



Overall Morningstar Rating



(Investor)

Among 577 Small Growth Funds
(as of 6/30/20)

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.



Stephen E. Grant

Portfolio Manager

Mr. Grant has been Portfolio Manager of the Value Line Small Cap Opportunities Fund since 1998 and has over 25 years of investment experience. Mr. Grant earned an MBA from Wharton and a BA from Stanford University.

Fund Facts

Symbol

Investor VLEOX
Institutional VLEIX

Inception Date

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

Total Assets

\$388M
(as of 6/30/20)

Top 10 Holdings

(as of 6/30/20)

Company	Weight (%)
Exponent Inc	3.42
RLI Corp	2.79
Churchill Downs Inc	2.62
Pool Corp	2.50
Five9 Inc	2.39
J&J Snack Foods Corp	2.29
Chemed Corp	2.21
Woodward Inc	2.04
SPS Commerce Inc	2.02
Everbridge Inc	1.95

Portfolio Manager Q&A

Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)

Q1: Given a continuation of market volatility in 2020, would you please comment on the Fund's performance during the second quarter as well as longer-term periods?

The Fund rose 20.61% for the second quarter of 2020, trailing the Russell 2000 Index which increased 25.42%. However, when considering longer-term periods, the Fund outperformed the Russell 2000 for the 1, 3, 5 and 10-year periods as of June 30, 2020.

We believe that our strong historical outperformance speaks to our ability to generate long-term results for investors. As a result of the Fund's lower risk profile compared to its peers, we have found that over the last 10 years when the small-cap growth market, as measured by the Russell 2000 Index, rose by 20% or more the Fund underperformed. However, the Fund outperformed its peer group by an average of 400 basis points per year when the small-cap growth market rose by less than 20% or produced negative absolute returns.

Q2: Could you please describe the Fund's risk profile?

We believe that effective risk management is an important component when investing in small-cap companies. As a core principle of our investment strategy, we seek and invest in high-quality companies with 10+ years of consistent growth in stock price and earnings. We believe companies that meet these criteria have demonstrated a level of resilience over full market cycles. As a result, the Fund tends to have lower volatility compared to its peers. In fact, the Fund's Sharpe Ratio, a measure of risk-adjusted return, is higher than the Morningstar Small Growth Category for the 5 and 10-year periods, and the Fund has earned the coveted "Low" Risk rating from Morningstar for the 3, 5 and 10-year periods as of June 30, 2020.

Small Cap Opportunities Fund (VLEOX)	3 Year	5 Year	10 Year
Morningstar Risk Rating	Low	Low	Low
Fund Sharpe Ratio	0.45	0.55	0.93
Morningstar Small-Cap Growth Category Avg. Sharpe Ratio	0.45	0.44	0.72

Source: Morningstar as of 6/30/20

Q3: How has the COVID-19 pandemic impacted your investment outlook for the remainder of 2020?

The COVID-19 pandemic has resulted in a substantial increase in uncertainty in the financial markets. As the first and second quarters of 2020 have shown, the rapid increase in uncertainty has caused extreme levels of volatility in the markets, making short-term projections of company performance difficult. Longer-term forecasts have been similarly affected, as the prospect of a vaccine, ongoing infections, and potential additional government support are subject to rapidly changing information.

Continued from previous page

However, we remain committed to our time-tested philosophy of investing in companies with 10 or more years of consistent growth in both stock price and earnings. We believe these companies have strong business models, attractive growth drivers, and long-term oriented management teams. Therefore, the COVID-19 pandemic has had no material impact on our investment process and the types of company we own.

Value Line Small Cap Opportunities Fund Performance (as of 6/30/20)

	Average Annual Returns				
	QTD	1 Year	3 Year	5 Year	10 Year
Investor - VLEOX	20.61%	0.97%	8.38%	8.90%	13.76%
Institutional - VLEIX¹	20.68	1.21	8.65	9.16	13.90
Russell 2000 Index	25.42	-6.63	2.01	4.29	10.50
Morningstar Small Growth Category Avg.	32.13	4.32	9.72	7.89	12.44
Percentile Rank in Morningstar Cat. - VLEOX		60	56	44	41
# of Funds in Category		625	577	508	377
Morningstar Risk			Low	Low	Low
VLEOX Gross / Net Expense Ratio: 1.21%, VLEIX Gross/Net Expense Ratio*: 1.02% / 0.96%					

Morningstar rates funds based on enhanced Morningstar risk-adjusted returns. Morningstar Ratings and Rankings based on Investor class shares.

¹Italics indicates Morningstar Extended Performance. Extended performance is an estimate based on the performance of the fund's oldest share class, adjusted for fees. The Inception Date of VLEIX is 11/1/15.

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 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.

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.

*EULAV Asset Management (the "Adviser") and EULAV Securities LLC, the Fund's principal underwriter (the "Distributor"), have agreed to permanently waive certain class-specific fees and/or pay certain class-specific expenses incurred by the Institutional Class so that the Institutional Class bears its class-specific fees and expenses at the same percentage of its average daily net assets as the Investor Class's class-specific fees and expenses (excluding 12b-1 fees and any extraordinary expenses incurred in different amounts by the classes) (the "Expense Limitation"). The Adviser and the Distributor may subsequently recover from assets attributable to the Institutional Class the reimbursed expenses and/or waived fees (within 3 years from the month in which the waiver/reimbursement occurred) to the extent that the Institutional Class's expense ratio is less than the Expense Limitation or, if lower, the expense limitation in effect when the waiver/reimbursement occurred. The Expense Limitation can be terminated only with the agreement of the Fund's board. The Fund's performance would be lower in the absence of such waivers.

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 (Investor) received 3 stars for the 3-year period and 4 stars for the 5- and 10-year periods ended 6/30/20, among 577, 508 and 377 Small Growth funds, respectively.

Past performance is no guarantee of future results. Value Line Mutual Funds are distributed by EULAV Securities LLC.

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