

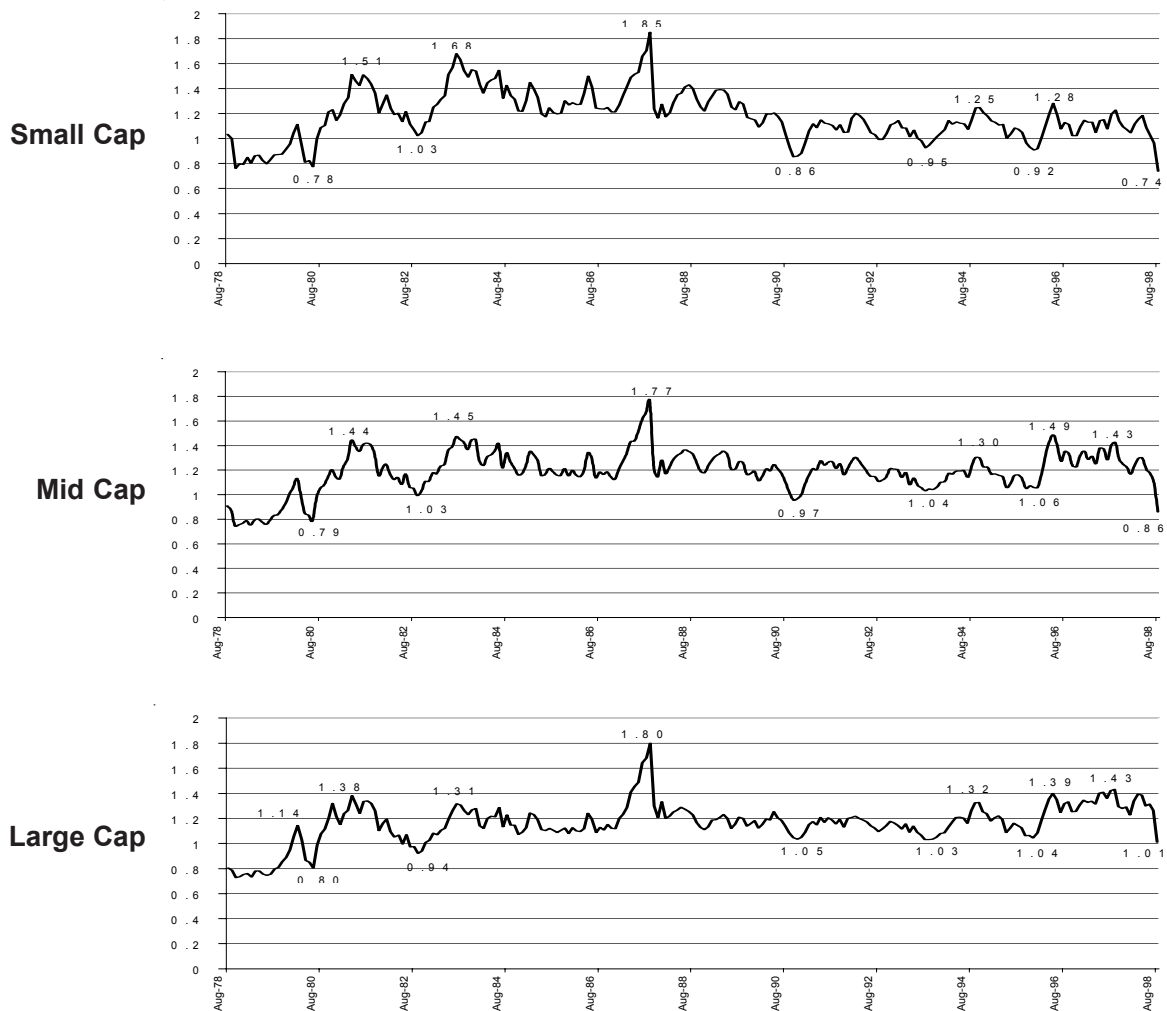


Cap Sector Historical Price/Value Relationships September 30, 1998

Ford's price to value ratio (PVA) is computed by dividing the price of a company's stock by the value derived from a proprietary dividend discount model. A price to value greater than 1.00 indicates that a company is overpriced while a price to value less than 1.00 implies that a stock is trading below the level justified by its earnings, quality rating, dividends, projected growth rate, and prevailing interest rates.

