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Select Stock List - 2018

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 2017 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 poor performance for 2018, with a 25.8% decrease on a total return basis. This compares with a loss of 4.5% for the S&P 500 and a loss of 23.4% for the more broadly based Ford index of stocks. The Select Stock List outperformed the Ford Index in 41 of the 45 years since we started publishing the list, and outperformed the S&P 500 in 32 of those 45 years.

Of the 70 companies that appeared on the list in 2018, 14 had holding period price gains and 56 had price declines. Those with price increases had an average price change of 13.4% while those with declines fell an average of 19.3%.

Industry distribution among the selections was weighted in semiconductors (5 stocks, 1 gainer), construction & real estate (5 stocks, no gainers), and finance & leasing (5 stocks, 1 gainer). Market capitalization (based on year-end prices) ranged from \$266 million to \$149 billion, with median and mean values of \$2.9 billion and \$18.3 billion, respectively. The average holding period of the 38 stocks that were removed from the list during the year was 5.6 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
Malibu Boats (MBUU)	62.2%	8	Recreation Products
TC Pipelines LP (TCP)	32.1%	7	Natural Gas Utilities
Solaredge Tech (SEDG)	27.7%	8	Semiconductors
Modine Mfg (MOD)	15.6%	1	Auto Parts
American Equity (AEL)	15.3%	5	Insurance
Greenhill & Co (GHL)	10.7%	2	Fund Management
ACCO Brands (ACCO)	5.7%	5	Office Equip & Supplies
Firstenergy (FE)	5.6%	2	Electric Utilities
Eagle Bancorp MD (EGBN)	5.4%	2	Banks
Air Lease (AL)	4.2%	2	Aerospace
Bottom 10 Performers	Price Change	Months Held	Industry
Carrizo Oil & Gas (CRZO)	-55.2%	3	Oil Producers
NCI Bldg Systems (NCS)	-52.2%	3	Building Materials
US Steel Corp (X)	-38.5%	4	Steel
Penn Virginia (PVAC)	-36.0%	5	Oil Producers
Steel Dynamics (STLD)	-34.6%	6	Steel
Huntsman Corp (HUN)	-34.3%	10	Chemicals
Zagg (ZAGG)	-33.9%	3	Computers
Tri Pointe Group (TPH)	-33.6%	10	Construction & Real Estate
Net 1 UEPS Tech (UEPS)	-32.7%	9	Finance & Leasing
United Rentals (URI)	-31.1%	5	Finance & Leasing

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:

Year	Without Dividends					With Dividends			
	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%
2016	22.3%	13.4%	3.1%	9.5%		23.9%	16.4%	4.7%	11.9%
2017	16.0%	25.1%	2.1%	19.4%		17.9%	27.9%	3.6%	21.8%
2018	-26.8%	-5.6%	-24.3%	-6.2%		-25.8%	-3.6%	-23.4%	-4.5%
Annualized	16.3%	8.3%	1.4%	8.3%		19.1%	11.8%	3.7%	11.5%

* from August through year end