



### Overall Rating



(VLEOX)

Among 518 Small Growth Funds  
(as of 12/31/25)

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

\$820M  
(as of 12/31/25)

### Top 10 Holdings

(as of 12/31/25)

Company	Weight (%)
CACI International Inc Class A	4.55
RBC Bearings Inc	4.30
Woodward Inc	4.19
Watts Water Technologies Inc Class A	3.86
Comfort Systems USA Inc	3.72
Fabrinet	3.48
Federal Signal Corp	3.46
Ensign Group Inc	3.44
Applied Industrial Technologies Inc	3.20
ExlService Holdings Inc	3.02

## Value Line Funds

443.279.2015

[www.vlfunds.com](http://www.vlfunds.com)

## 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 fourth quarter?

The fourth quarter of 2025 continued to reflect a market environment shaped by investor enthusiasm for artificial intelligence related themes. While AI was not a major consideration entering the year, it ultimately became one of the primary forces influencing market leadership and volatility throughout 2025, contributing to sharp performance divergences across sectors and styles.

Against this backdrop, the Fund generated a return of 1.87% for the quarter, outperforming the Morningstar Small Growth Category average of 1.46%. The Fund also outperformed the Morningstar category average for the 3, 5 and 10-year periods ended December 31, 2025. While short-term results can be influenced by shifting market preferences, the Fund remains focused on identifying companies with long-term consistency in earnings and stock price performance, which we believe remains well suited for long-term investors.

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

#### Q2: What were the Fund's primary contributors and detractors during the quarter?

Stock selection within the Information Technology and Industrials sectors contributed positively to results during the quarter. In particular, Fabrinet (FN), which provides precision optical and electronics products, and MACOM Technology Solutions Holdings Inc. (MTSI), a provider of analog, digital, and semiconductor solutions, benefited from renewed strength in certain semiconductor and AI-related areas, while remaining aligned with the Fund's preference for companies with established, consistent operating results.

Industrials were also a source of strength, led by holdings such as Comfort Systems USA (FIX), CACI International Inc. (CACI), Carpenter Technology Corp. (CRS), RBC Bearings Inc. (RBC), and Woodward Inc. (WWD). These companies continued to benefit from long-term demand drivers and have demonstrated an ability to execute consistently across market environments.

On the negative side, relative weakness in the Health Care sector detracted from results, largely due to the Fund's lack of exposure to riskier biotechnology stocks, which rebounded sharply during the quarter.

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

Portfolio activity during the quarter reflected an increased emphasis on selectivity. The Fund added only one new holding, Enova International (ENVA), a specialty finance company operating in the online consumer lending space. At the same time, the Fund exited eight positions due to extended periods of stock price stagnation and weakening long-term earnings visibility.

As a result, the Fund held 59 positions at quarter-end.

*Continued from previous page*
**Q4: How do you evaluate earnings disappointments and manage sell discipline?**

The Fund's sell discipline remains rooted in the same long-term perspective as our investment criteria, seeking companies with long-term, consistent operating results. Isolated earnings misses do not automatically trigger a sale, particularly if the company's broader growth trajectory remains intact. However, prolonged stock price underperformance or prolonged earnings misses may warrant reassessment.

We believe this disciplined approach has resulted in lower volatility and attractive risk-adjusted returns over longer periods relative to our Morningstar Small Growth Category peers. In terms of standard deviation, a measure of volatility, the Fund ranks among the lowest in the category for the 3, 5 and 10-year periods ended December 31, 2025. For the same time periods, the Fund's Sharpe Ratio, a measure of risk-adjusted returns, ranked in the top quartile (25% or better) in the category.

	3 Year	5 Year	10 Year
<b>Fund (VLEOX) Standard Deviation Rank</b>	<b>#3 Lowest</b>	<b>#4 Lowest</b>	<b>#1 Lowest</b>
# of Unique Funds in Morningstar Small Growth Cat.	145	140	123
Sharpe Ratio	3 Year	5 Year	10 Year
<b>Fund (VLEOX)</b>	<b>0.73</b>	<b>0.49</b>	<b>0.59</b>
Morningstar Small Growth Cat. Avg.	0.50	0.31	0.48
<b>VLEOX vs. Funds in Category</b>	<b>Top 23%</b>	<b>Top 11%</b>	<b>Top 13%</b>

Source: Morningstar as of 12/31/25

**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](http://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](http://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 12/31/25, among 518, 496 and 389 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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