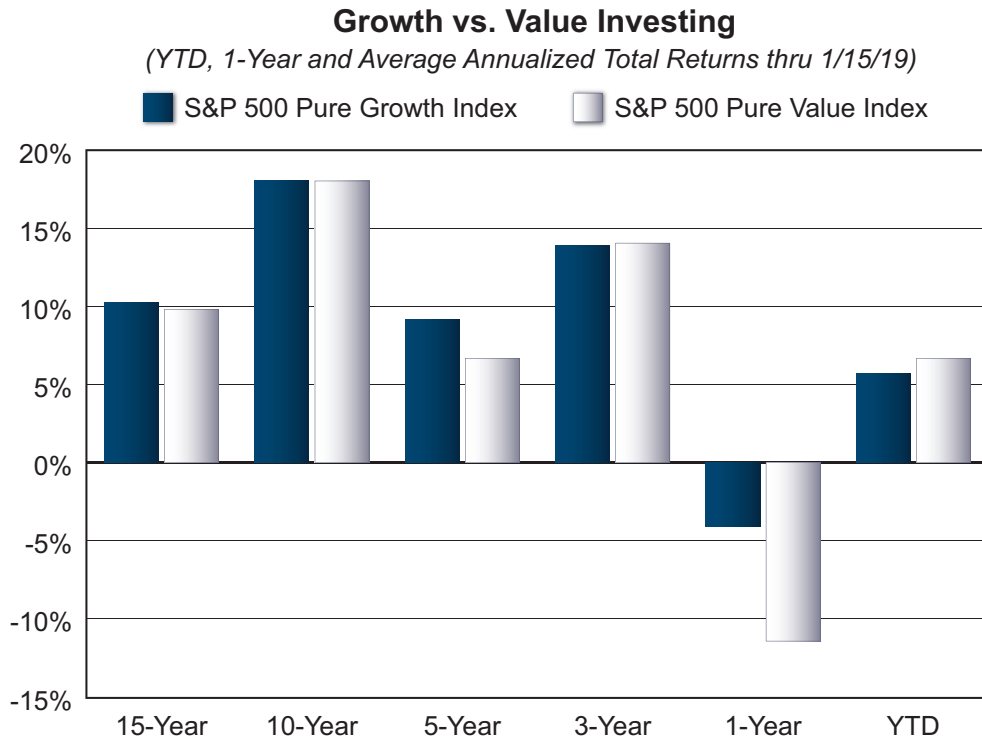


A Snapshot of Growth vs. Value Investing



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

View from the Observation Deck

1. The month of December was brutal for equity investors. From 11/30/18-12/31/18 (not shown in chart), the S&P 500 Pure Growth Index posted a total return of -9.23%, compared to -12.23% for the S&P 500 Pure Value Index, according to Bloomberg.
2. As indicated in the chart, stocks have rebounded nicely in the first half of January 2019.
3. The S&P 500 Index closed at 2,610.30 on 1/15/19. It stood 10.93% below its all-time closing high of 2,930.75 on 9/20/18, according to Bloomberg.
4. The S&P 500 Pure Growth Index outperformed its value counterpart in four of the six periods featured in the chart. Growth investing topped value investing for the 15-year, 10-year, 5-year and 1-year periods ended 1/15/19.
5. The returns through 1/15/19 were as follows (Pure Growth vs. Pure Value): 15-year average annualized (10.22% vs. 9.81%); 10-year average annualized (18.07% vs. 18.03%); 5-year average annualized (9.16% vs. 6.67%); 3-year average annualized (13.88% vs. 14.05%); 1-year (-4.12% vs. -11.43%) and year-to-date (5.68% vs. 6.67%).
6. As of 12/31/18, the two largest sector weightings in the S&P 500 Pure Growth Index were Information Technology (21.9%) and Health Care (16.4%), compared to Financials (33.0%) and Consumer Discretionary (16.9%) for the S&P 500 Pure Value Index, according to S&P Dow Jones Indices.
7. We believe that growth stocks would likely assume the leadership role in the market in 2019 if the U.S. were to forge a new trade agreement with China.

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.

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