



Overall  Rating



(VLEOX)  
Among 560 Small Growth Funds  
(as of 6/30/23)

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

<b>Symbol</b>	
Investor	VLEOX
Institutional	VLEIX
<b>Inception Date</b>	
Investor	6/23/93
Institutional	11/1/15
<b>Total Assets</b>	\$456M
	(as of 6/30/23)

Top 10 Holdings

(as of 6/30/23)

Company	Weight (%)
SPS Commerce Inc	4.40
RLI Corp	3.95
Exponent Inc	3.35
Churchill Downs Inc	3.12
ExlService Holdings Inc	2.64
AAON Inc	2.57
RBC Bearings Inc	2.51
J&J Snack Foods Corp	2.43
Woodward Inc	2.43
Chemed Corp	2.26

Portfolio Manager Q&A

Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)

Q1: Would you please comment on the Fund's performance relative to the Morningstar Small Growth Funds category average in 2Q and over longer time periods?

For the quarter ended June 30, 2023, the Fund performed in line with the Morningstar Small Growth Funds category average, with a return of 5.35% vs. the category's average 5.34%. Over longer-term periods, the Fund has outperformed the category average, and, in fact, ranked in the top quartile (25% or better) for the 1, 3, 5 and 10-year periods ended June 30, 2023.

We believe the Fund's outperformance is primarily due to our approach of investing in companies with a long-term track record of consistent growth in both stock price and earnings. In fact, the Fund is the only fund in the Morningstar Small Growth Funds category (among 164 unique funds) that has a "Low" Risk Rating for the 3, 5, and 10-year periods, and top quartile ranking for the 1, 3, 5 and 10-year periods as of June 30, 2023.

	1 Year	3 Year	5 Year	10 Year
<b>Percentile Rank in Morningstar Cat. – VLEOX</b>	<b>14</b>	<b>17</b>	<b>15</b>	<b>22</b>
# of Funds in Category	589	560	525	390

Source: Morningstar as of 6/30/2023

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

Q2: Would you please describe your investment approach and provide examples of the type of company that meets your criteria?

Within the small-cap universe, we select companies that meet a stringent set of criteria—a history of consistent growth in both stock price and earnings over a multiple-year period. We look to own a portfolio of companies positioned to have consistent operating results regardless of cyclical market swings.

For example, the Fund has had a position in RLI Corp. (RLI) for many years. RLI is a property and casualty insurance company that specializes in business insurance, personal insurance and surety bonds. The company has grown consistently since its founding in 1965 and the Fund has owned it for approximately 10 years.

Another example, Badger Meter Inc. (BMI), is a newer position in the portfolio. Badger Meter manufactures instruments and software that measure water, oil, chemicals and other fluids, such as the meters used by utility companies. Badger also creates systems for monitoring water quality.

Value Line Funds

443.279.2015  
www.vlfunds.com

*Continued from previous page*
**Q3: How do you manage risk while investing in small-cap growth companies?**

We invest with the objective of long-term growth for our shareholders, and we believe that managing risk is an important component of this goal. Smaller companies have the potential for a long growth runway as they generally have ample room to expand their market share. Simultaneously, smaller companies are also typically associated with a higher risk profile because they are often in an earlier stage of their business model compared to larger companies.

We believe our investment approach focused on consistent, long-term growth is a key to our less volatile track record. In fact, the Fund historically has a lower risk profile compared to its Morningstar Small Growth Funds category

peers. The Fund has earning Morningstar's "Low" Risk Rating for the 3, 5 and 10-year periods ended June 30, 2023. In addition, the Fund has demonstrated a higher Sharpe Ratio, a measure of risk-adjusted return, relative to the category for the same time periods.

	3 Year	5 Year	10 Year
Fund (VLEOX) Sharpe Ratio	0.61	0.47	0.67
Morningstar Small Growth Category Avg Sharpe Ratio	0.37	0.32	0.52
Morningstar Risk Rating	<b>Low</b>	<b>Low</b>	<b>Low</b>

*Source: Morningstar as of 6/30/2023*

**Portfolio Manager**

**Stephen E. Grant**
*Portfolio Manager*

*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.*

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 4 stars for the 3-year period and 5 stars for the 5- and 10-year periods ended 6/30/23, among 560, 525 and 390 Small Growth funds, respectively.

**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.