This study examines historical price/value relationships over the last twenty years within each of three market capitalization sectors. The three market capitalization sectors were created by screening the Ford universe of stocks to exclude companies with market capitalization below \$25 million and then dividing the remaining companies into three equal-numbered sectors by market capitalization.

Cap Sector average PVA comparison:

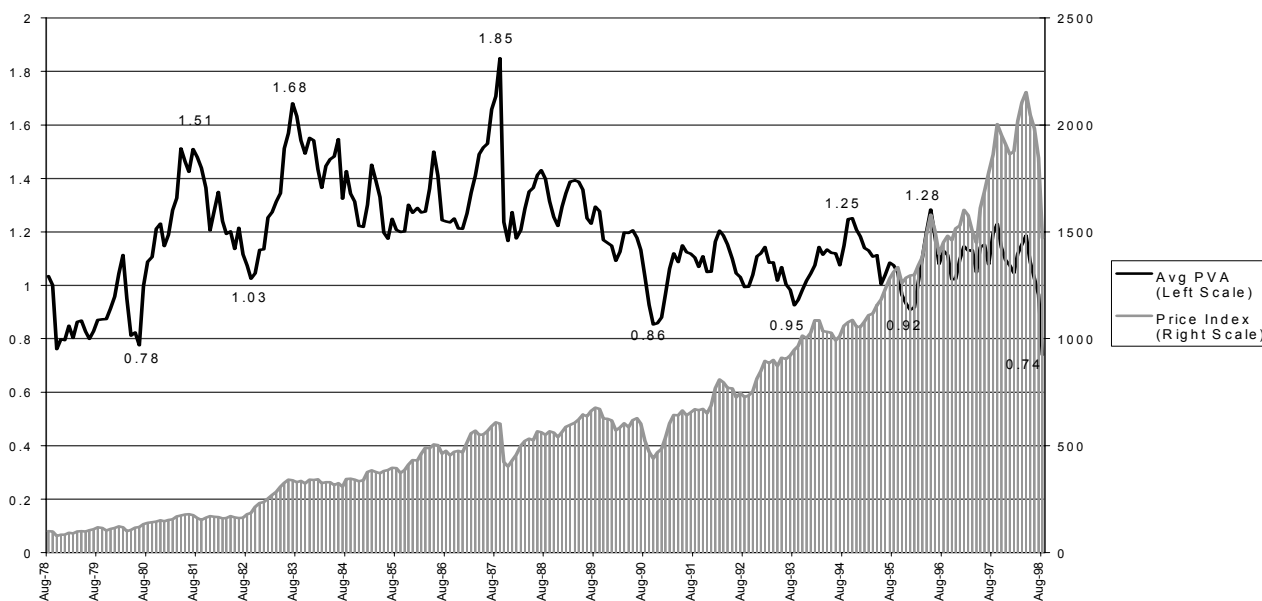


The charts on the prior page show average price/value ratios for the three cap sectors. Although average PVAs tended to move together for the three sectors over the period shown, the oscillation in average PVA was highest for the small caps and lowest for large caps. During the latter part of 1982, returns for small stocks outpaced the other two capitalizations sectors. This relative outperformance of the small cap stocks resulted in a higher PVA than the other two sectors until the end of 1990. The cap sector average PVA comparison charts points to small cap as the sector that is currently at the lowest relative valuation compared to its 20-year historical levels.

The examination of the average PVA relationships as well as the average returns for these sectors provides some interesting information. Extreme levels of average PVA have been excellent at predicting near term market directions. In addition, large differences in PVA ratios between the three market segments studied tended to correct themselves over long time periods through outperformance of the relatively undervalued sector.

