



**Overall  Rating**

★★★  
(VLAAX)

Among 465 Moderate Allocation Funds (as of 3/31/26)

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 VLAAX  
Institutional VLAIX

**Inception Date**

Investor 8/24/93  
Institutional 11/1/15

**Total Assets**

\$368M  
(as of 3/31/26)

**Top 10 Holdings**

(as of 3/31/26)

Company	Weight (%)
ServiceNow Inc	4.11
Motorola Solutions Inc	3.94
Republic Services Inc	3.90
Stryker Corp	3.73
WR Berkley Corp	3.71
Tyler Technologies Inc	3.36
TransDigm Group Inc	3.31
Costco Wholesale Corp	3.28
CGI Inc Class A	2.95
S&P Global Inc	2.64

**Value Line Funds**

443.279.2015  
www.vlfunds.com

**Portfolio Manager Q&A**

**Value Line Asset Allocation Fund (VLAAX/VLAIX)**

**Q1: Would you please comment on the Fund's performance relative to the Morningstar Moderate Allocation Category in the first quarter?**

In the first quarter of 2026, the equity market reflected a shift in leadership following the narrow, mega-cap driven environment that characterized much of 2025. The conflict in the Middle East spurred macroeconomic uncertainty and elevated volatility, and returns across asset classes were uneven. Against this backdrop, the Fund declined 6.14%, compared with the Morningstar Moderate Allocation Category average decline of 1.18%.

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

**Q2: What drove the Fund's performance during the quarter?**

Within the equity portion of the portfolio, the Fund was negatively impacted by weakness in the Information Technology sector as concerns about the impact of AI weighed on multiple companies, including fund holdings ServiceNow Inc. (NOW) and Tyler Technologies Inc. (TYL). In addition, the Fund was impacted by its lack of exposure to the Energy sector, which was a notable source of strength during the quarter.

Stock selection within the Industrials sector also weighed on performance, with holdings such as Cintas Corp. (CTAS), TransDigm Group Inc. (TDG), and Republic Services Inc. (RSG) contributing to relative weakness. In the Financials sector, holdings including Intercontinental Exchange Inc. (ICE), Marsh & McLennan Companies Inc. (MMC), RLI Corp. (RLI), and S&P Global Inc. (SPGI) also detracted from performance.

On the positive side, the Fund benefited from strength in Costco Wholesale Corp., which gained approximately 14% in the quarter.

**Q3: What is the Fund's current asset allocation, and what is the market-cap breakdown of the equity portfolio?**

The Fund maintains a flexible allocation framework, allowing positioning to be adjusted based on relative opportunities across asset classes. As of March 31, 2026, the portfolio was invested approximately 65% in equities, 33% in bonds, and 2% in cash.

Within the equity component, the Fund continues to emphasize large- and mid-cap companies with consistent earnings and stock price growth, while maintaining limited exposure to the largest giant-cap names compared to the Morningstar Moderate Allocation Category average. This reflects our view that companies outside of the giant-cap tier offer more attractive long-term growth opportunities.

In the fixed income portion, the portfolio remains focused on quality, with 100% of holdings rated investment grade (AAA through BBB).

	% of Portfolio	% of Category Avg.
Giant	5.07%	49.09%
Large	30.63%	24.63%
Mid	55.79%	20.22%
Small/Micro	8.52%	6.07%

Source: Morningstar as of 3/31/26

#### Q4: Were there any notable equity portfolio changes during the quarter?

During the period, we added four new positions that align with our emphasis on consistent earnings growth, strong competitive positions, and durable business models:

- Marriott International Inc. (MAR): an American multinational company that operates and franchises hotel, residential, and timeshare properties
- Parker Hannifin Corp. (PH): a leading manufacturer of motion and control technologies
- Casey's General Stores Inc. (CASY): a chain of over 2,900 convenience stores across 19 states
- Teledyne Technologies Inc. (TDY): a conglomerate that provides technology solutions for digital imaging, instrumentation, aerospace and defense

At the same time, the Fund exited positions in Gartner Inc. (IT), Chemed Corp. (CHE), and Pool Corp. (POOL).

As a result, the Fund's equity portfolio held 28 equity positions at quarter-end.

#### Portfolio Managers



##### 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.*



##### Liane Rosenberg

*Liane Rosenberg has been with Value Line Funds since 2009. She has over 25 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 [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.**

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 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 1 star for the 3-year period, 1 star for the 5-year period and 2 stars for the 10-year period ended 3/31/26, out of 465, 445 and 371 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.*

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