



Overall  Rating



(VLEOX/VLEIX)

Among 545 Small Growth Funds (as of 9/30/24)

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

\$716M (as of 9/30/24)

Top 10 Holdings

(as of 9/30/24)

Company	Weight (%)
Comfort Systems USA Inc	3.90
CACI International Inc Class A	3.17
Federal Signal Corp	3.14
AAON Inc	3.14
Ensign Group Inc	3.04
ExlService Holdings Inc	2.88
RLI Corp	2.85
SPS Commerce Inc	2.83
Post Holdings Inc	2.66
Exponent Inc	2.61

Value Line Funds

443.279.2015
www.vlfunds.com

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 Category in the third quarter and for longer-term periods?

The Fund returned 10.14% for the three months ended September 30, 2024, outperforming the Morningstar Small Growth Category average return of 7.44%. For the 1-year period ended September 30, 2024, the Fund returned 32.05%, outperforming the Morningstar category's average return of 25.69% by over 600 basis points.

In addition, the Fund has outperformed over longer periods, and with lower risk. In fact, the Fund is the **only fund** (among 159 unique Morningstar Small Growth category funds) that has achieved **top quartile (25% or better) performance for the 1, 3, 5 and 10-year periods**, along with **Morningstar's "Low" Risk Rating for the 3, 5 and 10-year periods** as of September 30, 2024.

We believe the Fund's relative outperformance over multiple periods is primarily due to our investment approach emphasizing high-quality companies with a long-term track record of consistent growth in both stock price and earnings.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. - VLEOX	20	5	23	20
# of Funds in Category	568	545	517	398

Source: Morningstar as of 9/30/24

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

Q2: Would you please elaborate on the Fund's investment process and share an example or two?

The Fund's investment approach emphasizes companies with a long-term history of consistent growth in both stock price and earnings. We look for companies that have performed well regardless of the market cycle or economic environment. Generally, the types of companies we favor have a strong market position as leaders in their niche areas. They often provide goods and services that experience steady demand in a variety of economic conditions.

For example, the Fund owns positions in two companies in the heating, ventilation and air conditioning (HVAC) industry that have performed well:

- Comfort Systems USA Inc. (FIX) primarily provides HVAC services, to include the plumbing, piping and electrical components involved with climate control systems. The company provides installation services for new construction as well as maintenance of existing systems. Comfort Systems operates 45 companies across the U.S.
- AAON Inc. (AAON) manufactures air conditioning and heating equipment for commercial and industrial environments. The company also provides parts and services for maintenance of existing units. AAON has over 3,000 employees and four manufacturing and testing facilities across the U.S.

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Q3: Given the portfolio emphasis on companies with a history of consistent growth, how does the Fund's risk/reward profile compare to its Morningstar peers?

We believe that both long-term growth and risk mitigation are important. When selecting companies for investment in the Fund, we look for those with a long-term track record of consistent growth in stock price and earnings. As a result, the Fund has maintained an attractive risk/reward profile compared to its peers in the Morningstar Small Growth category.

The Fund's Sharpe Ratio, a measure of risk-adjusted return, has outperformed the category average over the 3, 5 and 10-year periods ended September 30, 2024. The Fund has also earned Morningstar's "Low" Risk Rating for the 3, 5 and 10-year periods ended September 30, 2024, and its standard deviation, a measure of volatility, has ranked among the lowest in the Morningstar category for the same periods.

Sharpe Ratio	3 Year	5 Year	10 Year
Fund (VLEOX)	0.23	0.58	0.66
Morningstar Small Growth Category Avg.	-0.13	0.41	0.49

	3 Year	5 Year	10 Year
Fund (VLEOX) Standard Deviation Rank	#6 Lowest	#1 Lowest	#2 Lowest
# of Unique Funds in Morningstar Small Growth Cat.	152	146	131

Source: Morningstar as of 9/30/24

Portfolio Manager

Stephen E. Grant

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 received 5 stars for the 3-, 5- and 10-year periods ended 9/30/24, among 545, 517 and 398 Small Growth funds, respectively. © 2024 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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