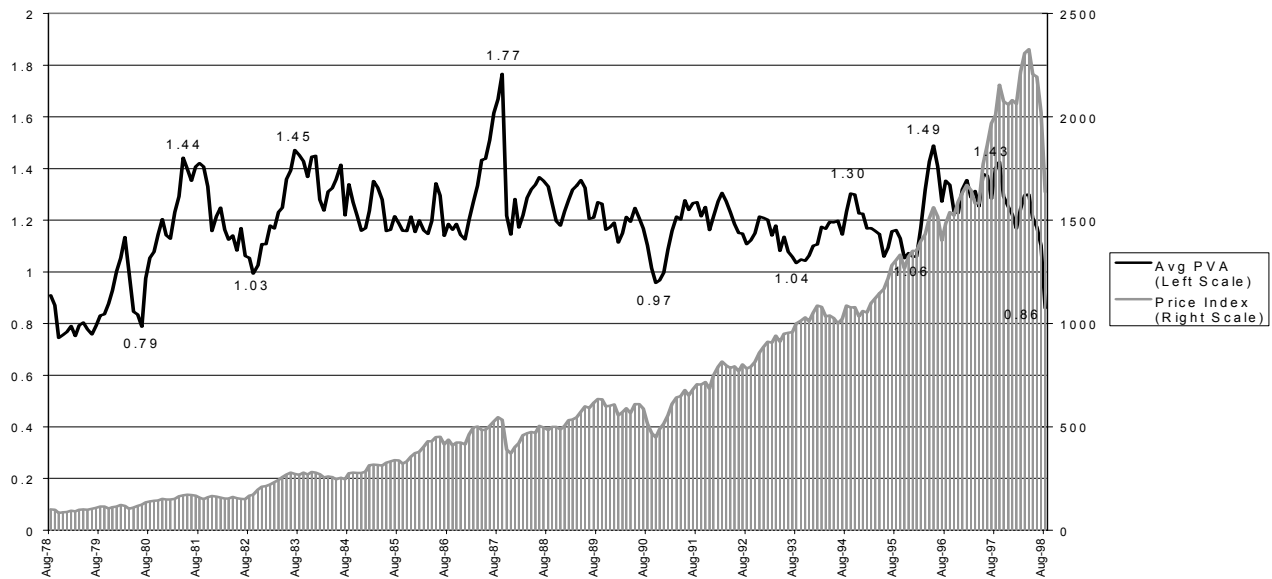
To examine the use of average PVAs as a general buy signal within cap sectors, we examine one year future total returns from the date at which the average PVA started to recover after dipping below 1.00. Although the use of 1.00 as the buy signal did not pick up every major stock market move in each of the sectors, it did post remarkably consistent results when it was triggered.

Small Cap Sector



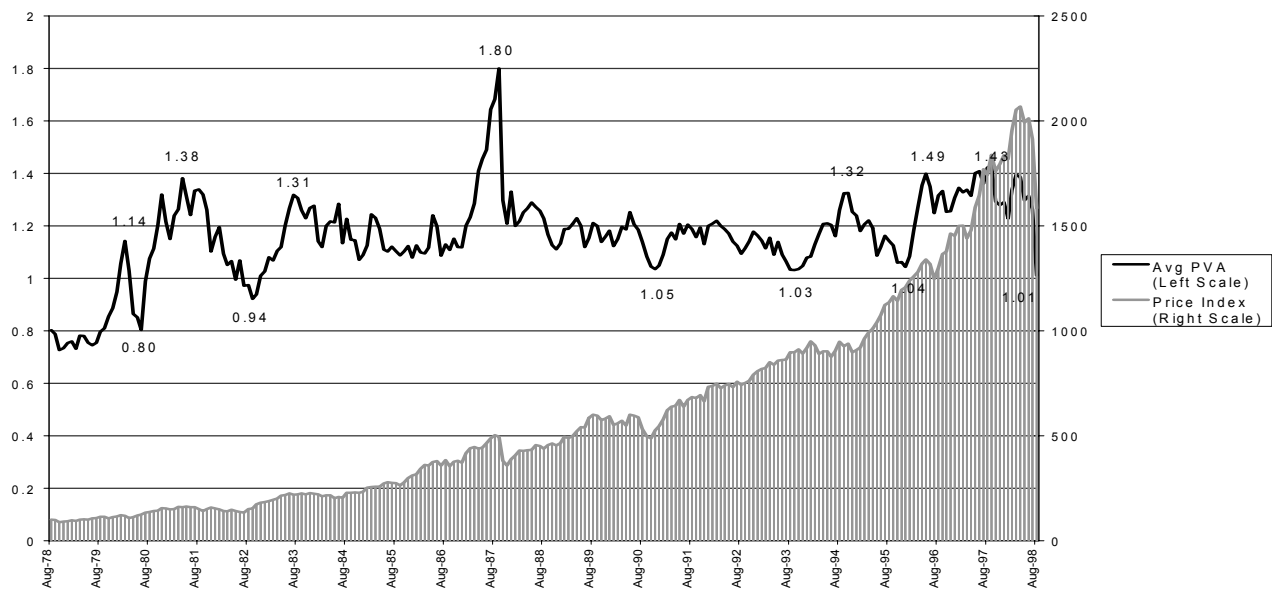
For the small cap stocks, the points where the average PVA dipped below 1.00 then started to recover signaled the most buy points. These six buy signals resulted in average 1-year returns of 32%. In August of this year the average PVA for the small cap sector reached its lowest point in the 20 years shown.

