



Overall Rating



(VLEOX)

Among 575 Small Growth Funds
(as of 9/30/21)

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

\$509M
(as of 9/30/21)

Top 10 Holdings

(as of 9/30/21)

Company	Weight (%)
Exponent Inc	3.64
Churchill Downs Inc	3.59
SPS Commerce Inc	3.31
Five9 Inc	2.63
RLI Corp	2.60
Stifel Financial Corp	2.51
Woodward Inc	2.27
RBC Bearings Inc	2.19
Workiva Inc Class A	2.12
J&J Snack Foods Corp	2.10

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 the third quarter?

We are pleased the Fund produced a strong, positive return of 1.74%, outperforming its peers in the Morningstar Small Growth Funds category by approximately 430 basis points in the third quarter ended September 30, 2021.

We believe this positive relative performance was primarily due to our investment criteria of owning high-quality companies with a 10+ year track record of consistent growth in both stock price and earnings. In addition, with our long-term perspective, we are pleased to note the Fund has performed well relative to its peers over a period of many years. In fact, the Fund has produced **positive total returns for 11 of the past 12 calendar years**. The Fund is one of only 21 other funds to achieve this (out of 193 unique funds in the category).

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

Q2: Why should an investor consider investing in this small-cap growth portfolio?

Small-cap companies can be a compelling place to invest, as they offer a longer growth runway than many larger, more established companies. At the same time, smaller companies are also known for their higher risk factor, as less mature companies experience growing pains of expansion and evolving market conditions.

Our approach to small-cap investing addresses this risk/reward dynamic by seeking companies with 10 or more years of consistent growth in both stock price and earnings. As a result, we do not own the flashy, headline-grabbing companies that many investors associate with small-cap investing. It's important not to let emotions or short-term results affect our investment decisions, but rather to maintain a disciplined approach. We believe maintaining this stringent approach can benefit investors, as companies with long-term, consistent growth have demonstrated their ability to be successful through various market conditions.

"It's important to maintain a disciplined approach in our investment decisions."

As a result, the Fund has been awarded Morningstar's lowest risk rating for the 3, 5 and 10-year periods ended September 30, 2021.

Small Cap Opportunities Fund (VLEOX)	3 Year	5 Year	10 Year
Morningstar Risk Rating	Low	Low	Low

Source: Morningstar as of 9/30/21

Value Line Funds

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www.vlfunds.com

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Q3: Would you please provide some examples of the types of companies the Fund owns?

The Fund owns smaller companies that have demonstrated a long-term history of consistent growth in both stock price and earnings. We are bottom-up, fundamental managers that select each company on its own merit rather than having a sector orientation. However, many of the attributes that guide our selection process are companies found in the Information Technology and Industrials sectors. Accordingly, the Fund's largest sector weightings are Industrials (28%) and Information Technology (26%) as of September 30, 2021.

For example, within the Technology sector, Stamps.com (STMP), a provider of internet-based mailing and shipping products and services, rose approximately 65% during the quarter. In addition, Exponent Inc. (EXPO),

an Industrials company that provides engineering and scientific consulting services, rose approximately 27% during the quarter.

Q4: What changes were made to the portfolio in Q3?

We did not add any companies to the portfolio in the third quarter. However, three companies exited the Fund. We exited Pool Corp (POOL), the pool parts and supplies company, and Teledyne Technologies Inc. (TDY), which provides technologies to a variety of government and private enterprises, because their success drove their market caps well beyond the definition of small cap. Also, U.S. Concrete was acquired by Vulcan Materials Company during the quarter. As of September 30, 2021, the Fund held 104 companies.

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 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.

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 period ended 9/30/21, among 575, 506 and 381 Small Growth funds, respectively.

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