

Ford Equity Research
11722 Sorrento Valley Road,
Suite I
San Diego, CA 92121
800.842.0207 (USA)
858.455.6316 Fax
www.fordequity.com

Canadian Select List - 2018

In December 2010, we introduced the Ford Canadian Select List, a model portfolio of the top investment prospects among Canadian companies in the Ford universe of stocks. This monthly model portfolio, which selects the top 30 companies based on Ford's Value Momentum Model underperformed the S&P/TSX Composite Index for 2018.

without dividends			with dividends		
	Canadian Select List	S&P/TSX Comp		Canadian Select List	S&P/TSX Comp
2011	-4.5%	-11.1%	2011	-2.20%	-8.7%
2012	15.4%	4.0%	2012	18.5%	7.2%
2013	26.8%	9.6%	2013	30.2%	13.0%
2014	5.7%	7.4%	2014	8.3%	10.6%
2015	-6.7%	-11.1%	2015	-3.6%	-8.3%
2016	12.0%	17.5%	2016	14.6%	21.1%
2017	20.3%	6.0%	2017	24.3%	9.1%
2018	-22.9%	-11.6%	2018	-18.1%	-8.9%
Annualized	4.6%	0.8%	Annualized	7.9%	3.8%

Of the 79 companies that were part of the list in 2018, 18 had a positive return and 61 had a negative return. The companies with positive returns had an average price gain of 11.0% and those with negative returns had an average loss of 15.3%.

Industry concentration among the year's selections was most heavily weighted in real estate investment trusts (11 stocks, 2 gainers), banks (7 stocks, no gainers) and insurance (5 stocks, no gainers).

The average holding period of the 46 stocks that were removed from the list during the year was 4.6 months. Stocks are removed when their ranking, according to Ford's Value/Momentum model, drops below the top 30%.

Top 10 Performers	Price Change	Months Held	Industry
Kirkland Lake	36.7%	9	Misc Metals & Mining
Methanex	24.1%	3	Chemicals
Canfor Pulp Prod	22.0%	6	Paper
Mercer Intl	21.6%	3	Paper Products & Containers
Empire Company	12.5%	7	Food Stores
Bausch Health Co	11.8%	6	Drugs
Maxar Technol	11.7%	1	Computers
Seven Generation	10.0%	1	Oil Producers
Exchange Income	9.9%	2	Fund Management
Canadian REIT	7.8%	2	Real Estate Investment Trust
Bottom 10 Performers	Price Change	Months Held	Industry
Interfor	-38.4%	9	Forest Products
Husky Energy	-34.6%	4	Intgrated Int'l Oil
Canfor Pulp Prod	-33.3%	12	Forest Products
Transat A.T.	-33.2%	3	Recreation
Linamar	-31.6%	8	Auto Parts
Canadian Nat Res	-29.4%	4	Integrated Intl Oil
Norbord	-27.7%	12	Forest Products
Equitable Group	-26.8%	3	Finance & Leasing
Royal Bank Canada	-26.3%	12	Banks
Methanex	-25.6%	2	Chemicals