



Overall Morningstar Rating



(VALIX)

Among 465 Moderate Allocation funds

(as of 3/31/26)

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the Fund's 3-, 5-, and 10-year (if applicable) Morningstar metrics.

Fund Facts

Symbol

Investor VALIX

Institutional VLIIX

Inception Date

Investor 10/1/52

Institutional 11/1/15

Total Assets

\$462M
(as of 3/31/26)

Top 10 Holdings

(as of 3/31/26)

Company	Weight (%)
NVIDIA Corp	3.93
Alphabet Inc Class A	3.55
Micron Technology Inc	3.37
Meta Platforms Inc Class A	3.35
Advanced Micro Devices Inc	3.31
Amazon.com Inc	3.07
Broadcom Inc	2.68
Netflix Inc	2.04
Microsoft Corp	1.97
Madrigal Pharmaceuticals Inc	1.93

Value Line Funds

443.279.2015

www.vlfunds.com

Portfolio Manager Q&A

Value Line Capital Appreciation Fund (VALIX/VLIIX)

Q1: Would you please comment on the equity markets in the first quarter of 2026? How did the Fund perform in Q1 and over longer periods?

Equity markets experienced a difficult first quarter of 2026, with the S&P 500 Index declining 4.33% following the Index's strong return of 17.88% in 2025. Market volatility increased, driven by geopolitical uncertainty, elevated energy prices, and evolving expectations for monetary policy. Investor sentiment weakened as capital rotated toward more defensive sectors, including Energy, Utilities, and Consumer Staples, while growth-oriented sectors such as Information Technology and Consumer Discretionary lagged.

With these near-term uncertainties, the Fund declined 7.51% in the first quarter, underperforming the Morningstar Moderate Allocation Category average return of -1.18%. However, the Fund has delivered strong longer-term performance, and ranks in the top decile (10% or better) in the Morningstar category over the 1, 3, and 10-year periods ended March 31, 2026.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. – VALIX	10	2	59	1
# of Funds in Category	488	465	445	371

Source: Morningstar as of 3/31/26

Please visit the Fund's [performance page](#) for complete performance information.

Q2: Within the Fund's equity portfolio, what were the key drivers of performance relative to the S&P 500 Index?

Within the equity portfolio, the Fund's underperformance relative to the S&P 500 Index during the quarter was driven by stock selection and sector allocation.

At the sector level, Industrials and Financials were the largest detractors to performance. The Fund's Industrials holdings declined approximately 14%, compared with a 5% gain for the Index, while Financials declined approximately 17% versus a 9% decline for the Index.

From an individual stock perspective, the largest detractors to performance included AppLovin Corp. (APP, -41%), Robinhood Markets Inc. (HOOD, -39%), and Workday Inc. (WDAY, -40%), mainly reflecting weaker investor sentiment toward large-growth companies during the quarter.

On the positive side, the top contributors included Micron Technology Inc. (MU, +18%) and ARM Holdings PLC (ARM, +38%), supported by strong fundamentals and continued demand tied to artificial intelligence; and Diamondback Energy Inc. (FANG, +32%), which benefited from higher energy prices.

Overall, we believe the quarter's performance was largely driven by market dynamics rather than underlying business fundamentals, and we remain confident in the long-term growth prospects of the portfolio.

(Continued on next page)

Q3: How was the Fund allocated at quarter-end?

As of March 31, 2026, the Fund was allocated approximately 63% to equities, 33% to fixed income, and 3% to cash.

The Fund's fixed income portfolio continues to emphasize high-quality, investment-grade securities, with approximately 99% rated AAA through BBB as of March 31, 2026.

Q4: What are the forward revenue and earnings growth rates of the Fund's equity portfolio, and how does this compare to the S&P 500?

As of quarter-end, the Fund's equity portfolio had a three-year projected average annual sales growth rate of 24%, nearly double the S&P 500 Index's 13% rate, and a three-to five-year estimated earnings growth rate of 20% versus 14% for the Index.

	VALIX/VLIIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	24.0%	12.7%
3-5-Year Estimated Forward Earnings Growth Rate	20.2%	13.9%

Senior Portfolio Managers

Cindy Starke

Cindy Starke joined Value Line Funds as a portfolio manager in 2014 and has over 25 years of mid and large-cap growth investment experience. Ms. Starke received a BS and an MBA from Fordham University.


Liane Rosenberg

Liane Rosenberg has been with Value Line Funds since 2009. She has over 25 years of experience in fixed income portfolio management. Ms. Rosenberg received a BA from State University of New York at Albany and an MBA from Fordham University.

The performance data quoted herein represents past performance and does not guarantee future results. Market volatility can dramatically impact the fund's short term performance. Current performance may be lower or higher than figures shown. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Past performance data through the most recent month end is available at www.vlfunds.com or by calling 800.243.2729. You should carefully consider investment objectives, risks, charges and expenses of Value Line Mutual Funds before investing. This and other information can be found in the fund's prospectus and summary prospectus, which can be obtained free of charge from your investment representative, by calling 800.243.2729, or by clicking on the applicable fund at www.vlfunds.com. Please read it carefully before you invest or send money. The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses. Investment results and the principal value of an investment will vary.

The Morningstar Rating™ for funds, or "star rating" is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund (VALIX) received 5 stars for the 3-year period, 1 stars for the 5-year period and 4 stars for the 10-year period ended 3/31/26 among 465, 445 and 371 Moderate Allocation funds, respectively. © 2026 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. *There are risks associated with investing in small and mid cap stocks, which tend to be more volatile and less liquid than stocks of large companies, including the risk of price fluctuations.*

3-Yr Average Projected Annual Sales Growth Rate is the year-over-year average growth rate of holdings based on analysts' consensus revenue estimates of holdings. 3-5 Yr Average Estimated Forward Earnings Growth Rate is the year-over-year average growth rate based on analysts' consensus EPS (earnings per share) estimates. If EPS estimates are available for 5 years forward, it is an average of 5 years; otherwise, it is an avg of 3 years forward EPS estimates.

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