



Overall Morningstar Rating



(VALIX)

Among 464 Moderate Allocation funds

(as of 12/31/25)

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

\$533M
(as of 12/31/25)

Top 10 Holdings

(as of 12/31/25)

Company	Weight (%)
NVIDIA Corp	3.99
Alphabet Inc Class A	3.91
Meta Platforms Inc Class A	3.88
Advanced Micro Devices Inc	3.41
Amazon.com Inc	3.24
Micron Technology Inc	2.87
Broadcom Inc	2.75
Microsoft Corp	2.38
Uber Technologies Inc	2.09
AppLovin Corp Ordinary Shares - Class A	1.98

Value Line Funds

443.279.2015

www.vlfunds.com

Portfolio Manager Q&A

Value Line Capital Appreciation Fund (VALIX/VLIIX)

Q1: How would you characterize the market environment in 2025, and what factors shaped investor behavior during the year?

Equity markets delivered strong results in 2025, with the S&P 500 Index rising 17.88%. While the final quarter of the year was marked by increased volatility and some rotation away from growth stocks, the broader market backdrop remained constructive. Leadership expanded beyond a narrow group of mega-cap names, with returns increasingly driven by company-specific fundamentals.

Artificial intelligence (AI) remained the most influential secular theme throughout the year, supporting earnings growth across a wide range of industries. At the same time, easing inflation and a gradual shift toward a more accommodative monetary environment improved sentiment for both equities and fixed income.

Q2: How did the Fund perform during 2025?

For 2025, the Fund returned 20.87%, significantly outperforming its 60% S&P 500 / 40% Bloomberg US Aggregate Bond blended benchmark and the Morningstar Moderate Allocation Category average, by over 700 basis points and 800 basis points, respectively. We are pleased to report that the Fund's performance ranked in the top 2% among its Morningstar category peers for the 1, 3 and 10-year periods ended December 31, 2025.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. - VALIX	2	1	32	1
# of Funds in Category	486	464	444	370

Source: Morningstar as of 12/31/25

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

Q3: Within the Fund's equity portfolio, what were the key drivers of outperformance relative to the S&P 500 Index during the year?

Within the equity portfolio, the Fund's outperformance was primarily due to stock section. The top two contributing sectors relative to the S&P 500 Index were as follows:

- The **Financials** sector was the equity portfolio's largest contributor in 2025. Robinhood Markets Inc. (HOOD, +204%) was a standout performer, while holdings including The Goldman Sachs Group Inc. (GS, +57%), Interactive Brokers Group Inc. (IBKR, +46%), and JPMorgan Chase & Co. (JPM, +37%) also delivered strong results.
- **Health Care** was the equity portfolio's second-largest contributing sector. The portfolio benefited from strong performance in biotechnology and pharmaceutical holdings, including Madrigal Pharmaceuticals Inc. (MDGL, +89%), Exact Sciences Corp. (EXAS, +79%), and Insmid Inc. (INSM, +36%).

Q4: How is the Fund allocated as we enter 2026?

As of December 31, 2025, the Fund was allocated approximately 66% to equities, 29% to fixed income, and 5% to cash, largely consistent with its allocation at the end of the prior year. The Fund's fixed income portfolio continues to emphasize high-quality, investment grade securities, with approximately 97% rated AAA through BBB as of December 31, 2025.

Q5: How do the Fund's forward revenue and earnings growth rates compare to the broader market?

As of year-end, the Fund's equity portfolio had a three-year projected average annual sales growth rate of 25%, nearly double the S&P 500 Index's 13% rate, and a three-to five-year estimated earnings growth rate of 16% versus 13% for the Index.

	VALIX/VLIIX Equity Portfolio	S&P 500 Index
3-Year Projected Avg Annual Sales Growth Rate	25.3%	12.8%
3-5-Year Estimated Forward Earnings Growth Rate	16.2%	12.9%

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, 2 stars for the 5-year period and 4 stars for the 10-year period ended 12/31/25 among 464, 444 and 370 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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