

Overall  Rating

(VALIX/VLIIX)

Among 434 Moderate  
Allocation funds

(as of 6/30/25)

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

\$486M

(as of 6/30/25)

## Top 10 Holdings

(as of 6/30/25)

| Company                    | Weight (%) |
|----------------------------|------------|
| Meta Platforms Inc Class A | 4.22       |
| NVIDIA Corp                | 3.99       |
| Amazon.com Inc             | 3.09       |
| Advanced Micro Devices Inc | 3.05       |
| Alphabet Inc Class A       | 2.72       |
| Microsoft Corp             | 2.55       |
| Uber Technologies Inc      | 2.49       |
| Netflix Inc                | 2.38       |
| Exelixis Inc               | 2.30       |
| Strategy Class A           | 2.24       |

## Portfolio Manager Q&amp;A

## Value Line Capital Appreciation Fund (VALIX/VLIIX)

## Q1: How did the Fund perform relative to the Morningstar Moderate Allocation Category in the second quarter and for longer-term periods?

For the three months ended June 30, 2025, the Fund's return of 16.72% nearly tripled the Morningstar Moderate Allocation Category average return of 5.99%. The Fund's return also outperformed the blended 60% S&P 500 Index/40% Bloomberg US Aggregate Bond Index return of 7.02% by 970 basis points.

We are pleased to report that the Fund has achieved outperformance in longer-term time periods as well, and ranks in the **top 2% among Morningstar Moderate Allocation funds for the 1, 3 and 10-year periods** ended June 30, 2025.

|                                                    | 1 Year   | 3 Year   | 5 Year    | 10 Year  |
|----------------------------------------------------|----------|----------|-----------|----------|
| <b>Percentile Rank in Morningstar Cat. – VALIX</b> | <b>1</b> | <b>1</b> | <b>18</b> | <b>2</b> |
| # of Funds in Category                             | 453      | 434      | 404       | 333      |

Source: Morningstar as of 6/30/25

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

## Q2: What drove the Fund's equity portfolio's outperformance relative to the S&amp;P 500 Index in the second quarter?

The Fund's equity portfolio's outperformance in Q2 was driven primarily by strong stock selection. Looking at sector performance for this period, the Fund's largest positive contributing sectors were Financials and Information Technology (IT).

**Financials:** The Fund's Financials holdings gained 34% in the quarter, compared to the S&P's Financials gain of 6%. Two of the Fund's largest positive contributors were Robinhood Markets Inc. (HOOD +125%) and Coinbase Global Inc. (COIN +104%). Robinhood is a cloud-based financial services platform that provides services such as cryptocurrency trading and fractional share investing. Coinbase provides a cryptocurrency trading platform for investors and institutions.

**IT:** The Fund's IT holdings rose 31% compared to the Index's IT sector gain of 24%. Within Technology, two of the Fund's largest contributors to performance were Strategy, formerly MicroStrategy (MSTR +40%), and Advanced Micro Devices Inc. (AMD +38%). Strategy is a bitcoin treasury company and provides business intelligence services. Advanced Micro Devices designs semiconductors used for PCs, gaming consoles, data centers, and others.

## Q3: What was the Fund's asset allocation as of June 30, 2025?

At quarter end, the Fund held 67% in equities and 33% in fixed income and cash. Within the Fund's fixed income allocation, the portfolio was primarily invested in investment grade securities (rated AAA through BBB). Additionally, approximately 99% of the Fund's debt securities were rated investment grade as of June 30, 2025.

## Value Line Funds

443.279.2015

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

**Q4: When it comes to equity investing, what do you view as the most important driver for long-term capital appreciation?**

We believe that sales and earnings growth are the primary drivers of stock price appreciation over time. With this in mind, the Fund has a larger weighting invested in growth-oriented companies than most of our peers. Approximately 38% of holdings in the equity portfolio are considered growth companies, compared with just 22% invested in growth companies, on average, in the Morningstar Moderate Allocation Category.

We strive to own a portfolio of companies that can collectively grow their future sales and earnings at faster

rates compared to the S&P 500 Index. As of June 30, 2025, the Fund's equity portfolio had a 3-year projected average annual sales growth rate that was 1.6X the S&P 500's rate, and a 3- to 5-year estimated forward earnings growth rate that was 1.3X that of the S&P 500.

|                                                 | VALIX/VLIIX<br>Equity Portfolio | S&P 500 Index |
|-------------------------------------------------|---------------------------------|---------------|
| 3-Year Projected Avg Annual Sales Growth Rate   | 14.4%                           | 9.2%          |
| 3-5-Year Estimated Forward Earnings Growth Rate | 15.8%                           | 11.9%         |

**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](http://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](http://www.vlfunds.com). Please read it carefully before you invest or send money. The average annual returns shown above are historical and reflect changes in share price, reinvested dividends and are net of expenses. Investment results and the principal value of an investment will vary.**

The Morningstar Rating™ for funds, or "star rating" is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 5 stars for the 3-year period, 3 stars for the 5-year period and 4 stars for the 10-year period ended 6/30/25 among 434, 404 and 333 Moderate Allocation funds, respectively. © 2025 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.

**Past performance is no guarantee of future results. Value Line Mutual Funds are distributed by EULAV Securities, LLC.** Although the information provided in this document has been obtained from sources which EULAV Securities LLC believes to be reliable, it does not guarantee accuracy or completeness of such information.

Value Line, Value Line Logo, Timeliness, Safety are trademarks or registered trademarks of Value Line, Inc. and/or its affiliates in the United States and other countries. Used by permission.