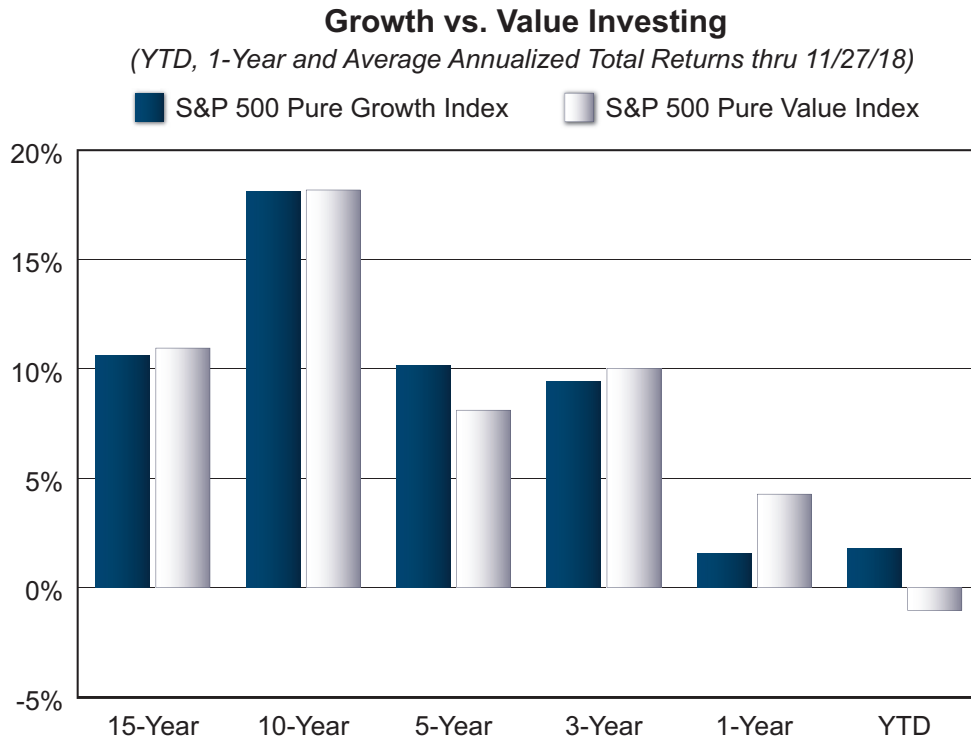


# A Snapshot of Growth vs. Value Investing



## View from the Observation Deck

1. The recent correction (decline of 10.00% to 19.99%) in the stock market (S&P 500 Index) that transpired between the close of 9/20/18 through 11/23/18 impacted the performance of growth stocks more than value stocks.
2. From 9/20/18-11/23/18, the S&P 500 Pure Growth Index posted a total return of -13.40%, compared to -9.85% for the S&P 500 Pure Value Index, according to Bloomberg.
3. The S&P 500 Pure Growth Index outperformed its value counterpart in two of the six periods featured in the chart. Growth investing topped value investing for the 5-year and year-to-date (YTD) periods ended 11/27/18. This is vastly different than in our last post on 10/9/18 ([click here](#)).
4. The returns through 11/27/18 were as follows (Pure Growth vs. Pure Value): 15-year average annualized (10.63% vs. 10.95%); 10-year average annualized (18.09% vs. 18.18%); 5-year average annualized (10.16% vs. 8.11%); 3-year average annualized (9.42% vs. 10.02%); 1-year (1.56% vs. 4.27%) and year-to-date (1.78% vs. -1.04%).
5. As of 10/31/18, the largest sector weighting in the S&P 500 Pure Growth Index was Information Technology at 36.8%, while the most heavily weighted sector in the S&P 500 Pure Value Index was Financials at 26.2%, according to S&P Dow Jones Indices.
6. YTD through 11/27/18, the S&P 500 Information Technology Index posted a total return of 5.19%, compared to -3.60% for the S&P 500 Financials Index, according to Bloomberg.
7. Due to the potential escalation of the use of trade tariffs, particularly between the U.S. and China, the world's two largest economies, one of the concerns is that global growth could slow moving forward if a new trade agreement isn't forged between them. Slower growth would have more of a negative impact on growth stocks, whereas a new trade agreement could favor growth stocks, in our opinion. We will continue to monitor these events closely.

*This chart is for illustrative purposes only and not indicative of any actual investment. 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 Index is a capitalization-weighted index comprised of 500 stocks (currently 505) used to measure large-cap U.S. stock market performance. The S&P 500 Pure Growth Index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest growth characteristics based on 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 Index. The S&P 500 Pure Value Index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics based on 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 Index. The S&P 500 Information Technology Index is a capitalization-weighted index comprised of S&P 500 constituents in the information technology sector. The S&P 500 Financials Index is a capitalization-weighted index comprised of S&P 500 constituents in the financials sector.*

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