

VALUE LINE INC  
Form 10-K  
July 21, 2014

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York

13-3139843

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

485 Lexington Avenue, New York, New York

10017-5891

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (212) 907-1500

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.10 par value

(Title of class)

The NASDAQ Global Market

(Name of each exchange on which registered)

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   
filer

Accelerated filer   
Smaller reporting company

Non-accelerated

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates at October 31, 2013 was \$11,246,223.

There were 9,814,876 shares of the registrant's Common Stock outstanding at June 30, 2014.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2014 Annual Meeting of Shareholders, to be held  
on  
September 16, 2014, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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Value Line, the Value Line logo, The Most Trusted Name In Investment Research, “Smart research. Smarter investing”, The Value Line Investment Survey, Value Line Select, The Value Line Special Situations Service, Timeliness and Safety are trademarks or registered trademarks of Value Line Inc. and/or its affiliates in the United States and other countries. All other trademarks are the property of their respective owners.

### Cautionary Statement Regarding Forward-Looking Information

This report contains statements that are predictive in nature, depend upon or refer to future events or conditions (including certain projections and business trends) accompanied by such phrases as “believe”, “estimate”, “expect”, “anticipate”, “will”, “intend” and other similar or negative expressions, that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, as amended. Actual results for Value Line, Inc. (“Value Line” or “the Company”) may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the following:

- maintaining revenue from subscriptions for the Company’s digital and print published products;
- changes in market and economic conditions, including global financial issues;
- protection of intellectual property rights;
- dependence on non-voting revenues and non-voting profits interests in EULAV Asset Management, a Delaware statutory trust (“EAM” or “EAM Trust”), which serves as the investment advisor to the Value Line Funds and engages in related distribution, marketing and administrative services;
- fluctuations in EAM’s assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors, and the effect these changes may have on the valuation of EAM’s intangible assets;
- dependence on key personnel;
- competition in the fields of publishing, copyright data and investment management;
- the impact of government regulation on the Company’s and EAM’s businesses;
- availability of free or low cost investment data through discount brokers or generally over the internet;
- terrorist attacks, cyber security attacks and natural disasters;
- other risks and uncertainties, including but not limited to the risks described in Item 1A, “Risk Factors” herein; and
- other risks and uncertainties arising from time to time.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors which may involve external factors over which we may have no control or changes in our plans, strategies, objectives, expectations or intentions, which may happen at any time at our discretion, could also have material adverse effects on future results. Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the SEC pursuant to the SEC’s rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, current plans, anticipated actions, and future financial conditions and results may differ from those expressed in any forward-looking information contained herein.

## Explanatory Notes

References in this Annual Report on Form 10-K for the fiscal year ending April 30, 2014, to “the Company”, “Value Line”, “we”, “us” and “our” refer to Value Line, Inc. and its consolidated subsidiaries, unless the context otherwise requires. In addition, unless the context otherwise requires, references to:

“fiscal 2014” is to the twelve month period from May 1, 2013 to April 30, 2014;

“fiscal 2013” is to the twelve month period from May 1, 2012 to April 30, 2013;

“fiscal 2012” is to the twelve month period from May 1, 2011 to April 30, 2012;

the “Adviser” or “EAM” are to EULAV Asset Management Trust, a Delaware business statutory trust;

the “Distributor” or “ES” are to EULAV Securities LLC, a Delaware limited liability company wholly owned by EAM;

“EAM LLC” is to EULAV Asset Management LLC, a Delaware limited liability company and wholly-owned former subsidiary of the Company, which prior to the Restructuring Date, was the adviser to the Value Line Funds;

“ESI” is to EULAV Securities, Inc., a New York corporation and wholly-owned subsidiary of the Company which, prior to the Restructuring Date was the distributor of the Value Line Funds;

the “EAM Declaration of Trust” is to the EAM Declaration of Trust dated December 23, 2010;

the “Restructuring Date” is to December 23, 2010, the effective date of the Restructuring Transaction;

the “Restructuring Transaction” is to the restructuring of the Company’s asset management and mutual fund distribution businesses whereby (1) ESI was restructured into ES, (2) the Company transferred 100% of its ownership interest in ES to EAM LLC, (3) EAM LLC was converted into EAM and (4) the capital structure of EAM was established so that the Company owns only non-voting revenue and non-voting profits interests of EAM, and each of five individuals owns 20% of the voting profits interests of EAM; and

the “Value Line Funds” or the “Funds” are to the Value Line’s Mutual Funds registered under the Investment Company Act of 1940 for which EAM serves (and, prior to the Restructuring Date, EAM LLC served) as investment adviser.