Mid Cap Sector



Using average PVA below 1.00 as the buy point, 4 clear buy signals averaged 32.5% annual returns in the mid cap sector. The average PVA for this sector as of August was the lowest it has been since the early 1980's.

Large Cap Sector



Using the PVA below 1.00 as a buy signal was not as useful for the large cap sector since the average PVA for large cap has not dipped below 1.00 since early 1980's. However, for the four periods when the signal was shown, large caps posted average annual returns of 37.7%. For the end of August, the average PVA for the large cap is the lowest it has been since the early 1980's. However, the average PVA for the large cap still remains above 1.00.

PVA comparisons

PVA comparisons				Date	Small	Mid	Large	Date	Small	Mid	Large	
	Date	Small	Mid	Large	Mar-85	1.39	1.33	1.23	Dec-91	1.05	1.21	1.20
Aug-78	1.03	0.91	0.80	Apr-85	1.33	1.28	1.19	Jan-92	1.16	1.27	1.21	
Sep-78	1.00	0.87	0.79	May-85	1.20	1.16	1.11	Feb-92	1.20	1.31	1.22	
Oct-78	0.76	0.74	0.73	Jun-85	1.17	1.16	1.10	Mar-92	1.19	1.27	1.20	
Nov-78	0.80	0.76	0.73	Jul-85	1.25	1.22	1.12	Apr-92	1.15	1.23	1.19	
Dec-78	0.79	0.77	0.75	Aug-85	1.21	1.19	1.10	May-92	1.10	1.19	1.17	
Jan-79	0.85	0.79	0.76	Sep-85	1.20	1.16	1.09	Jun-92	1.05	1.15	1.14	
Feb-79	0.80	0.75	0.73	Oct-85	1.20	1.16	1.10	Jul-92	1.03	1.15	1.12	
Mar-79	0.86	0.79	0.78	Nov-85	1.30	1.21	1.12	Aug-92	0.99	1.11	1.09	
Apr-79	0.87	0.80	0.78	Dec-85	1.27	1.15	1.08	Sep-92	0.99	1.12	1.12	
May-79	0.83	0.78	0.75	Jan-86	1.29	1.20	1.13	Oct-92	1.04	1.15	1.14	
Jun-79	0.80	0.76	0.75	Feb-86	1.27	1.16	1.10	Nov-92	1.11	1.21	1.18	
Jul-79	0.83	0.79	0.76	Mar-86	1.28	1.15	1.10	Dec-92	1.12	1.21	1.16	
Aug-79	0.87	0.83	0.80	Apr-86	1.36	1.20	1.12	Jan-93	1.14	1.20	1.14	
Sep-79	0.87	0.84	0.81	May-86	1.50	1.34	1.24	Feb-93	1.08	1.14	1.12	
Oct-79	0.88	0.88	0.86	Jun-86	1.41	1.30	1.20	Mar-93	1.09	1.18	1.16	
Nov-79	0.91	0.93	0.89	Jul-86	1.24	1.14	1.09	Apr-93	1.02	1.08	1.09	
Dec-79	0.96	1.00	0.95	Aug-86	1.24	1.19	1.13	May-93	1.07	1.14	1.14	
Jan-80	1.04	1.06	1.06	Sep-86	1.24	1.16	1.11	Jun-93	1.00	1.08	1.09	
