Portfolio Manager Q&A

Value Line Capital Appreciation Fund *(VALIX/VLIIX)*

Q1: How would you characterize the market environment during the third quarter of 2026, and how did the Fund perform?

Equities faced a challenging backdrop during the third quarter, as persistent inflation, elevated energy prices, and higher interest rates created uncertainty for investors. Despite these headwinds, U.S. equities continued to demonstrate resilience, supported by stronger-than-expected corporate earnings, particularly in the Information Technology (IT) and Energy sectors. The S&P 500 Index advanced 2.30% during the quarter, although performance varied considerably across sectors.

Growth remained concentrated among companies with strong balance sheets and robust earnings prospects, while interest rate-sensitive sectors such as Utilities, Real Estate, and Industrials experienced significant weakness. Fixed income markets also faced pressure from rising interest rates.

Against this backdrop, the Value Line Capital Appreciation Fund gained 1.57% for the three months ended September 30, 2026, outperforming the blended 60% S&P 500 Index / 40% Bloomberg U.S. Aggregate Bond Index, which declined 0.05%, and the Morningstar Moderate Allocation Category average return of -0.80%. Longer-term performance results also remained strong, as the Fund's performance ranked in the top 1% in its Morningstar category for both the 3- and 10-year periods.

	1 Year	3 Year	5 Year	10 Year
Percentile Rank in Morningstar Cat. – VALIX	**4**	**1**	**6**	**1**
# of Funds in Category	482	464	441	377

Source: Morningstar as of 9/30/2026

Please visit the Fund's performance page for complete performance information.

Q2: Within the Fund's equity portfolio, what were the key drivers of performance relative to the S&P 500 Index?

The Fund's equity portfolio benefited primarily from strong stock selection and its overweight allocation within the IT sector. The Fund's IT holdings gained 9%, outperforming the S&P 500 IT sector's 7% return. Several software-related holdings rebounded sharply during the quarter, including Strategy (MSTR, formerly MicroStrategy, +76%), Workday (WDAY, +56%), Salesforce (CRM, +47%), CrowdStrike (CRWD, +39%), and Microsoft (MSFT, +38%).

Health Care was the Fund's largest detractor during the quarter on a sector basis, as the Fund's holdings gained 2%, compared with a 6% return for the S&P 500 Health Care sector. Eli Lilly (LLY, -3%) and Madrigal Pharmaceuticals (MDGL, -6%) were among the holdings that lagged their sector peers.

(Continued on next page)

Overall MORNINGSTAR® Rating

★★★★

(VALIX)
Among 464 Moderate Allocation funds
(as of 9/30/2026)

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	VALIX
Institutional	VLIIX

Inception Date

Investor	10/1/1952
Institutional	11/1/2015

Total Assets $552M *(as of 9/30/2026)*

Top 10 Holdings

(as of 9/30/2026)

Company	Weight (%)
Micron Technology Inc	6.38
Advanced Micro Devices Inc	6.11
NVIDIA Corp	4.23
Meta Platforms Inc Class A	3.56
Alphabet Inc Class A	3.31
Amazon.com Inc	2.99
Broadcom Inc	2.36
Microsoft Corp	2.24
Exelixis Inc	2.02
Apple Inc	1.81

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Portfolio Manager Q&A

Value Line Capital Appreciation Fund *(VALIX/VLIIX)*

Q3: How was the Fund allocated at quarter-end, and were there any notable portfolio changes?

As of September 30, 2026, the Fund was allocated approximately 66% to equities, 30% to fixed income, and 4% to cash, representing only modest changes from the prior quarter.

The fixed income portfolio continues to emphasize high-quality, investment-grade securities, with 100% rated AAA through BBB.

Q4: How do the Fund's forward revenue and earnings growth rates compare to the S&P 500 Index?

The Fund's estimated forward growth rates are significantly higher than those projected for the S&P 500 Index. As of September 30, 2026, the Fund's equity portfolio had a 3-year projected average annual sales growth rate of approximately 29%, compared with 19% for the S&P 500 Index. The portfolio's 3- to 5-year estimated forward earnings growth rate was 37%, versus 24% for the Index.

Senior Portfolio Managers



Cindy Starke

Cindy Starke joined Value Line Funds as a portfolio manager in 2014 and has over 30 years of mid and large-cap growth investment experience. Ms. Starke received a BS and an MBA from Fordham University.



Liane Rosenberg

Liane Rosenberg has been with Value Line Funds since 2009. She has over 30 years of experience in fixed income portfolio management. Ms. Rosenberg received a BA from State University of New York at Albany and an MBA from Fordham University.

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 www.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.

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 Fund (VALIX) received 5 stars for the 3-year period, 3 stars for the 5-year period and 5 stars for the 10-year period ended 9/30/2026 among 464, 441 and 377 Moderate Allocation 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.

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.

3-Yr Average Projected Annual Sales Growth Rate is the year-over-year average growth rate of holdings based on analysts' consensus revenue estimates of holdings. 3-5 Yr Average Estimated Forward Earnings Growth Rate is the year-over-year average growth rate based on analysts' consensus EPS (earnings per share) estimates. If EPS estimates are available for 5 years forward, it is an average of 5 years; otherwise, it is an avg of 3 years forward EPS estimates. The price/earnings-to-growth (PEG) ratio is a valuation metric that adjusts traditional earnings multiples by factoring in a company's expected growth rate.

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