



Overall Rating



(VLEOX)

Among 512 Small Growth Funds
(as of 9/30/25)

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

\$828M
(as of 9/30/25)

Top 10 Holdings

(as of 9/30/25)

Company	Weight (%)
Comfort Systems USA Inc	4.71
CACI International Inc Class A	4.23
Federal Signal Corp	3.77
RBC Bearings Inc	3.71
Woodward Inc	3.47
Watts Water Technologies Inc Class A	3.34
Ensign Group Inc	3.32
Fabrinet	3.16
Applied Industrial Technologies Inc	3.16
ExlService Holdings Inc	3.11

Portfolio Manager Q&A

Value Line Small Cap Opportunities Fund (VLEOX/VLEIX)

Q1: Would you please discuss your perspective on the market environment and the Fund's performance in the third quarter?

The third quarter of 2025 marked another period of strong returns for the broader equity markets, with the S&P 500 Index reaching record highs multiple times. However, market leadership remained narrow, led largely by the ongoing enthusiasm surrounding artificial intelligence and other high-growth, speculative areas. Amid this environment, the Fund's emphasis on high-quality, consistent earnings growers proved less popular in the short term.

In the third quarter, the Fund's return of 3.89% underperformed its peers in the Morningstar Small Growth Category, which gained an average of 7.51%. Although the Fund experienced short-term underperformance, we believe that longer-term performance is more important to investors. The Fund outperformed the Morningstar category average for the 3, 5 and 10-year periods ended September 30, 2025.

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

Q2: How do you manage the Fund's risk profile given how the stock market has favored speculative areas?

Risk management remains integral to our investment philosophy. Rather than trying to time short-term market moves, the portfolio is designed to participate in up markets while maintaining resilience when volatility arises. We seek to minimize losses by emphasizing companies with a long-term history of consistent growth in both stock price and income.

The Fund does not engage in market timing or thematic bets, including the recent AI-driven momentum. Instead, we focus on companies that can "control their own destiny"—those with recurring revenue, pricing power, and strong balance sheets that allow them to sustain earnings growth across economic cycles. This disciplined approach has historically resulted in lower volatility and attractive risk-adjusted returns over longer periods compared to our peers.

The Fund's standard deviation, a measure of volatility, ranks among the lowest in the Morningstar Small Growth Category for the 3, 5 and 10-year periods as of September 30, 2025. For the same time periods, the Fund's Sharpe Ratio, a measure of risk-adjusted return, ranked in the top 10% or better in the Morningstar category.

	3 Year	5 Year	10 Year
Fund (VLEOX) Standard Deviation Rank	#6 Lowest	#4 Lowest	#1 Lowest
# of Unique Funds in Morningstar Small Growth Cat.	143	138	121

	3 Year	5 Year	10 Year
Fund (VLEOX)	0.73	0.49	0.59
Morningstar Small Growth Cat. Avg.	0.50	0.31	0.48
VLEOX vs. Funds in Category	Top 10%	Top 9%	Top 10%

Source: Morningstar as of 9/30/25

Value Line Funds

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www.vlfunds.com

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

Portfolio activity during the quarter reflected a continued focus on quality and consistency. The Fund added two new holdings:

- Simpson Manufacturing (SSD) – a producer of structural building products known for its disciplined management, high return on capital, and dependable earnings growth; and
- SPX Technologies (SPXC) – a diversified industrial company with strong positions in HVAC and engineered solutions, offering attractive long-term fundamentals.

Both companies exemplify the type of consistent-growth businesses the Fund seeks to own over many years.

In contrast, the Fund exited several holdings that no longer met its consistency criteria, including Prestige Consumer Healthcare Inc. (PBH), Workiva Inc. (WK), Herc Holdings Inc. (HRI), and ASGN Inc. (ASGN). As of September 30, 2025, the portfolio owned positions in 65 stocks.

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.

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 4 stars for the 3-, 5- and 10-year periods ended 9/30/25, among 512, 496 and 390 Small Growth funds, respectively. ©2025 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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