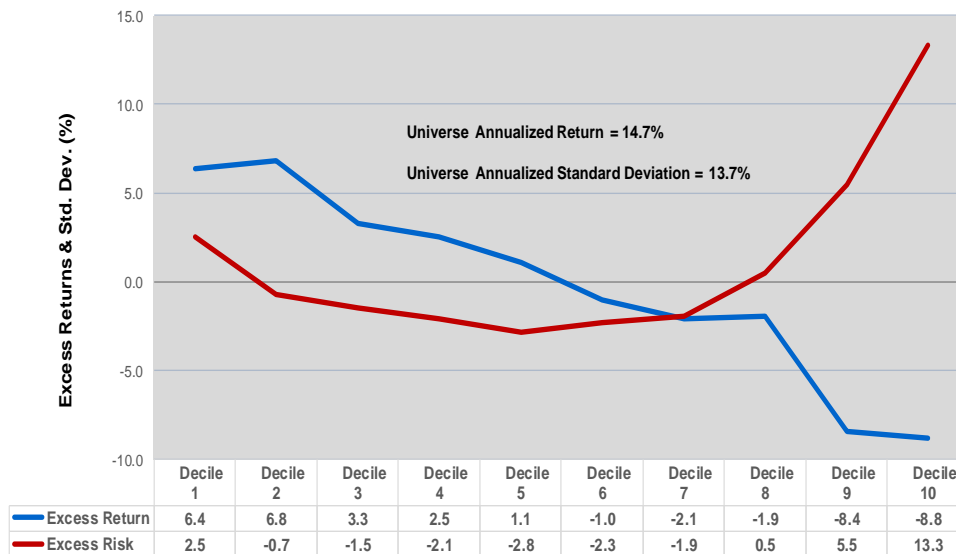


## Operating Earnings Yield (OEY)

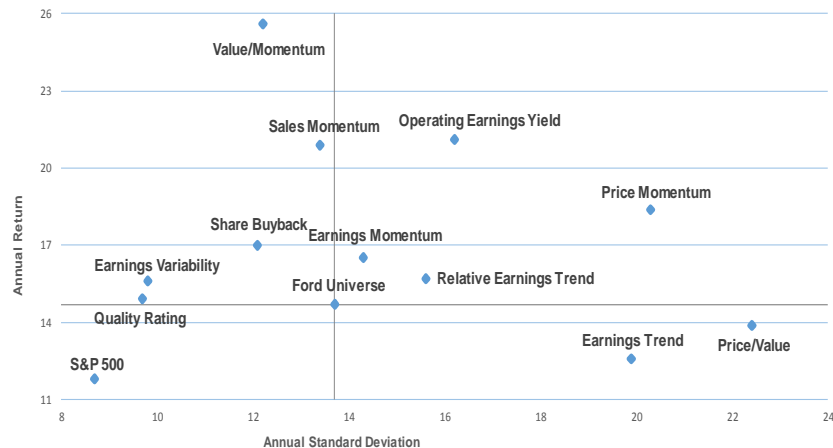
Using price to earnings ratio to value stocks has proven to be one of the most successful stock selection tools. By inverting the ratio to look at earnings to price, also termed earnings yield, users can evaluate companies with either positive or negative earnings. In April, 1997 Ford tested the performance of earnings yields based on various earnings per share measures including normal, current, Ford's adjusted operating, and estimated earnings for the current fiscal year and the next fiscal year. The best performance came from the operating earnings for the last 3 quarters and the current quarter estimate. Operating Earnings Yield is like dividend yield in that a higher value is considered better and a lower figure indicates an overvalued stock. Negative earnings companies have negative Operating Earnings Yields.

### Ford Operating Earnings Yield Model (OEY) Decile Excess Returns & Std. Dev. (%) vs. Ford Universe 12/11 to 12/16



### Top Decile/Group Ford Stock Selection Models 12/11 to 12/16

OEY Excess Return Top Decile vs. Ford Universe (%)	
2012	13.3
2013	6.4
2014	5.2
2015	-3.9
2016	14.6



Performance is based on ranking the Ford Universe from best to worst for the model shown and dividing it into 10 equal-sized groups each month. The group returns represent equal-dollar investments in each stock each month, with monthly total returns linked to create annual and annualized results. Total returns, which sum month-end percentage price changes and 1/12 of companies' indicated annual dividend yield, exclude transaction costs and management fees. The Ford Universe had 4011 companies at the end of 2016.

Quantitative model results can be affected by market environment and are based on historical financial data. Certain material information for a company may not be reflected in models presented. The performance shown is based on large portfolios and may not be effective on every security. There is no assurance that future results will duplicate past results.