Part I

Item 1. BUSINESS.

Value Line is a New York corporation headquartered in New York City and formed in 1982. The Company's core business is producing investment periodicals and their underlying research and making available copyright data, including certain Value Line proprietary Ranking System information (the "Ranking System") and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including Value Line®, the Value Line logo®, The Value Line Investment Survey®, Smart Research. Smarter Investing™ and The Most Trusted Name in Investment Research®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. Investment Management services are provided through Value Line's substantial non-controlling revenues and non-voting interests in EULAV Asset Management Trust ("EAM"). Prior to December 23, 2010, the date of the completion of the Restructuring Transaction (see "Asset Management and Mutual Fund Distribution Businesses" below), the Company provided investment management services to the Value Line® Mutual Funds ("Value Line Funds"), institutional and individual accounts and provided distribution, marketing, and administrative services to the Value Line Funds. Since December 23, 2010 EAM provides the investment management services to the Value Line Funds, institutional and individual accounts and provides distribution, marketing, and administrative services to the Value Line Funds. Value Line holds substantial non-voting revenues and non-voting profits interests in EAM.

The Company is the successor to substantially all of the operations of Arnold Bernhard & Company, Inc. ("AB&Co."). AB&Co. is the controlling shareholder of the Company and, as of April 30, 2014, beneficially owns 87.91% of the outstanding shares of the common stock of the Company. Jean B. Buttner, the Company's former Chief Executive Officer, owns all of the outstanding voting stock of AB&Co.

Asset Management and Mutual Fund Distribution Businesses

The Company completed a restructuring of its asset management and mutual fund distribution businesses (the "Restructuring Transaction") on December 23, 2010 (the "Restructuring Date") and executed the EAM Declaration of Trust (the "EAM Declaration of Trust"). As part of the Restructuring Transaction: (1) EULAV Securities, Inc. ("ESI"), a New York corporation and wholly-owned subsidiary of the Company that acted as the distributor of the Value Line Funds was restructured into EULAV Securities LLC ("ES"), a Delaware limited liability company; (2) the Company transferred 100% of its interest in ES to EULAV Asset Management LLC ("EAM LLC"), a wholly-owned subsidiary of the Company that acted as the investment adviser to the Value Line Funds and certain separate accounts; (3) EAM LLC was converted into EAM; and (4) EAM admitted five individuals (the "Voting Profits Interest Holders"), as the initial holders of voting profits interests in EAM, with each of such individuals owning 20% of the voting profits interests of EAM, and (5) pursuant to the EAM Declaration of Trust, the Company received an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM.

The business of EAM is managed by five individual trustees and a Delaware resident trustee (collectively, the "Trustees") and by its officers subject to the direction of the Trustees.

Collectively, the holders of the voting profits interests in EAM are entitled to receive 50% of the residual profits of the business, subject to temporary adjustments in certain circumstances. Value Line holds a non-voting profits interest representing 50% of residual profits, subject to temporary adjustments in certain circumstances, and has no power to vote for the election, removal or replacement of the trustees of EAM. Value Line also has a non-voting

revenues interest in EAM pursuant to which it is entitled to receive a portion of the non-distribution revenues of the business ranging from 41% at non-distribution fee revenue levels of \$9 million or less to 55% at such revenue levels of \$35 million or more. In the event the business is sold or liquidated, the first \$56.1 million of net proceeds (the value of the business at the time the Restructuring Transaction was approved as determined by the directors of Value Line after reviewing a valuation report by the directors' financial advisors) plus any additional capital contributions (Value Line or any holder of a voting profits interest, at its discretion, may make future contributions to its capital account in EAM), which contributions would increase its capital account but not its percentage interest in operating profits, will be distributed in accordance with capital accounts; 20% of the next \$56.1 million will be distributed to the holders of the voting profits interests and 80% to the holder of the non-voting profits interests (currently, Value Line); and the excess will be distributed 45% to the holders of the voting profits interests and 55% to the holder of the non-voting profits interest (Value Line). EAM has elected to be taxed as a pass-through entity similar to a partnership.