Feb-80	1.11	1.13	1.14	Oct-86	1.25	1.19	1.15	Jul-93	0.98	1.06	1.07	
Mar-80	0.95	1.00	1.03	Nov-86	1.21	1.14	1.12	Aug-93	0.93	1.03	1.03	
Apr-80	0.81	0.85	0.87	Dec-86	1.21	1.13	1.12	Sep-93	0.95	1.05	1.03	
May-80	0.82	0.84	0.85	Jan-87	1.27	1.20	1.20	Oct-93	0.98	1.04	1.03	
Jun-80	0.78	0.79	0.80	Feb-87	1.35	1.27	1.23	Nov-93	1.02	1.06	1.05	
Jul-80	1.00	0.98	0.99	Mar-87	1.41	1.34	1.29	Dec-93	1.04	1.10	1.08	
Aug-80	1.09	1.05	1.08	Apr-87	1.49	1.43	1.41	Jan-94	1.07	1.11	1.08	
Sep-80	1.11	1.08	1.11	May-87	1.52	1.44	1.45	Feb-94	1.14	1.17	1.13	
Oct-80	1.21	1.15	1.20	Jun-87	1.53	1.51	1.49	Mar-94	1.12	1.17	1.17	
Nov-80	1.23	1.20	1.32	Jul-87	1.66	1.62	1.64	Apr-94	1.13	1.19	1.21	
Dec-80	1.15	1.14	1.22	Aug-87	1.71	1.67	1.68	May-94	1.12	1.19	1.21	
Jan-81	1.19	1.13	1.15	Sep-87	1.85	1.77	1.80	Jun-94	1.12	1.20	1.20	
Feb-81	1.28	1.23	1.24	Oct-87	1.24	1.22	1.30	Jul-94	1.08	1.14	1.16	
Mar-81	1.33	1.29	1.26	Nov-87	1.17	1.14	1.21	Aug-94	1.15	1.23	1.26	
Apr-81	1.51	1.44	1.38	Dec-87	1.27	1.28	1.33	Sep-94	1.25	1.30	1.33	
May-81	1.46	1.40	1.31	Jan-88	1.18	1.17	1.20	Oct-94	1.25	1.30	1.33	
Jun-81	1.43	1.35	1.24	Feb-88	1.21	1.22	1.22	Nov-94	1.21	1.23	1.25	
Jul-81	1.51	1.41	1.33	Mar-88	1.29	1.29	1.25	Dec-94	1.18	1.23	1.24	
Aug-81	1.48	1.42	1.34	Apr-88	1.35	1.32	1.27	Jan-95	1.14	1.17	1.18	
Sep-81	1.44	1.41	1.32	May-88	1.36	1.34	1.29	Feb-95	1.13	1.17	1.21	
Oct-81	1.36	1.33	1.26	Jun-88	1.41	1.37	1.27	Mar-95	1.11	1.16	1.22	
Nov-81	1.21	1.16	1.10	Jul-88	1.43	1.35	1.26	Apr-95	1.11	1.15	1.19	
Dec-81	1.28	1.22	1.16	Aug-88	1.40	1.33	1.23	May-95	1.00	1.06	1.09	
Jan-82	1.35	1.25	1.20	Sep-88	1.32	1.27	1.17	Jun-95	1.04	1.09	1.12	
Feb-82	1.24	1.16	1.09	Oct-88	1.26	1.20	1.13	Jul-95	1.08	1.16	1.16	
Mar-82	1.19	1.13	1.05	Nov-88	1.22	1.18	1.11	Aug-95	1.08	1.16	1.14	
Apr-82	1.20	1.14	1.07	Dec-88	1.29	1.23	1.13	Sep-95	1.05	1.13	1.13	
May-82	1.14	1.08	1.00	Jan-89	1.34	1.28	1.19	Oct-95	0.96	1.05	1.06	
Jun-82	1.22	1.17	1.07	Feb-89	1.39	1.32	1.19	Nov-95	0.93	1.07	1.06	
Jul-82	1.12	1.06	0.97	Mar-89	1.39	1.33	1.21	Dec-95	0.91	1.06	1.04	
Aug-82	1.07	1.05	0.97	Apr-89	1.39	1.36	1.23	Jan-96	0.92	1.06	1.08	
