



**Overall  Rating**



(VLEOX)

Among 522 Small Growth 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 VLEOX  
Institutional VLEIX

**Inception Date**

Investor 6/23/93  
Institutional 11/1/15

**Total Assets**

\$778M  
(as of 3/31/26)

**Top 10 Holdings**

(as of 3/31/26)

Company	Weight (%)
RBC Bearings Inc	5.49
Woodward Inc	5.23
CACI International Inc Class A	4.90
Watts Water Technologies Inc Class A	4.81
Ensign Group Inc	4.74
Applied Industrial Technologies Inc	4.53
SPX Technologies Inc	3.75
Federal Signal Corp	3.64
Rush Enterprises Inc Class A	3.17
GATX Corp	3.01

**Value Line Funds**

443.279.2015

www.vlfunds.com

**Portfolio Manager Q&A**

**Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)**

**Q1: Would you please discuss your perspective on the market environment and the Fund's performance in the first quarter, as well as longer periods?**

The first quarter of 2026 marked a shift in market dynamics following the narrow, mega-cap driven leadership that characterized much of 2025. The U.S. equity market experienced elevated volatility in response to geopolitical concerns due to the Middle East conflict and macro uncertainty related to inflation.

Against this backdrop, the Fund generated a return of 1.15% for the three months ended March 31, 2026, outperforming the Morningstar Small Growth Category average of -2.07%. The Fund also outperformed the category over the 3, 5 and 10-year periods as of March 31, 2026.

While shorter-term results can vary depending on market leadership, the Fund remains focused on identifying companies with long-term, consistent growth in both stock price and earnings. We believe this approach positions the Fund well to deliver attractive long-term results.

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

**Q2: What were the primary contributors and detractors to the Fund's performance during the quarter?**

The Fund's relative outperformance during the quarter was driven primarily by stock selection in the Industrials sector. Two of the largest positive contributors in the sector were Comfort Systems (FIX), which provides heating, ventilation and cooling services, and RBC Bearings (RBC), which manufactures parts for the industrial, defense and aerospace industries.

The Fund also benefited from its underweight positioning in Information Technology and Health Care, which together represent a significant portion of its benchmark, the Russell 2000 Index. Both sectors declined during the quarter, and the Fund's lower exposure helped limit the downside impact.

On the negative side, performance was affected by the Fund's lack of exposure to the energy sector, which was the strongest-performing area during the period.

**Q3: Were there any notable portfolio changes during the quarter?**

During the quarter, we increased the portfolio's exposure to several current holdings, including Rush Enterprises Inc. (RUSHA), Primerica Inc. (PRI), Applied Industrial Technologies Inc. (AIT), GATX Corp. (GATX), and SPX Technologies Inc. (SPXC), along with smaller additions to Ensign Group Inc. (ENSG) and Enpro Inc. (NPO).

At the same time, the Fund exited nine positions, including J&J Snack Foods Corp. (JJSF), Chemed Corp. (CHE), Walker and Dunlop Inc. (WD), and Trinet Group Inc. (TNET), reflecting ongoing efforts to refine the portfolio and reallocate capital toward higher-conviction ideas. As of March 31, 2026, the Fund held 50 positions.

*Continued from previous page*
**Q4: How do you manage risk in the current environment, and how has this influenced the Fund's long-term profile?**

Risk management remains a core element of the Fund's investment process, particularly in an environment where certain areas of the market have exhibited elevated volatility. The Fund emphasizes companies with stable operating performance, earnings, and durable business models, while actively managing position sizes to capture pricing opportunities and limit downside exposure. Rather than reacting to short-term market movements, our focus remains on businesses that can perform consistently across different environments.

Over time, this disciplined approach has resulted in lower volatility relative to peers, as measured by standard deviation. The Fund ranks among the lowest in the Morningstar Small Growth Category for the 3, 5, and 10-year periods ended March 31, 2026.

	3 Year	5 Year	10 Year
<b>Fund (VLEOX) Standard Deviation Rank</b>	<b>#6 Lowest</b>	<b>#5 Lowest</b>	<b>#2 Lowest</b>
# of Unique Funds in Morningstar Small Growth Cat.	145	141	123

*Source: Morningstar as of 3/31/26*
**Portfolio Manager**

**Stephen E. Grant**

*Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past 30 years, Mr. Grant's unique quantitative/behavioral methodology has driven the success of several equity and hybrid funds. Mr. Grant has a B.A. in Economics from Stanford University and an MBA in Finance from the Wharton School of the University of Pennsylvania.*

**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 [vlfunds.com](http://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.**

*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.*

Standard deviation is a statistical measure that shows the likelihood of an investment to yield above- or below-average returns over a period of time. For example, if hypothetical XYZ Fund has an average annual total return of 11% and a standard deviation of 6.00, that means XYZ Fund's performance is likely to vary from a low of 5% to a high of 17%. Sharpe ratio is a statistical expression calculated by dividing a fund's excess return by the standard deviation of those returns that measures the relative reward of holding onto risky investments. The higher the ratio, the greater the potential for return for the same amount of risk. The lower the ratio, the worse the fund's historical risk-adjusted performance.

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 Value Line Small Cap Opportunities Fund (VLEOX) received 4 stars for the 3-year period, 5 stars for the 5-year period and 4 stars for the 10-year period ended 3/31/26, among 522, 500 and 399 Small Growth 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.

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