Portfolio Manager Q&A

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

Q1: Would you please comment on the market environment and the Fund's performance during the third quarter?

Market leadership shifted notably late in the third quarter as rising interest rates changed investor preferences. In September, more stable, higher-quality companies with consistent earnings histories, which the Fund generally favors, came under greater stock price pressure, while more volatile stocks fared better. This created a difficult backdrop for capitalizing on the Fund's equity investment approach.

Against this market backdrop, the Fund returned -2.90% for the quarter, compared with -0.80% for the Morningstar Moderate Allocation Category average. Relative performance was affected primarily by the equity portfolio, where the Fund's overweight to Industrials was a significant headwind. Casey's General Stores Inc. (CASY) also detracted following a sharp share-price decline, while weakness in Stryker Corp. (SYK) negatively affected results within Health Care.

While short-term performance can vary with shifts in market leadership, the Fund remains focused on maintaining a balanced portfolio of high-quality equities and fixed income securities designed to pursue attractive long-term, risk-adjusted returns.

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

Q2: How is the portfolio currently positioned across asset classes and market capitalizations?

The Fund continues to maintain a flexible, balanced allocation across equities and fixed income. As of September 30, 2026, the portfolio was invested approximately 62.5% in equities, 36.0% in fixed income, and 1.5% in cash.

In terms of market capitalization, the equity portfolio's largest component was mid-cap, which comprised approximately 59% of the portfolio. The portfolio continues to emphasize companies outside the very largest capitalization companies of the market. At quarter-end, the Fund owned none of the 20 largest U.S. companies by market capitalization; its largest company by market capitalization was Costco Wholesale Corp. (COST), which ranked approximately 25th.

	% of Portfolio	% of Category Avg.
Giant	0.00%	43.25%
Large	23.60%	27.34%
Mid	58.99%	21.91%
Small/Micro	17.41%	7.50%

Source: Morningstar as of 9/30/2026

This positioning differentiates the Fund from many allocation strategies that have substantial exposure to the largest U.S. companies. We continue to believe that high-quality companies across the large-, mid-, and small-cap spectrum can provide attractive long-term growth opportunities while supporting the Fund's diversified approach.

Overall MORNINGSTAR Rating

★★

(VLAAX)
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	VLAAX
Institutional	VLAIX

Inception Date

Investor	8/24/1993
Institutional	11/1/2015

Total Assets $243M *(as of 9/30/2026)*

Top 10 Holdings

(as of 9/30/2026)

Company	Weight (%)
Costco Wholesale Corp	4.50
Motorola Solutions Inc	4.06
Parker Hannifin Corp	3.54
Marriott International Inc Class A	3.52
Intercontinental Exchange Inc	3.31
Republic Services Inc	3.27
WR Berkley Corp	3.03
Teledyne Technologies Inc	2.85
TransDigm Group Inc	2.81
Cadence Design Systems Inc	2.68

Value Line Funds
443.279.2015
www.vlfunds.com

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

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

The Fund added six companies during the quarter:

- **Rush Enterprises Inc. (RUSHA) –** A commercial vehicle retailer and service provider
- **Federal Signal Corp. (FSS) –** A manufacturer of specialized vehicles and environmental equipment
- **Applied Industrial Technologies Inc. (AIT) –** A distributor of industrial products and engineered solutions
- **Eaton Corp. plc (ETN) –** A diversified power management company
- **Curtiss-Wright Corp. (CW) –** A manufacturer of highly engineered products for aerospace, defense, and industrial markets
- **CACI International Inc. (CACI) –** A provider of technology and professional services to U.S. government and defense customers

With the exception of Eaton, the additions were mid- and small-cap companies, consistent with the portfolio's emphasis on owning high-quality companies outside the very largest tier of the U.S. equity market.

On the sell side, the Fund exited Exponent, MSCI, and CGI Inc. during the quarter. As of September 30, 2026, the equity portfolio held 36 companies.

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.

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 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 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 9/30/2026, out of 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.

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