Also, in connection with the Restructuring Transaction and pursuant to the EAM Declaration of Trust, Value Line (1) granted each Fund use of the name “Value Line” so long as EAM remains the Fund’s adviser and on the condition that the Fund does not alter its investment objectives or fundamental policies from those in effect on the date of the investment advisory agreement with EAM, provided also that the Funds do not use leverage for investment purposes or engage in, short selling or other complex or unusual investment strategies that create a risk profile similar to that of so-called hedge funds, (2) agreed to provide EAM its proprietary Ranking System information without charge or expense on as favorable a basis as to Value Line’s best institutional customers and (3) agreed to capitalize the business with \$7 million of cash and cash equivalents at inception.

EAM is organized as a Delaware statutory trust and has no fixed term. However, in the event that control of the Company’s majority shareholder changes, or in the event that the majority shareholder no longer beneficially owns 5% or more of the voting securities of the Company, then the Company has the right, but not the obligation, to buy the voting profits interests in EAM at a fair market value to be determined by an independent valuation firm in accordance with the terms of the EAM Declaration of Trust.

Value Line also has certain consent rights with respect to extraordinary events involving EAM, such as a proposed sale of all or a significant part of EAM, material acquisitions, entering into businesses other than asset management and fund distribution, paying compensation in excess of the mandated limit of 22.5%-30% of non-distribution fee revenues (depending on the level of such revenues), declaring voluntary bankruptcy, making material changes in tax or accounting policies or making substantial borrowings, and entering into related party transactions. These rights were established to protect Value Line’s non-voting revenues and non-voting profits interests in EAM.

#### A. Investment Related Periodicals & Publications

The investment periodicals and related publications offered by Value Line Publishing LLC (“VLP”), a wholly-owned entity of the Company, cover a broad spectrum of investments including stocks, mutual funds, options and convertible securities. The Company’s periodicals and related publications and services are of interest to individual and professional investors, as well as to institutions including municipal and university libraries and investment firms.

The services generally fall into four categories:

Comprehensive reference periodical publications  
Targeted, niche periodical newsletters  
Investment analysis software  
Current and historical financial databases

The comprehensive services (The Value Line Investment Survey, The Value Line Investment Survey - Small and Mid-Cap, The Value Line 600, and The Value Line Fund Advisor Plus) provide both statistical and text coverage of a large number of investment securities, with an emphasis placed on Value Line’s proprietary research, analysis and statistical ranks. The Value Line Investment Survey is the Company’s premier service, published each week and covering approximately 1,700 stocks.



The niche newsletters (Value Line Select, Value Line Dividend Select, and The Value Line Special Situations Service®) provide information on a less comprehensive basis for securities that the Company believes will be of interest to subscribers. These services make use of Value Line's proprietary statistical ranks. Value Line Select® is a targeted service with an emphasis on Value Line's proprietary in-depth research analysis and statistical selections trended toward an investor's specialized investment style. Value Line Dividend Select represents Value Line's targeted coverage of high dividend yielding stocks. The Value Line Special Situations service provides in-depth research analysis on small and mid-cap stocks.

Value Line offers online versions of most of its products at the Company's website, [www.valueline.com](http://www.valueline.com). Subscribers to the print versions have in some cases received free access to the corresponding online versions, although online subscribers do not receive a free print edition. The most comprehensive of the Company's online efforts are The Value Line Research Center and its variations, which allow subscribers to access most of the Company's publications at a packaged price via the Internet.

Investment analysis software (The Value Line Investment Analyzer and The Value Line Mutual Fund Survey for Windows®) includes data sorting and filtering tools. In addition, for institutional and professional subscribers, VLP offers current and historical financial databases (DataFile, Estimates & Projections, Convertibles and Mutual Funds) via online.

