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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