

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

Select Stock List - 2015

Ford started publishing a list of selected stocks in its Investment Review publication on August 30, 1974. The purpose of the list is to illustrate the usefulness of Ford's models in investment selection. From the beginning of 1998 through the end of 2015 stocks were selected from a universe of high quality stocks based on Ford's Value/Momentum model. The Value/Momentum model combines earnings momentum, relative valuation and price momentum into a single evaluation. Prior to 1998, stocks were selected based on Ford's Price/Value and Earnings Trend models.

The list turned in a very strong performance for 2015, with an 10.5% increase on a total return basis. This compares with a gain of 1.3% for the S&P 500 and a decline of 17.8% for the more broadly based Ford index of stocks. The Select Stock List outperformed the Ford Index in 39 of the 42 years since we started publishing the list, and outperformed the S&P 500 in 31 of those 42 years.

Of the 65 companies that appeared on the list in 2015, 34 had holding period price gains and 31 had price declines. Those with price increases had an average price change of 18.0% while those with declines fell an average of 13.3%.

Industry distribution among the selections was slightly more heavily weighted in insurance (6 stocks, 2 gainers). Otherwise the industry distribution was evenly distributed with 5 stocks each in airlines, computers, medical services, semiconductors and specialty retailers groups. Market capitalization (based on year-end prices) ranged from \$99 million to \$587 billion, with median and mean values of \$1.9 billion and \$16.5 billion, respectively. The average holding period of the 40 stocks that were removed from the list during the year was 4.1 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
Tesoro (TSO)	41.5%	6	Integrated Domestic Oil
Pharmerica (PMC)	36.1%	3	Medical Services
Delek US Holding (DK)	35.3%	4	Integrated Domestic Oil
Alaska Air Group (ALK)	34.7%	12	Airlines
EBIX (EBIX)	34.5%	1	Computers
C&J Energy Services (CJES)	32.1%	4	Oil Well Equip & Services
Broadcom (BRCM)	31.2%	5	Semiconductors
Smith & Wesson (SWHC)	30.3%	3	Recreational Products
SkyWest (SKYW)	28.5%	7	Airlines
Northrop Grumman (NOC)	28.1%	12	Aerospace
Trinity Industries (TRN)	26.8%	3	Railroad Equipment
Bottom 10 Performers	Price Change	Months Held	Industry
Covenant Trans (CVTI)	-37.6%	5	Trucking
Core Molding (CMT)	-32.8%	5	Diversified Mfg
Travelcenter LLC (TA)	-31.4%	4	Food Stores
Hewlett-Packard (HPQ)	-30.1%	8	Computers
Blount Int'l (BLT)	-25.4%	4	Soap & Household Products
Qorvo (QRVO)	-16.4%	8	Semiconductors
Amer Axle & Mfg (AXL)	-24.6%	7	Auto Parts
Best Buy (BBY)	-21.9%	12	Specialty Retailers
Greenbrier (GBX)	-21.1%	4	Railroad Equipment
Hawaiian Hldgs (HA)	-16.6%	7	Airlines

Select Stock List Annual Returns

The performance of the Select Stock List represents equal-dollar investments in each of the constituents rebalanced each month. Returns exclude transaction costs or any other fees. There is no assurance that future results will equal past performance. The results for each year since inception of the list in August 1974 and the annualized results are shown below:

Without Dividends					With Dividends			
Year	Select Stocks	DJIA	Ford Universe	S&P 500	Select Stocks	DJIA	Ford Universe	S&P 500
*1974	4.9%	-9.3%	-11.6%	-5.0%	6.8%	-7.4%	-9.7%	-3.3%
1975	69.2%	38.3%	39.4%	31.5%	75.9%	45.0%	45.7%	37.2%
1976	38.7%	17.8%	31.4%	19.2%	43.5%	22.5%	36.5%	23.6%
1977	11.4%	-17.3%	0.3%	-11.5%	15.6%	-13.1%	4.5%	-7.5%
1978	9.4%	-3.1%	3.8%	1.1%	14.3%	2.6%	8.4%	6.3%
1979	38.1%	4.2%	21.3%	12.3%	45.0%	10.5%	27.2%	18.2%
1980	25.2%	14.9%	17.5%	25.1%	32.6%	21.9%	23.4%	32.1%
1981	31.7%	-9.2%	-2.0%	-9.7%	40.0%	-3.7%	2.6%	-5.2%
1982	24.7%	19.6%	17.6%	14.8%	32.7%	27.3%	23.3%	21.4%
1983	35.7%	20.3%	22.7%	17.3%	43.1%	26.9%	27.1%	22.4%
1984	16.1%	-3.6%	-6.9%	1.4%	22.2%	1.0%	-3.3%	6.2%
1985	36.6%	27.7%	21.3%	26.3%	42.4%	33.6%	25.3%	31.7%
1986	28.2%	22.6%	5.2%	14.6%	31.0%	27.2%	7.7%	18.6%
1987	-3.5%	2.3%	-10.7%	2.0%	-1.5%	5.4%	-8.7%	5.2%
1988	30.4%	11.9%	16.5%	12.4%	33.5%	15.9%	19.4%	16.5%
1989	34.0%	27.0%	9.2%	27.3%	36.9%	31.5%	11.7%	31.6%
1990	6.8%	-4.3%	-25.4%	-6.6%	9.8%	-0.4%	-23.4%	-3.1%
1991	45.2%	20.3%	28.4%	26.3%	49.4%	24.3%	31.3%	30.4%
1992	13.6%	4.2%	9.2%	4.5%	16.4%	7.3%	11.4%	7.6%
1993	-1.5%	13.7%	9.9%	7.1%	0.5%	17.1%	12.0%	10.0%
1994	12.4%	2.1%	-6.3%	-1.5%	14.9%	4.9%	-4.6%	1.3%
1995	36.5%	33.4%	17.9%	34.1%	38.8%	36.7%	19.9%	37.5%
1996	14.9%	26.0%	9.9%	20.3%	16.7%	28.7%	11.5%	22.9%
1997	27.3%	22.6%	14.3%	31.0%	28.1%	24.8%	15.8%	33.3%
1998	20.5%	16.0%	13.1%	26.7%	22.2%	18.0%	-12.1%	28.6%
1999	3.1%	25.2%	1.5%	19.5%	4.6%	27.2%	2.6%	21.0%
2000	8.3%	-6.2%	-25.3%	-10.1%	9.7%	-4.7%	-24.5%	-9.1%
2001	9.7%	-7.1%	-6.3%	-13.0%	11.7%	-5.4%	-5.2%	-11.9%
2002	-3.6%	-16.8%	-31.6%	-23.4%	-2.6%	-15.1%	-30.8%	-22.1%
2003	52.2%	25.3%	52.0%	26.4%	54.2%	28.1%	51.7%	28.6%
2004	28.5%	3.1%	10.1%	9.0%	29.7%	5.3%	11.3%	10.8%
2005	2.2%	-0.6%	-3.9%	3.0%	3.4%	1.8%	-2.9%	5.0%
2006	6.7%	16.3%	8.2%	13.6%	7.8%	18.9%	9.5%	15.7%
2007	-8.9%	6.4%	-14.3%	3.5%	-7.9%	8.7%	-13.2%	5.4%
2008	-49.3%	-33.9%	-56.9%	-38.6%	-48.5%	-31.9%	-56.1%	-37.0%
2009	21.3%	18.9%	26.3%	23.8%	23.0%	23.0%	28.5%	27.4%
2010	18.0%	11.0%	11.6%	12.8%	19.3%	14.0%	12.7%	15.0%
2011	1.3%	5.5%	-17.4%	0.0%	2.6%	8.2%	-16.4%	2.0%
2012	31.2%	7.3%	5.8%	13.4%	33.1%	10.0%	7.3%	15.8%
2013	48.1%	26.5%	27.9%	29.6%	50.7%	29.5%	29.7%	32.3%
2014	16.4%	7.5%	-7.3%	11.4%	18.1%	9.9%	-6.0%	13.5%
2015	9.4%	-2.2%	-19.1%	-0.7%	10.5%	0.2%	-17.8%	1.3%
Annualized	17.5%	8.2%	2.1%	8.4%	20.4%	11.8%	4.4%	11.7%

* from August through year end