The print and digital services include, but are not limited to the following:

#### The Value Line Investment Survey

The Value Line Investment Survey is an investment periodical research product providing both timely articles on economic, financial and investment matters and analysis and ranks for equity securities. Two of the evaluations for covered equity securities are "Timeliness™" and "Safety™." "Timeliness" Ranks relate to the probable relative performance of one stock over the next six to twelve months, as compared to the rest of the approximately 1,700 stocks covered. Ranks are updated each week and range from Rank 1 for the expected best performing stocks to Rank 5 for the expected poorest performers. "Safety" Ranks are a measure of risk and are based on the issuer's relative financial strength and its stock's price stability. "Safety" ranges from Rank 1 for the least risky stocks to Rank 5 for the riskiest. VLP employs analysts and statisticians who prepare articles of interest for each periodical and who evaluate stock performance and provide future earnings estimates and quarterly written evaluations with more frequent updates when relevant. The Value Line Investment Survey is comprised of three parts: The "Summary & Index" provides updated Timeliness and Safety Ranks, selected financial data, and "screens" of key financial measures; the "Ratings and Reports" section contains updated reports on about 130 stocks each week; and the "Selection & Opinion" section provides economic commentary and data, general interest articles, and four model portfolios managed by analysts covering a range of investment approaches.

#### The Value Line Investment Survey - Small and Mid-Cap

The Value Line Investment Survey - Small and Mid-Cap is an investment research product introduced in 1995 that provides short descriptions of and extensive data for approximately 1,800 small and medium-capitalization stocks, many listed on The NASDAQ Stock Market, beyond the approximately 1,700 equity securities of generally larger-capitalization companies covered in The Value Line Investment Survey. Like The Value Line Investment Survey, the Small and Mid-Cap has its own "Summary & Index" providing updated performance ranks and other data, as well as "screens" of key financial measures and two model portfolios. The "Ratings and Reports" section, providing updated reports on about 140 equity securities each week, has been organized to correspond closely to the industries

reviewed in The Value Line Investment Survey. One unique feature of the Small and Mid-Cap is The Performance Ranking System, which incorporates many of the elements of the Value Line Timeliness Ranking System, modified to accommodate the approximately 1,800 equity securities in the Small and Mid-Cap Survey. The Performance Rank is based on earnings growth and price momentum, and is designed to predict relative price performance over the next six to 12 months. The principal differences between the Small and Mid-Cap Survey and The Value Line Investment Survey are that the Small and Mid-Cap Survey does not include Value Line's Timeliness Ranks, financial forecasts, analyst commentary, or a Selection & Opinion section. These modifications allow VLP to offer this service at a lower price.

#### The Value Line Fund Advisor

The Value Line Mutual Fund Ranking System was introduced in 1993. It is the system utilized in the Fund Advisor product, a 48-page newsletter featuring load, no-load, and low-load open-end mutual funds. This product was originally introduced as The Value Line No-Load Fund Advisor in 1994 and augmented in 2009. Each issue offers strategies for maximizing total return, and highlights of specific mutual funds. It also includes information about retirement planning and industry news. A full statistical review, including latest performance, ranks, and sector weightings, is updated each month on approximately 800 leading load, no-load and low-load funds. Included with this product is online access to Value Line's database of more than 12,000 mutual funds, including screening tools and full-page printable reports on each fund. Fund Advisor Plus subscribers have access to the entire population of up to 20,000 funds.

#### The Value Line Special Situations Service

The Value Line Special Situations Service's core focus is on smaller companies whose equity securities are perceived by Value Line's analysts as having exceptional appreciation potential. This product was introduced in 1951. A second portfolio of stocks for more conservative investors seeking small company exposure was added in 2009.

#### The Value Line Options Survey

The Value Line Options Survey is an online only service that evaluates and ranks approximately 200,000 U.S. equity and equity index options. Features include an interactive database, spreadsheet tools, and a weekly email newsletter. This product is only offered as an online subscription due to the volatility in pricing of options.

#### The Value Line Convertibles Survey

Introduced in 1972, this service evaluates and ranks over 550 convertible securities (bonds and preferred stocks) for future market performance. In fiscal 2010, The Value Line Convertibles Survey became an online only product. By moving to online only delivery, all of the product's subscribers benefit from an enhanced website that includes daily price updates, individual analysis of each security with a printable fact sheet, and a weekly email newsletter alerting subscribers to recent rank changes.

