Portfolio Manager Q&A

Value Line Mid Cap Focused Fund *(VLIFX/VLMIX)*

Q1: How would you characterize the mid-cap growth market during the third quarter, and how did the Fund perform?

The third quarter remained challenging for the Fund's investment style, particularly in September as rising interest rates pressured many of the more stable, higher-quality companies we favor. During the first two months of the quarter, these stocks generally kept pace with more aggressive growth companies, but market leadership shifted late in the period toward more volatile, higher-risk areas.

The Fund's investment process emphasizes companies with consistent earnings histories, durable business models, and relatively stable operating performance. Those characteristics have historically supported the Fund's lower-risk profile, but they were less favored as investor sentiment shifted toward more speculative opportunities late in the quarter.

Against this backdrop, the Fund returned -7.61%, compared with -5.97% for the Morningstar Mid-Cap Growth Category average with all of the relative shortfall occurring in September.

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

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

Sector positioning and stock selection both influenced relative results. Information Technology was a significant headwind, as the Fund's holdings declined while the category as a whole generated a positive return. The Fund also had no exposure to the relatively strong Energy sector and was underweight Health Care, another area of strength.

Industrials were a relative bright spot, led by a 32% gain by the Fund's largest holding CACI International Inc. (CACI), which makes high-technology defense systems.

Casey's General Stores Inc. (CASY) was a notable detractor. After a long period of strong performance, the stock sold off following its quarterly report as investors became more cautious about the outlook.

Q3: How does risk management influence the Fund's long-term risk profile?

Risk management remains central to the Fund's investment process. We emphasize companies with consistent earnings growth, durable competitive positions, and relatively stable operating performance, with the goal of participating in long-term growth while limiting unnecessary volatility.

That discipline has contributed to the Fund's historically low volatility relative to peers. As of September 30, 2026, the Fund ranked the lowest for standard deviation among its peers in the Morningstar Mid-Cap Growth Category for the 5- and 10-year periods.

	3 Year	5 Year	10 Year
Fund (VLIFX) Standard Deviation Rank	**#2 Lowest**	**#1 Lowest**	**#1 Lowest**
# of Unique Funds in Morningstar Mid-Cap Growth Cat.	115	114	103

Source: Morningstar as of 9/30/2026

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Overall MORNINGSTAR® Rating

★★★★

(VLIFX)
Among 442 Mid-Cap 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	VLIFX
Institutional	VLMIX

Inception Date

Investor	3/1/1950
Institutional	8/11/2017

Total Assets $937M *(as of 9/30/2026)*

Top 10 Holdings

(as of 9/30/2026)

Company	Weight (%)
CACI International Inc Class A	5.60
Teledyne Technologies Inc	5.30
Heico Corp	5.27
WR Berkley Corp	5.10
Waste Connections Inc	5.06
ITT Inc	4.93
Woodward Inc	4.57
Casey's General Stores Inc	4.35
AutoZone Inc	4.32
Cintas Corp	4.26

Value Line Funds
443.279.2015
www.vlfunds.com

Periods when investors favor more speculative or volatile stocks can create relative performance headwinds, as occurred late in the third quarter. Even so, we believe maintaining a consistent focus on quality companies and prudent risk control provides a disciplined framework for pursuing attractive long-term, risk-adjusted returns.

Portfolio Managers

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.

Nathan Eigerman

Nathan Eigerman has over 25 years of experience in investment management, including overseeing quantitative research. Before joining EULAV Asset Management, Mr. Eigerman was Director of Quantitative Research at Value Line Publishing. Mr. Eigerman holds a B.A. in Economics from Harvard University and an MBA in Finance from the MIT Sloan School.

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%.

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 (VLIFX) received 2 stars for the 3-year period and 4 stars for the 5- and 10-year periods ended 9/30/2026, among 442, 425 and 363 Mid-Cap 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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