Portfolio Manager Q&A

Value Line Small Cap Opportunities Fund *(VLEOX/VLEIX)*

Q1: How did small-cap growth stocks perform during the third quarter, and how did the Fund perform?

Small-cap growth stocks declined during the third quarter, with market conditions becoming more challenging in September as interest rates rose. The shift particularly pressured many of the less volatile stocks favored by the Fund, while more speculative stocks generally fared better.

Against this backdrop, the Fund returned -8.16%, compared with -9.58% for the Morningstar Small Growth Category average.

Throughout the quarter, we remained focused on our established investment discipline, emphasizing companies with consistent earnings and operating results, rather than repositioning the portfolio in response to short-term changes in market sentiment.

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

Q2: What were the primary contributors and detractors to performance during the quarter?

Favorable stock selection in Health Care, Industrials, Information Technology, and Materials helped the Fund outperform its category despite the difficult late-quarter environment. In Health Care, notable contributors included The Ensign Group Inc. (ENSG), Medpace Holdings Inc. (MEDP), and Merit Medical Systems MMSI. Industrials also included strong performers, led by CACI International Inc. (CACI) and ExlService Holdings Inc. (EXLS).

These gains were partially offset by weakness in several Industrials holdings, including AAON Inc. (AAON), RBC Bearings Inc. (RBC), and SPX Technologies Inc. (SPXC). Woodward Inc. (WWD) also declined despite solid operating results, as premium valuations left some Industrials stocks vulnerable to profit-taking.

Within Information Technology, AppFolio Inc. (APPF) gained, benefiting in part from AI capabilities embedded in its workflow solutions, while Fabrinet (FN) declined. Overall, the Fund's Information Technology holdings outperformed the category during the quarter.

Q3: What notable changes were made to the portfolio during the quarter?

Portfolio activity reflected our focus on companies demonstrating strong operating performance and attractive long-term prospects. We established two new positions:

- **Materion Corp. (MTRN)** – A specialty materials company with meaningful exposure to semiconductor markets.
- **IDT Corp. (IDT)** – A communications and financial technology company with businesses including money-transfer services.

We exited Exponent, SiteOne Landscape Supply, and Badger Meter following periods of weaker earnings and stock performance. We also sold MACOM Technology Solutions, which

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Overall MORNINGSTAR® Rating

★★★★

(VLEOX)
Among 519 Small Growth 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	VLEOX
Institutional	VLEIX

Inception Date

Investor	6/23/1993
Institutional	11/1/2015

Total Assets $714M *(as of 9/30/2026)*

Top 10 Holdings

(as of 9/30/2026)

Company	Weight (%)
Watts Water Technologies Inc Class A	6.88
Applied Industrial Technologies Inc	6.27
CACI International Inc Class A	5.98
RBC Bearings Inc	5.49
Ensign Group Inc	5.06
Federal Signal Corp	4.53
Woodward Inc	4.44
Primerica Inc	3.73
Rush Enterprises Inc Class A	3.72
SPX Technologies Inc	3.46

Value Line Funds
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had performed particularly well as semiconductor-related stocks rallied. The Fund also exited its investment in TopBuild following its acquisition by QXO.

The Fund ended the quarter with 46 holdings.

Q4: How does the Fund's emphasis on risk management influence the portfolio in the current market environment?

Risk management remains central to our investment approach. We generally favor companies with consistent earnings, established businesses, and relatively stable share prices rather than more speculative companies whose operating results can be difficult to predict. This discipline can periodically create headwinds, as we saw when many of these companies came under pressure late in the third quarter. However, the Fund still fared better than its category during the quarter and continued to rank among the lowest for volatility, as measured by standard deviation, within the Morningstar Small Growth Category.

	3 Year	5 Year	10 Year
Fund (VLEOX) Standard Deviation Rank	**#5 Lowest**	**#5 Lowest**	**#3 Lowest**
# of Unique Funds in Morningstar Small Growth Cat.	144	139	123

Source: Morningstar as of 9/30/2026

Portfolio Manager

Stephen E. Grant

Stephen E. Grant has been a portfolio manager with the Value Line Funds since 1991. Over the past 35 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 3 stars for the 3-year period, 4 stars for the 5-year period and 4 stars for the 10-year period ended 9/30/2026, among 519, 497 and 406 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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