#### Value Line Select

Value Line Select, a monthly report, was first published in 1998. It focuses each month on a single company that senior Value Line analysts have selected from a group of high-quality companies whose stocks are viewed as having a superior risk/reward ratio. Recommendations are backed by in-depth research and are subject to ongoing monitoring by senior research personnel.

#### Value Line Dividend Select

Value Line Dividend Select, a monthly report, was introduced in June 2011. This product focuses on companies with dividend yields greater than the average of all stocks covered by Value Line, with a preference for companies that have consistently increased their dividends above the rate of inflation over the longer term and, based on Value Line analysis, have the financial strength both to support and increase dividend payments in the future. Value Line Dividend Select is available online and in print.

### The Value Line 600

The Value Line 600 is a monthly publication, which contains full-page reports on approximately 600 equity securities. Its reports provide information on many actively traded, larger capitalization issues as well as some smaller growth stocks. Since it was introduced in fiscal 1996, it has been well received by investors who want the same type of analysis provided in The Value Line Investment Survey, but who do not want or need coverage of the approximately 1,700 companies covered by that product. Readers also receive supplemental reports as well as a monthly Index, which includes updated statistics, including proprietary ranks and ratings.

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### Value Line Investment Analyzer

Value Line Investment Analyzer is a powerful menu-driven software program with fast filtering, ranking, reporting and graphing capabilities utilizing more than 230 data fields for various industries and indices and for the approximately 1,700 stocks covered in VLP's flagship publication, The Value Line Investment Survey. Value Line Investment Analyzer allows subscribers to apply numerous charting and graphing variables for comparative research. In addition to containing digital replicas of the entire Value Line Investment Survey, the Value Line Investment Analyzer includes 20-minute delayed data updates through its integration with the Value Line databases via the Internet. The software also includes a portfolio module that lets users create and track their own stock portfolios in depth with up to five years of historical financial data for scrutinizing performance, risk, yield and return. Value Line Investment Analyzer Professional is a more comprehensive product which covers more than 6,000 stocks and allows subscribers to create standardized and customized screens.

### The Value Line Mutual Fund Survey for Windows®

Value Line Mutual Fund Survey for Windows is a monthly Internet product with weekly updates. The program features powerful sorting and filtering analysis tools. It includes features such as style attribution analysis, a portfolio stress tester, portfolio rebalancing, correlation of fund returns and hypothetical assets. "Windows" is a registered trademark of Microsoft Corp. Value Line and Microsoft Corp. are not affiliated companies.

### Value Line DataFile Products

For our institutional customers, Value Line offers both current and historical data for equities, mutual funds, exchange traded funds ("ETFs"), and convertibles. All Value Line DataFile products are offered in Microsoft Access and ASCII formats via FTP. Below is a listing of the DataFile products:

#### Fundamental DataFile I and II

Value Line's Fundamental DataFile I contains fundamental data (both current and historical) on more than 6,000 publicly traded companies that follow U.S. generally accepted accounting principles ("GAAP"). This data product provides annual data from 1955, quarterly data from 1963, and full quarterly data as reported to the SEC from 1985. Value Line also offers historical data on over 9,500 companies that no longer exist in nearly 100 industries via our "Dead Company" File. The Fundamental DataFile has over 400 annual and over 80 quarterly fields for each of the companies included in the database. DataFile is sold primarily to the institutional and academic markets. Value Line also offers a scaled down DataFile product, Fundamental DataFile II, which includes a limited set of historical fundamental data.

#### Estimates and Projections DataFile

This DataFile offering contains the proprietary estimates and projections from Value Line analysts on approximately 1,700 companies. Data includes earnings, sales, cash flow, book value, margin, and other popular fields. Estimates are for the current year and next year, while projections encompass the three to five year period.

#### Mutual Fund DataFile

The Value Line Mutual Fund DataFile covers approximately 20,000 mutual funds with up to 20 years of historical data with more than 200 data fields. The Mutual Fund DataFile provides monthly pricing, basic fund

information, weekly performance data, sector weights, and many other popular mutual fund data fields. This file is available for download from the Internet on a monthly basis.

#### ETF DataFile

Introduced in spring of 2010, this product is an extensive database containing the complete listing of every U.S.-listed ETF and every component and component weight since inception for every ETF on a daily basis. This includes all rebalancing, cash components, excluded assets, and distributions adjusted automatically on a daily basis. The data also includes the total return of the ETF and the total return of the corresponding underlying index on a daily basis. ETFs are added to the database and corresponding data made available usually by the first day of trading.

