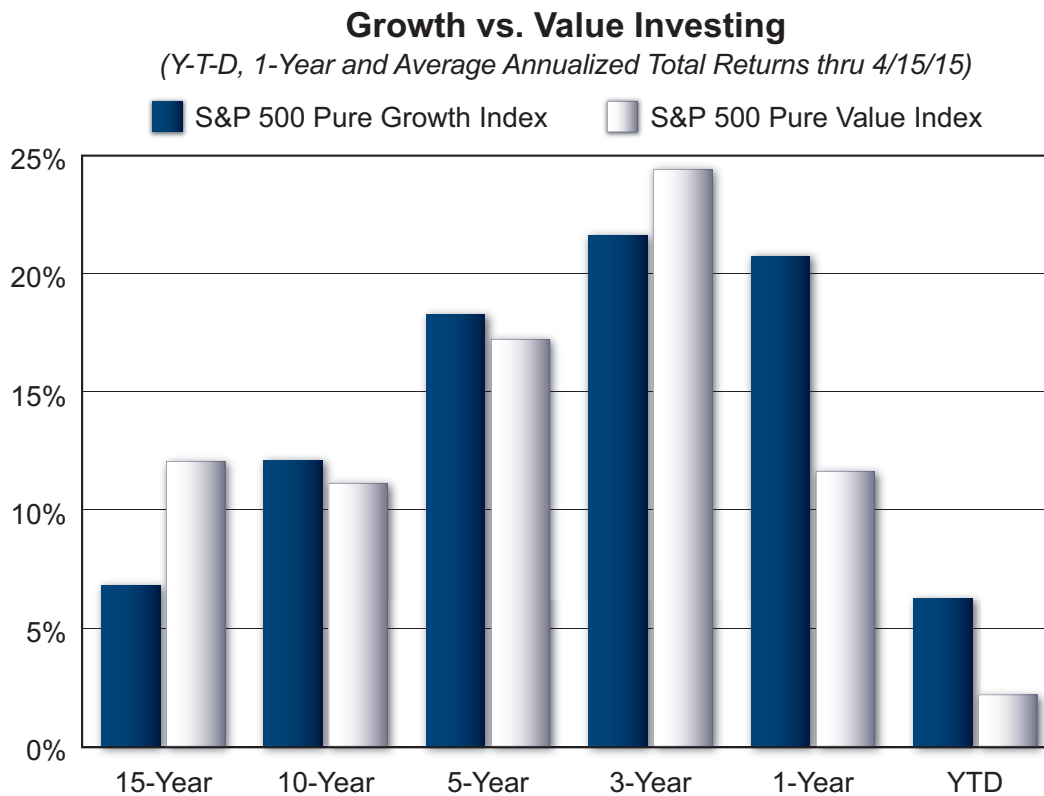


A Snapshot of Growth vs. Value Investing



Source: Bloomberg.
Past performance is no
guarantee of future results.

View from the Observation Deck

1. Today's blog post is an update of one we did on 10/7/14. In that post, the S&P 500 Pure Growth Index had outperformed its value counterpart on a year-to-date basis, and for the 5- and 10-year periods ended 9/30/14.
2. Growth tends to outpace value investing when the earnings growth rates of said companies accelerate faster than the broader market, such as right after the economy exits a recession.
3. In today's chart, the S&P 500 Pure Growth Index outperformed its value counterpart on a year-to-date basis, and for the 1-, 5- and 10-year periods ended 4/15/15.
4. The returns were as follows (Pure Value vs. Pure Growth): 15-yr. average annualized (12.06% vs. 6.82%); 10-yr. avg. annualized (11.12% vs. 12.11%); 5-yr. avg. annualized (17.22% vs. 18.27%); 3-yr. avg. annualized (24.41% vs. 21.61%); 1-yr. (11.63% vs. 20.75%) and Y-T-D (2.17% vs. 6.24%).
5. Despite posting positive total returns year-to-date through 4/15/15, the Large Value and Large Growth fund categories tracked by Morningstar, which include both open-end mutual funds and ETFs, reported net outflows totaling \$3.36 billion and \$12.02 billion, respectively, in Q1'15, according to its own release.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Pure Growth Index is comprised of 112 growth stocks selected via the following three factors: sales growth, the ratio of earnings change to price, and momentum. It includes only those components of the parent index that exhibit strong growth characteristics, and weights them by growth score. Constituents are drawn from the S&P 500®. The S&P 500 Pure Value Index is comprised of 117 value stocks selected via the following three factors: the ratios of book value, earnings, and sales to price. It includes only those components of the parent index that exhibit strong value characteristics, and weights them by value score. Constituents are drawn from the S&P 500®. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance.