ValueLine*funds*

2nd Quarter 2026

Portfolio Manager Q&A

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

Q1: Would you please discuss the market environment in Q2 2026 and how the Fund performed?

After a volatile start to the year, financial markets rebounded strongly during the second quarter as investor confidence improved and concerns surrounding inflation and energy prices began to ease. Equity markets led the recovery, with growth stocks outperforming value stocks as companies benefiting from artificial intelligence (AI), cloud computing, and digital infrastructure continued to report strong operating results. In the second quarter, the S&P 500 Index gained 15.20% and the blended 60% S&P 500 Index / 40% Bloomberg US Aggregate Bond Index gained 9.31%.

Against this backdrop, the Fund returned 20.00%, significantly outperforming the Morningstar Moderate Allocation Category average return of 8.22% during the quarter. The Fund also continued to deliver strong long-term results, ranking in the top decile (10% or better) for the 1, 3 and 10-year periods of the Morningstar Moderate Allocation Category as of June 30, 2026.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. – VALIX	**9**	**1**	**12**	**1**
# of Funds in Category	482	460	440	375

Source: Morningstar as of 6/30/26

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, relative performance was driven primarily by stock selection, with Information Technology (IT) providing the largest positive contribution. The Fund's IT holdings benefited from continued investment in AI infrastructure and strong earnings results. The Fund's IT stocks returned approximately 64%, widely outperforming the S&P's IT sector return of 32%.

Several holdings made meaningful contributions during the quarter. Micron Technology Inc. (MU, +242%), Advanced Micro Devices Inc. (AMD, +186%), and ARM Holdings (ARM, +134%) were among the strongest performers as demand for memory, semiconductors, and AI-related computing infrastructure remained robust. The Fund also benefited from strong returns in CrowdStrike Holdings Inc. (CRWD, +95%), reflecting continued demand for cybersecurity solutions.

The primary detractors to performance were the Communication Services and Health Care sectors, where holdings such as Netflix Inc. (NFLX, -26%) and Insmed Inc. (INSM, -35%) were under significant pressure this quarter. While these companies weighed on relative results, we remain confident in their long-term competitive positions and growth prospects.

Overall MORNINGSTAR Rating

★★★★

(VALIX)
Among 460 Moderate Allocation funds
(as of 6/30/26)

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	$555M *(as of 6/30/26)*

Top 10 Holdings
(as of 6/30/26)

Company	Weight (%)
Micron Technology Inc	7.29
Advanced Micro Devices Inc	6.43
NVIDIA Corp	3.74
Alphabet Inc Class A	3.53
Amazon.com Inc	2.88
Meta Platforms Inc Class A	2.78
Broadcom Inc	2.63
ARM Holdings PLC ADR	2.08
Exelixis Inc	2.03
Microsoft Corp	1.67

Value Line Funds
443.279.2015
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Q3: How was the Fund allocated at quarter-end?

As of June 30, 2026, the Fund was allocated approximately 65% to equities, 30% to fixed income, and 5% to cash. The Fund's equity allocation is up from 63% as of the end of the prior quarter, driven by strong equity returns.

The fixed income portfolio continues to emphasize high-quality, investment-grade securities, with approximately 99% rated AAA through BBB.

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

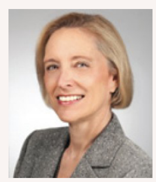
As of June 30, 2026, the Fund's equity portfolio had a 3-year projected average annual sales growth rate of 35%, compared with 18% for the S&P 500 Index. The portfolio's 3- to 5-year estimated forward earnings growth rate was 35%, versus 21% for the Index.

The Fund combines an above-market growth profile with attractive valuations. At quarter-end, the equity portfolio traded at approximately 19x forward price/earnings (P/E) multiple, below the S&P 500's 20x forward P/E multiple. The portfolio's strong projected longer term earnings growth rate resulted in a price/earnings to growth (PEG) ratio of just 0.54, compared with 0.98 for the Index. We believe this combination of faster expected growth and lower relative valuation positions the Fund well for long-term oriented investors.

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, 3 stars for the 5-year period and 5 stars for the 10-year period ended 6/30/26 among 460, 440 and 375 Moderate Allocation funds, respectively.

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. The price/earnings-to-growth (PEG) ratio is a valuation metric that adjusts traditional earnings multiples by factoring in a company's expected growth rate.

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