#### Convertible DataFile

This database is one of the largest sources of information available on convertible securities. Value Line offers data elements on our universe of more than 600 convertible bonds, preferred stocks, and warrants, with our top 150 fundamental and proprietary data items on each security.

#### Value Line Research Center

The Value Line Research Center provides on-line access to select Company investment research products covering stocks, mutual funds, options and convertible securities as well as special situation stocks. This service includes full online subscriptions to The Value Line Investment Survey, The Value Line Fund Advisor Plus, The Value Line Daily Options Survey, The Value Line Investment Survey - Small and Mid-Cap, The Value Line Convertibles Survey and The Value Line Special Situations Service. Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. The Value Line Research Center has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

#### New Product Release

On July 10, 2014, Value Line released a suite of new digital products to replace its prior retail and institutional digital offerings.

#### The Value Line Investment Survey - Smart Investor

Digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 1,700 stocks. Online tools include screener, alerts, watch lists and charting; print capabilities included.

#### The Value Line Investment Survey - Savvy Investor

Digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 3,500 stocks. Online tools include screener, alerts, watch lists and charting; print capabilities included.

#### The Value Line Investment Survey - Small Cap Investor

Digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 1,800 stocks. One year history included. Online tools include screener, alerts, watch lists and charting; print capabilities included.

#### The Value Line Investment Survey - Investor 600

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Digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 600 stocks. One year history included. Online tools include screener, alerts, watch lists and charting; print capabilities included.

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#### ProElite

This service package includes digital access to full reports and Value Line proprietary ranks on approximately 3,500 stocks. In addition, our database of mostly microcap firms adds more than 2,500 names, for a total of over 6,000 stocks. Five years' history is included. Online tools include screener, alerts, watch lists and charting; downloading and print capabilities included. Less expensive variants with fewer features are also available.

#### LibraryElite

Libraries are offered digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 3,500 stocks, along with one year of full-detail history. Online tools include screener, and charting; print capabilities included.

#### The Value Line Equity-Only Research Center

The Value Line Equity-Only Research Center is an equities-only package that includes access to exclusive premium services and provides online access to all of Value Line's equity products. This service includes full online subscriptions to The Value Line Investment Survey, The Value Line Investment Survey – Small & Mid-Cap, Value Line Select, Value Line Dividend Select, and The Value Line Special Situations Service. Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. The Value Line Research Center has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

All products have Charting features, including many options to available indexes with the ability to save settings and print. All products for financial professionals have an Alerts Hub which allows the user to set up alerts for up to 25 companies, with delivery via text, email or Facebook.

#### B. Copyright Data Fees Programs

The Company has copyright data, which include certain proprietary Ranking System information and other proprietary information made available for use in third party products, such as unit investment trusts, variable annuities, managed accounts and exchange traded funds, which it distributes under copyright data agreements. The sponsors of these products act as wholesalers and distribute the products by syndicating them through an extensive network of national and regional brokerage firms. The sponsors of these products will typically receive copyright data for one or more proprietary ranking systems, which may include Value Line Timeliness, Safety, Technical and Performance ranks, as screens for their portfolios. The sponsors are also given permission to associate Value Line's trademarks with the products. Value Line collects a copyright fee from each of the product sponsors/managers primarily based upon the market value of assets invested in each product's portfolio utilizing the Value Line proprietary data. Since these fees are based on the market value of the respective portfolios using the Value Line proprietary data, the payments to Value Line, which are typically received on a quarterly basis, will fluctuate.

Value Line's primary copyright data products are structured as ETFs, annuity products and other types of managed products, all of which have in common some degree of reliance on the Value Line Ranks for their portfolio creation. These products are offered and distributed by our sponsors. Value Line's Copyright Data methodology can be found in Unit Investment Trusts, annuities, and Exchange Traded Funds.

#### C. Investment Management Services

Until December 23, 2010, the Company, through its wholly-owned subsidiary EAM LLC, was the investment adviser for the Value Line Funds. Since December 23, 2010, EAM has acted as the Adviser to the Value Line Funds.