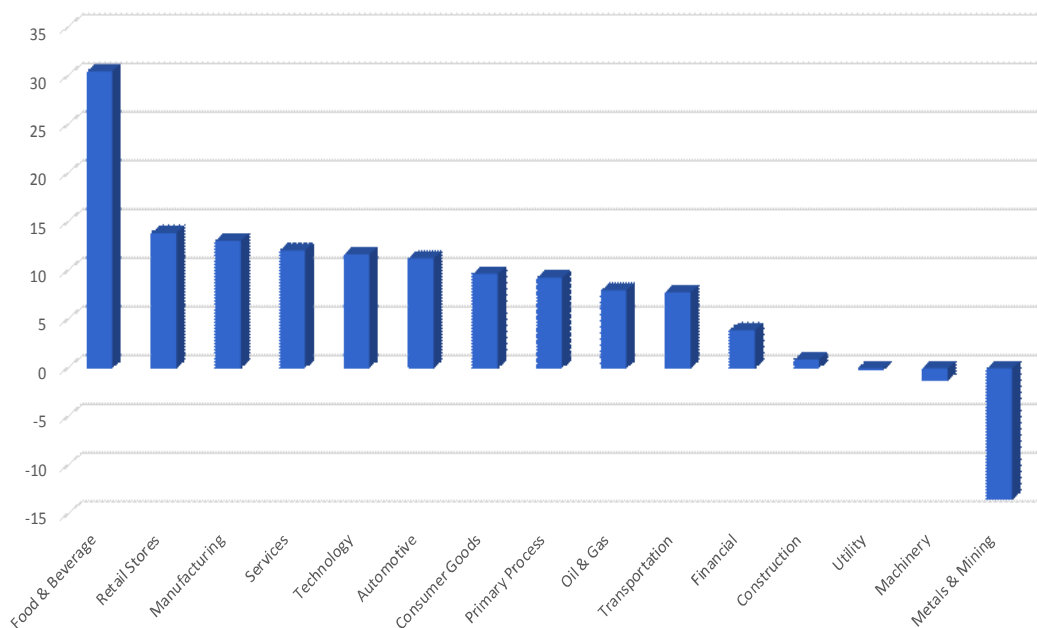
## OEY Decile Performance on Capitalization Sectors

### Average Annual Returns (%) 12/11-12/16

Deciles	1	2	3	4	5	6	7	8	9	10	Cap Univ.
<b>Large Cap</b>	14.3	13.4	14.8	15.3	16.0	15.1	11.8	10.7	10.3	11.1	13.4
<b>Standard Deviation</b>	15.4	13.2	11.8	11.4	10.1	10.3	9.8	10.7	11.8	16.8	11.4
<b>Mid Cap</b>	16.9	20.2	17.2	15.9	18.9	13.3	13.3	12.4	11.1	15.6	15.7
<b>Standard Deviation</b>	18.6	16.0	14.6	14.5	12.6	12.4	12.8	13.0	15.0	24.7	14.5
<b>Small Cap</b>	20.0	22.8	20.1	19.3	17.1	16.2	12.5	11.3	3.3	4.8	14.9
<b>Standard Deviation</b>	19.4	16.2	14.8	15.6	14.5	15.2	15.4	16.1	22.4	29.0	16.7

Large, Mid and Small Cap constituents include the top 1000, second 1000, and third 1000 companies in the Ford universe of stocks when ranked by market capitalization.

### OEY Top Decile Annual Excess Return by Industry Group 12/11 - 12/16



### Correlation Coefficients 12/11 - 12/16 Ford Proprietary Models

	PVA	OEY	EMO	PRM	VMO	SHB	QTY	SMO	SED	SDR	EDV
Price/Value (PVA)	1.000	0.910	0.865	0.889	0.825	0.756	0.507	0.790	0.892	0.886	0.631
Operating Earnings Yield (OEY)	0.910	1.000	0.926	0.874	0.944	0.911	0.697	0.882	0.866	0.918	0.816
Earnings Momentum (EMO)	0.865	0.926	1.000	0.924	0.954	0.924	0.700	0.961	0.935	0.970	0.868
Price Momentum (PRM)	0.889	0.874	0.924	1.000	0.891	0.805	0.613	0.901	0.940	0.926	0.754
Value/ Momentum (VMO)	0.825	0.944	0.954	0.891	1.000	0.949	0.773	0.940	0.867	0.920	0.914
Share Buyback (SHB)	0.756	0.911	0.924	0.805	0.949	1.000	0.805	0.901	0.806	0.882	0.925
Quality Rating (QTY)	0.507	0.697	0.700	0.613	0.773	0.805	1.000	0.696	0.534	0.655	0.863
Sales Momentum (SMO)	0.790	0.882	0.961	0.901	0.940	0.901	0.696	1.000	0.900	0.930	0.891
Earnings Trend (SED)	0.892	0.866	0.935	0.940	0.867	0.806	0.534	0.900	1.000	0.955	0.713
Relative Earnings Trend (SDR)	0.886	0.918	0.970	0.926	0.920	0.882	0.655	0.930	0.955	1.000	0.814
Earnings Variability (EDV)	0.631	0.816	0.868	0.754	0.914	0.925	0.863	0.891	0.713	0.814	1.000