



Overall Morningstar Rating



(Investor)

Among 579 Small Growth Funds
(as of 9/30/20)

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

\$392M
(as of 9/30/20)

Top 10 Holdings

(as of 9/30/20)

Company	Weight (%)
Churchill Downs Inc	3.19
Exponent Inc	3.01
RLI Corp	2.82
Five9 Inc	2.78
Chemed Corp	2.33
J&J Snack Foods Corp	2.33
Woodward Inc	2.09
SPS Commerce Inc	2.08
Lennox International Inc	1.84
AAON Inc	1.83

Portfolio Manager Q&A

Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)

Q1: Would you please comment on the Fund's outperformance during the third quarter, as well as its performance over longer-term periods?

We were pleased with the Fund's performance during the quarter ended September 30, 2020, as the Fund returned 5.88% compared to the Russell 2000 Index, which returned 4.93%. We believe the Fund's outperformance was primarily due to our investment process of selecting companies with a long-term history of consistent growth in both stock price and earnings. Given the uncertainty of the market over the upcoming presidential election and prospect of a COVID-19 vaccine, we believe that the high quality of the portfolio's composition can provide a level of stability and confidence in the Fund's ability to navigate future volatility.

While we are pleased with the Fund's short-term performance, the Fund has also experienced impressive long-term performance. The Fund has outperformed the Russell 2000 Index over the 1, 3, 5 and 10-year periods ended September 30, 2020.

Q2: What attributes do you look for when selecting investments?

Our commitment to providing investors with a portfolio of high-quality, small-cap companies is the result of our stringent investment process. To that extent, we own primarily small-cap companies that have demonstrated a long-term history of consistent growth in both share price and earnings.

We believe companies meeting these criteria exhibit the potential for a long growth runway and increased earnings over a full market cycle. In addition, we believe our emphasis on companies with consistent operating results leads to a smoother ride for investors over time. In fact, the **Fund has been awarded Morningstar's "Low" risk rating for the 3, 5 and 10-year periods** ended September 30, 2020. Also, the Fund's Sharpe Ratio, a measure of risk-adjusted returns, placed it among the **top 3% of Funds** in the Morningstar Small Growth Category for the 10-year period, out of 530 funds.

Sharpe Ratio	3 Year	5 Year	10 Year
Value Line Small Cap Opportunities Fund	0.48	0.70	0.91
Morningstar Small Growth Category Avg.	0.48	0.65	0.72
VLEOX vs. Funds in Category	54%	45%	3%

Source: Morningstar as of 9/30/20

Q3: How did you manage the Fund during the volatility experienced in the third quarter?

The increase in market volatility has had little impact on our bottom-up, disciplined investment approach. However, we have embraced a greater sense of caution in entering and exiting positions than we had previously under pre-pandemic periods. We believe that being deliberate and patient helps us ride out the short-term market volatility.

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As a result, we made few changes to the portfolio in the third quarter. We added two companies to the Fund: Aerojet Rocketdyne Holdings, a manufacturing company, and Synaptics, a hardware and software company. We also sold two companies, including SolarEdge, a photovoltaic company, and Proassurance, an insurance company. Two other companies, El Paso Electric and Forescout, exited the portfolio when they were acquired during the quarter.

Value Line Small Cap Opportunities Fund Performance (as of 9/30/20)

	Average Annual Returns				
	QTD	1 Year	3 Year	5 Year	10 Year
Investor - VLEOX	5.88%	7.79%	9.02%	11.49%	13.12%
Institutional - VLEIX¹	5.95	8.05	9.30	11.77	13.26
Russell 2000 Index	4.93	0.39	1.77	8.00	9.85
Morningstar Small Growth Category Avg.	8.08	17.70	10.58	12.41	12.07
Percentile Rank in Morningstar Cat. - VLEOX		74	58	59	44
# of Funds in Category		624	579	513	384
Morningstar Risk			Low	Low	Low

VLEOX Gross / Net Expense Ratio: 1.19%, VLEIX Gross/Net Expense Ratio*: 1.00% / 0.94%

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- and 5-year periods and 4 stars for the 10-year periods ended 9/30/20, among 579, 513 and 384 Small Growth funds, respectively.

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