

**Overall Rating**

(VLEOX)

Among 522 Small Growth 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 VLEOX
Institutional VLEIX

Inception Date

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

Total Assets

\$827M
(as of 6/30/26)

Top 10 Holdings

(as of 6/30/26)

Company	Weight (%)
Watts Water Technologies Inc Class A	6.57
RBC Bearings Inc	6.12
Woodward Inc	5.85
Applied Industrial Technologies Inc	5.51
Federal Signal Corp	4.54
SPX Technologies Inc	4.33
Ensign Group Inc	4.08
CACI International Inc Class A	3.93
Rush Enterprises Inc Class A	3.36
Primerica Inc	3.26

Portfolio Manager Q&A**Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)****Q1: Would you please discuss the performance of small-cap equities during the second quarter and the Fund's performance?**

The second quarter of 2026 was marked by continued enthusiasm for speculative areas of the market, particularly among smaller-cap companies. Stocks with higher risk profiles, including some tied to artificial intelligence themes, significantly outperformed those companies with more consistent operating results that the Fund typically owns.

Against this backdrop, the Fund generated a return of 11.31% for the quarter, compared with 24.47% for the Morningstar Small Growth Category average. The Fund's relative performance was negatively affected by the Fund's limited exposure to some of the market's strongest-performing areas, particularly within Information Technology and Health Care.

While periods such as these can create short-term performance challenges, the Fund remains focused on identifying companies with durable earnings growth and strong operating performance, which we believe can result in attractive risk-adjusted returns over long-term periods.

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

Q2: What were the primary contributors and detractors to performance during the quarter?

During the quarter, the Fund benefited from several holdings tied to the growing demand for AI-related infrastructure. Notable contributors included MACOM Technology Solutions Holdings Inc. (MTSI), Comfort Systems USA Inc. (FIX), EMCOR Group Inc. (EME), and AAON Inc. (AAON), all of which have benefited from increased demand for semiconductor, power, and cooling infrastructure required to support AI-related investment.

Despite positive absolute returns from many holdings, the Fund lagged the benchmark in the Information Technology sector, where a number of highly speculative small-cap companies experienced extraordinary gains. Similarly, the Fund's lack of exposure to early-stage biotechnology companies weighed on relative performance as investors aggressively pursued higher risk opportunities within the Health Care sector.

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

Portfolio activity during the quarter reflected the Fund's ongoing effort to maintain a portfolio of companies that meet its long-term investment criteria.

The Fund added four new positions:

- Old Republic International Corp. (ORI) – A diversified property and casualty insurer
- The New York Times Company (NYT) – A leading digital subscription-based media company
- Murphy USA Inc. (MUSA) – A fuel retailer and convenience store operator
- Ryder System Inc. (R) – A transportation and supply chain logistics company

Value Line Funds

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The Fund also exited positions in Acuity Brands, Wingstop, American States Water, and Churchill Downs, reflecting the ongoing evaluation of investment opportunities and the disciplined process used to allocate capital toward the Fund's highest-conviction ideas.

As of quarter-end, the Fund held 50 positions, unchanged from the prior quarter.

Q4: How do you manage risk in a market environment that increasingly favors speculative investments?

Risk management remains a central component of the Fund's investment process. Rather than pursuing short-term market trends, the Fund focuses on companies with consistent operating performance, durable business

models, and long-term earnings growth potential.

Over longer periods, this disciplined approach has resulted in lower volatility, as measured by standard deviation, relative to peers. The Fund ranks among the lowest in the Morningstar Small Growth Category for the 3, 5, and 10-year periods as of June 30, 2026. We believe this emphasis on quality and risk control remains a key differentiator of the Fund.

	3 Year	5 Year	10 Year
Fund (VLEOX) Standard Deviation Rank	#5 Lowest	#5 Lowest	#3 Lowest
# of Unique Funds in Morningstar Small Growth Cat.	145	140	123

Source: Morningstar as of 6/30/26

Portfolio Manager



Stephen E. Grant

Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past 35 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 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.

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 3 stars for the 3-year period, 4 stars for the 5- and 10-year periods ended 6/30/26, among 522, 499 and 401 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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