

Snapshot of U.S. Equity Styles/Market Caps

Y-T-D Total Returns, Earnings Growth Rates & Price-to-Earnings (P/E) Ratios For U.S. Styles/Market Caps

Index	Y-T-D Total Returns	2015 EPS Growth Est.	2015 P/E Est.	3-Year Avg. P/E
S&P 500 Growth	15.97%	11.49%	17.26	17.81
S&P 500 Value	12.65%	5.03%	14.72	13.73
S&P MidCap 400 Growth	7.25%	12.45%	18.44	22.58
S&P MidCap 400 Value	11.00%	10.86%	16.67	18.83
S&P SmallCap 600 Growth	1.54%	19.44%	18.09	23.51
S&P SmallCap 600 Value	5.41%	18.28%	17.74	24.09

Source: Bloomberg. EPS growth and P/Es are consensus estimates. As of 12/4/14.

View from the Observation Deck

1. Today's blog post is intended to expose potential opportunities within the growth and value styles of investing, as well as by market capitalization (market cap). It updates the one we did on 8/7/14.
2. At any given time, the equities markets are likely being led up or down by one of the three market cap classifications. Often this leadership role can be held for a multi-year period.
3. From 1995-1999, large-cap stocks outperformed their mid- and small-cap counterparts by a sizable margin. From 2000-2012, mid- and small-caps outperformed large-caps by an even bigger margin.
4. From 12/31/12 through 12/3/14, however, the S&P 500, S&P MidCap 400 Index and the S&P SmallCap 600 indices posted similar cumulative total returns of 51.44%, 45.62% and 46.31%, respectively.
5. As indicated in the chart, large-caps have been the leaders thus far in 2014.
6. Five of the six categories have double-digit 2015 earnings growth rate estimates and five of the six have 2015 estimated P/E ratios below their three-year averages.
7. We encourage investors to spend some time analyzing the figures in the chart.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500, S&P MidCap 400 and S&P SmallCap 600 style indices are capitalization-weighted indices designed to measure large-capitalization, mid-capitalization and small-capitalization U.S. stock market performance.