retailers within the consumer discretionary sector detracted most from the Fund’s performance during the semi-annual period—AutoZone and O’Reilly Automotive. Each of these company’s stocks experienced double-digit declines in part due to a potential future competitive threat from Amazon. Also, Acuity Brands, which designs, produces and distributes a full range of indoor and outdoor lighting and control systems for commercial and institutional, industrial, infrastructure and residential applications, detracted from the Fund’s results. Its shares declined during the semi-annual period on weaker than expected operating performance.

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VALUE LINE PREMIER GROWTH FUND, INC.

How did the Fund use derivatives and similar instruments during the reporting period?

The Fund did not use derivatives during the reporting period.

Did the Fund make any significant purchases or sales during the semi-annual period?

During the semi-annual period, we established new, albeit modest, Fund positions in plastic products and containers manufacturer Berry Global Group and personal computer software and multi-media tools supplier Autodesk. In our view, each of these companies was showing good near- and long-term momentum in their operations and stock price. Among the largest eliminations from the Fund's portfolio were positions in physician management services provider Mednax and full service pharmacy benefit management and specialty managed care company Express Scripts. In each case, the exiting of the position from the Fund's portfolio was due to weaker than expected operating results and what we believe are diminished long-term growth prospects.

Were there any notable changes in the Fund's weightings during the six-month period?

There were no material changes in the Fund's sector weightings during the six-month period ended June 30, 2017.

How was the Fund positioned relative to its benchmark index at the end of June 2017?

As of June 30, 2017, the Fund was overweighted relative to the S&P 500® Index in the industrials and materials sectors. The Fund was underweighted relative to the S&P 500® Index in the financials, consumer discretionary and information technology sectors. The Fund was rather neutrally weighted relative to the Index in the consumer staples, health care and real estate sectors and had no allocation at all to the energy, telecommunication services or utilities sectors on the same date.

What is your tactical view and strategy for the months ahead?

Regardless of market conditions, we intend to stay true to our time-tested investment discipline going forward, seeking to invest in companies that have demonstrated a solid history of consistent growth in both their earnings and stock price. In our view, these companies possess attractive portfolios of proprietary products and services that give them strong market positions and make them less vulnerable to swings in national and international economic conditions. At the same time, we believe the underlying stocks of these companies tend to be less volatile than the average stock in the S&P 500® Index. By maintaining our investment discipline, the Fund has historically provided a smoother ride to investors than its peer group averages. Putting aside short-term ebbs and flows in the equity market, we believe the Fund's investments are likely to provide superior returns to our shareholders over the long term.

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Value Line Premier Growth Fund, Inc.
Portfolio Highlights at June 30, 2017 (unaudited)

Ten Largest Holdings

Issue	Shares	Value	Percentage of Net Assets
Waste Connections, Inc.	173,700	$ 11,189,754	3.4%
Toro Co. (The)	158,600	10,989,394	3.3%
Mettler-Toledo International, Inc.	17,700	10,417,158	3.1%
IDEXX Laboratories, Inc.	57,400	9,265,508	2.8%
Roper Technologies, Inc.	39,000	9,029,670	2.7%
Fiserv, Inc.	68,400	8,368,056	2.5%
ANSYS, Inc.	61,600	7,495,488	2.3%
C.R. Bard, Inc.	22,600	7,144,086	2.2%
Henry Schein, Inc.	38,800	7,101,176	2.1%
MasterCard, Inc.	58,000	7,044,100	2.1%
Total			26.5%

Asset Allocation – Percentage of Net Assets

Sector Weightings – Percentage of Total Investment Securities*

*
Sector weightings exclude short-term investments.

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Value Line Premier Growth Fund, Inc.

Schedule of Investments (unaudited)

Shares		Value
COMMON STOCKS (98.0%)		
CONSUMER DISCRETIONARY (7.1%)		
	DISTRIBUTION & WHOLESALE (1.1%)	
112,000	LKQ Corp.*	$ 3,690,400
	RETAIL (6.0%)	
7,400	AutoZone, Inc.*	4,221,404
20,000	Dollar Tree, Inc.*	