

STOCK SELECTION GUIDE

The most widely used aid to good investment judgment

NATIONAL ASSOCIATION OF INVESTORS CORPORATION



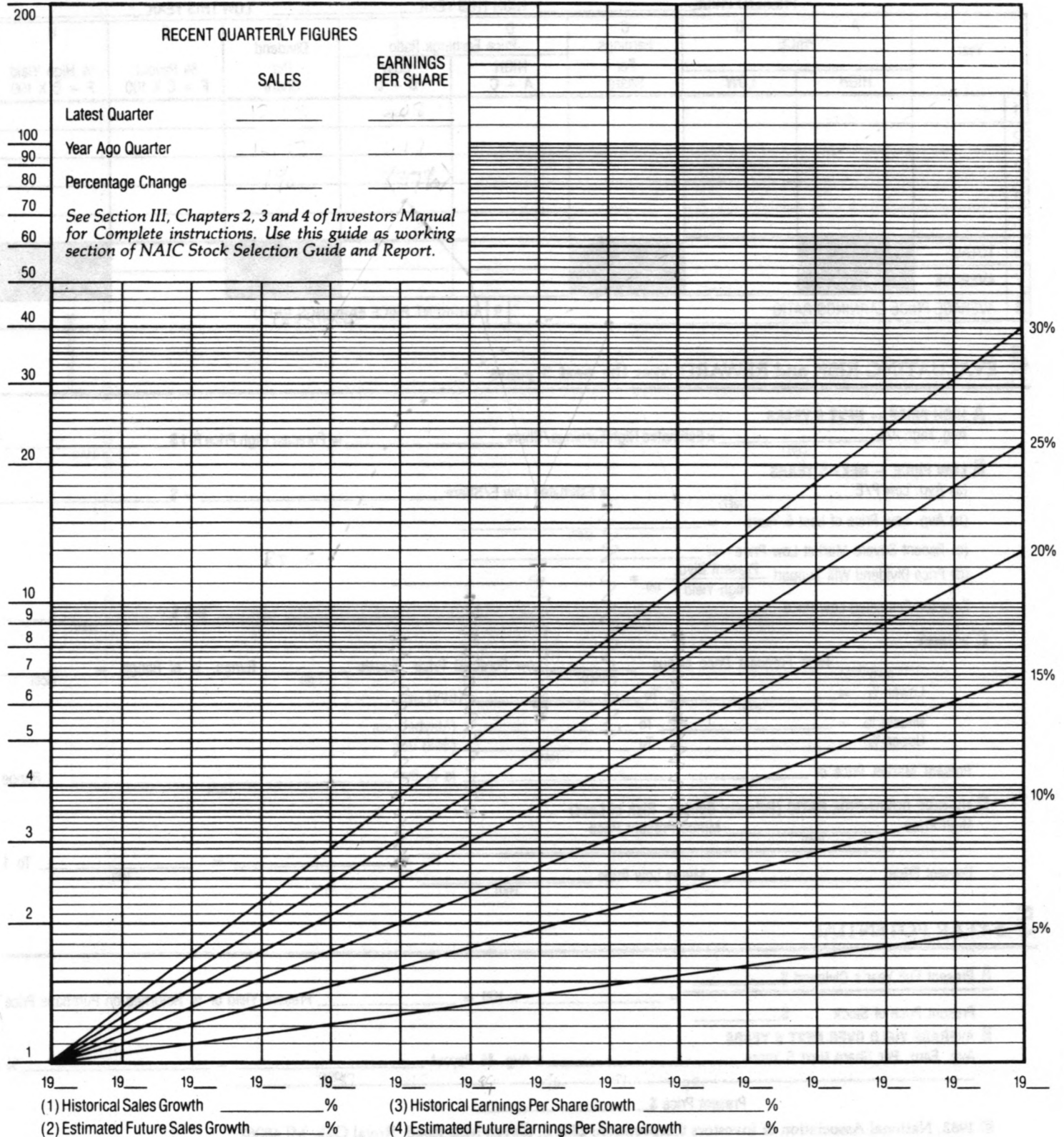
Company _____ Date _____

Prepared by _____ Data taken from _____

Where traded _____ Major product/service _____

CAPITALIZATION		Authorized	Outstanding
Preferred			
Common			
Other Debt		Potential Dilution	

1 VISUAL ANALYSIS of Sales, Earnings and Price



3 EVALUATING MANAGEMENT Company _____

	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	LAST 5 YEAR AVE.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)													
B % Earned on Invested Capital (E/S ÷ Book Value)													

3 PRICE-EARNINGS HISTORY as an indicator of the future

Year	PRESENT PRICE		C Earnings Per Share	HIGH THIS YEAR		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
	A PRICE	B PRICE		D Price Earnings Ratio				
	HIGH	LOW		HIGH A ÷ C	LOW B ÷ C			
1								
2								
3								
4								
5								
6	TOTAL							
7	AVERAGE							
8	AVERAGE PRICE EARNINGS RATIO				9	CURRENT PRICE EARNINGS RATIO		

4 EVALUATING RISK and REWARD over the next 5 years

A HIGH PRICE — NEXT 5 YEARS

Avg. High P/E ^(3D7) x Estimated High Earnings/Share _____ = Forecast High Price B-1 \$ ^(4A1)

B LOW PRICE — NEXT 5 YEARS

(a) Avg. Low P/E ^(3E7) x Estimated Low E/Share _____ = \$ _____

(b) Avg. Low Price of Last 5 Years = _____ ^(3B7)

(c) Recent Severe Market Low Price = _____

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield}}^{(H)} = \frac{\text{Present Divd.}}{\text{High Yield}} = \frac{\text{Present Divd.}}{\text{High Yield}}$

Selected Estimated Low Price _____ B-2 \$ ^(4B1)

C ZONING

^(4A1) High Forecast Price Minus ^(4B1) Low Forecast Price Equals ^(C) Range. $\frac{1}{3}$ of Range. = ^(4CD)

Lower $\frac{1}{3}$ = ^(4B1) To _____ (Buy) ^(4C2)

Middle $\frac{1}{3}$ = _____ To _____ (Maybe) ^(4C3)

Upper $\frac{1}{3}$ = _____ To ^(4A1) _____ (Sell) ^(4C4)

Present Market Price of _____ is in the _____ Range ^(4C5)

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price ^(4A1) Minus Present Price _____ = _____ To 1

Present Price _____ Minus Low Price ^(4B1) = _____ = _____ ^(4D)

5 5-YEAR POTENTIAL

A Present Full Year's Dividend \$ _____ = _____ x 100 = _____ Present Yield or % Returned on Purchase Price

Present Price of Stock \$ _____

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earn. Per Share Next 5 Years _____ x Avg. % Payout ^(3G7) = _____ %

Present Price \$ _____