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**FORD'S STOCK SELECTION MODELS DO WELL
 IN THE DIVERSE MARKETS OF 2001**

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With the largest 1000 companies in the Ford Universe losing 6.4% and the next 2000 gaining 23.7% during calendar 2001, five of Ford's stock selection models did well in both universes. Value was the best strategy for 2001 and Ford's Operating Earnings Yield, which is an earnings yield ratio (inverse of P/E ratio) comprised of back 3 and forward 1 quarter of Ford's cleaned operating earnings, provided the best results in both large and mid to small cap companies. Ford's Dividend Discount Model came in a close second and companies buying back their own shares (Fords Share Buyback/Issuance Model) also did very well. Ford's Price Momentum Model performed surprisingly well in a negative large cap environment and offered excellent returns in mid/small cap. Ford's Value/Momentum Model, which is a multi-factor model with a 45% weighting to Operating Earnings Yield and Price Momentum and a 55% weighting to four earnings momentum models, also did well in both categories. Earnings and sales momentum were the worst strategies for 2001, and while Ford's Earnings Momentum, which measures the acceleration or deceleration of the growth of operating earnings for the last 4 quarters and the current quarter estimate, outperformed most of its earnings momentum peers, it under- performed the large cap universe.

The performance of the top 20% of stocks in each universe selected by each of Ford's stock selection models is listed below:

Ford Proprietary Model*	Top 20% 1000 Large Cap	Top 20% 2000 Mid/Small
Operating Earnings Yield	24.6%	63.3%
Dividend Discount Model	22.1%	48.5%
Share Buyback/Issuance	9.0%	34.4%
Price Momentum	0.4%	50.7%
Value/Momentum	0.3%	51.8%
Earnings Momentum	-8.6%	25.2%
Stock Split	-14.6%	53.2%
<u>Sales Momentum</u>	<u>-22.1%</u>	<u>13.7%</u>
Universe Return	-6.4%	23.7%

**Performance is based on quintile rankings of each universe, equally weighted, and rebalanced monthly with no transaction costs, except as follows. Share Buyback/Issuance is based on a portfolio of companies which have bought back 1% or more of shares outstanding held approximately 12 months. Stock Split is a portfolio of companies that have split 3 for 2 and 2 for 1 held approximately six months.*

The results quoted here are the results of back testing and should be qualified in several respects: (1) results are not necessarily indicative of the returns that individual investors could have obtained, since the portfolios were large and transaction costs excluded; (2) no analysis technique is effective for every security to which it is applied, even though it is effective on the average; and (3) there is, of course, no assurance that future results will duplicate past results.