Sep-82	1.03	0.99	0.92	May-89	1.36	1.33	1.20	Feb-96	1.01	1.17	1.18	
Oct-82	1.05	1.03	0.94	Jun-89	1.25	1.21	1.12	Mar-96	1.10	1.32	1.27	
Nov-82	1.13	1.11	1.01	Jul-89	1.23	1.21	1.15	Apr-96	1.20	1.43	1.36	
Dec-82	1.14	1.11	1.03	Aug-89	1.29	1.27	1.21	May-96	1.28	1.49	1.40	
Jan-83	1.25	1.18	1.08	Sep-89	1.28	1.26	1.20	Jun-96	1.19	1.41	1.35	
Feb-83	1.27	1.17	1.07	Oct-89	1.17	1.16	1.14	Jul-96	1.08	1.27	1.25	
Mar-83	1.31	1.23	1.11	Nov-89	1.16	1.17	1.16	Aug-96	1.13	1.35	1.32	
Apr-83	1.34	1.25	1.12	Dec-89	1.15	1.19	1.18	Sep-96	1.11	1.34	1.33	
May-83	1.51	1.36	1.20	Jan-90	1.09	1.11	1.12	Oct-96	1.02	1.23	1.25	
Jun-83	1.57	1.39	1.27	Feb-90	1.13	1.15	1.15	Nov-96	1.02	1.23	1.26	
Jul-83	1.68	1.47	1.32	Mar-90	1.20	1.21	1.20	Dec-96	1.10	1.32	1.31	
Aug-83	1.63	1.45	1.31	Apr-90	1.20	1.19	1.19	Jan-97	1.15	1.36	1.35	
Sep-83	1.54	1.43	1.26	May-90	1.21	1.25	1.25	Feb-97	1.13	1.29	1.33	
Oct-83	1.49	1.37	1.23	Jun-90	1.18	1.21	1.21	Mar-97	1.13	1.31	1.34	
Nov-83	1.55	1.45	1.27	Jul-90	1.13	1.17	1.19	Apr-97	1.05	1.25	1.32	
Dec-83	1.54	1.45	1.28	Aug-90	1.03	1.10	1.14	May-97	1.14	1.38	1.40	
Jan-84	1.43	1.28	1.14	Sep-90	0.93	1.01	1.08	Jun-97	1.15	1.37	1.41	
Feb-84	1.37	1.24	1.12	Oct-90	0.85	0.96	1.05	Jul-97	1.08	1.28	1.36	
Mar-84	1.45	1.31	1.20	Nov-90	0.86	0.97	1.04	Aug-97	1.20	1.40	1.42	
Apr-84	1.47	1.32	1.22	Dec-90	0.88	1.00	1.05	Sep-97	1.23	1.43	1.43	
May-84	1.48	1.36	1.21	Jan-91	0.97	1.09	1.09	Oct-97	1.14	1.29	1.29	
Jun-84	1.55	1.41	1.29	Feb-91	1.06	1.16	1.15	Nov-97	1.09	1.25	1.28	
Jul-84	1.32	1.22	1.13	Mar-91	1.12	1.21	1.17	Dec-97	1.07	1.22	1.29	
Aug-84	1.43	1.34	1.23	Apr-91	1.09	1.20	1.15	Jan-98	1.05	1.17	1.23	
Sep-84	1.34	1.27	1.15	May-91	1.15	1.28	1.21	Feb-98	1.12	1.24	1.34	
Oct-84	1.31	1.22	1.15	Jun-91	1.12	1.24	1.17	Mar-98	1.15	1.30	1.40	
Nov-84	1.22	1.16	1.07	Jul-91	1.12	1.27	1.20	Apr-98	1.19	1.30	1.39	
Dec-84	1.22	1.17	1.09	Aug-91	1.10	1.27	1.19	May-98	1.09	1.21	1.30	
Jan-85	1.30	1.24	1.13	Sep-91	1.07	1.22	1.16	Jun-98	1.03	1.17	1.32	
Feb-85	1.45	1.35	1.24	Oct-91	1.11	1.25	1.19	Jul-98	0.97	1.10	1.26	
				Nov-91	1.05	1.16	1.13	Aug-98	0.74	0.86	1.01	