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Ford Equity Research's High Quality Select Stock List

Posts 54.2% Total Return for 2003

San Diego, CA – January 9, 2004 - Since 1974, Ford Equity Research has published a portfolio of selected stocks that combine above average quality with valuation, earnings momentum, and price momentum research. The total return of the 20 stock portfolio for 2003 was 54.2%, the second best in the **Select Stock List** 30 year history. The performance of the portfolio as shown below has a couple of notable characteristics. First, the research process has produced strong results in all multi- year periods following market declines, such as 1974, 1977, 1981, 1987, 1990, 1994 and thus far since 2002. Second, the high quality nature of the portfolio helped generate very good returns in most down market environments. In fact, in the bear market from 2000 through 2002, the portfolio posted a gain of 19.4% versus a loss of 37.6% for the S&P 500.

Ford started publishing a list of selected stocks in the *Investment Review* publication on August 30, 1974. The outstanding performance of the **Select Stock List** over the years illustrates the usefulness of Ford's research method for stock selection. This same method is also used to manage Ford Equity Research corporate, pension and officer assets. Stock selection starts with an analysis of the quality of earnings for each company. Ford analysts go through the earnings releases adjusting for non-recurring revenue and expense items that may inflate or penalize the true operating earnings of the company. The adjusted earnings are subjected to valuation and earnings trend/momentum measures to determine the intermediate and long term attractiveness of the company. The long term and short term price performance is also studied to determine the near term potential for price gain. The most attractive stocks are then selected for the portfolio based on above average quality using Ford's quality rating which includes measures of size, leverage and volatility of earnings, as well as Ford's growth persistence rating which measures return on equity and the consistency of earnings growth.

The annual performance numbers below reflect a hypothetical portfolio consisting of equal-dollar investments in the **Select Stock List** portfolio as shown each month in the *Ford Investment Review*. Transaction costs are not included and there is no assurance that future results will equal past returns.

Select Stock List Annual Performance

Year	Select Stocks	DJIA	S&P 500
1974*	6.8%	-7.4%	-3.3%
1975	75.9%	45.0%	37.2%
1976	43.5%	22.5%	23.6%
1977	15.6%	-13.1%	-7.5%
1978	14.3%	2.6%	6.3%
1979	45.0%	10.5%	18.2%
1980	32.6%	21.9%	32.1%
1981	40.0%	-3.7%	-5.2%
1982	32.7%	27.3%	21.4%
1983	43.1%	26.9%	22.4%
1984	22.2%	1.0%	6.2%
1985	42.4%	33.6%	31.7%
1986	31.0%	27.2%	18.6%
1987	-1.5%	5.4%	5.2%
1988	33.5%	15.9%	16.5%
1989	36.9%	31.5%	31.6%
1990	9.8%	-0.4%	-3.1%
1991	49.4%	24.3%	30.4%
1992	16.4%	7.3%	7.6%
1993	0.5%	17.1%	10.0%
1994	14.9%	4.9%	1.3%
1995	38.8%	36.7%	37.5%
1996	16.7%	28.7%	22.9%
1997	28.1%	24.8%	33.3%
1998	22.2%	18.0%	28.6%
1999	4.6%	27.2%	21.0%
2000	9.7%	-4.7%	-9.1%
2001	11.7%	-5.4%	-11.9%
2002	-2.6%	-15.1%	-22.1%
2003	54.2%	28.1%	28.6%

* from August through year end