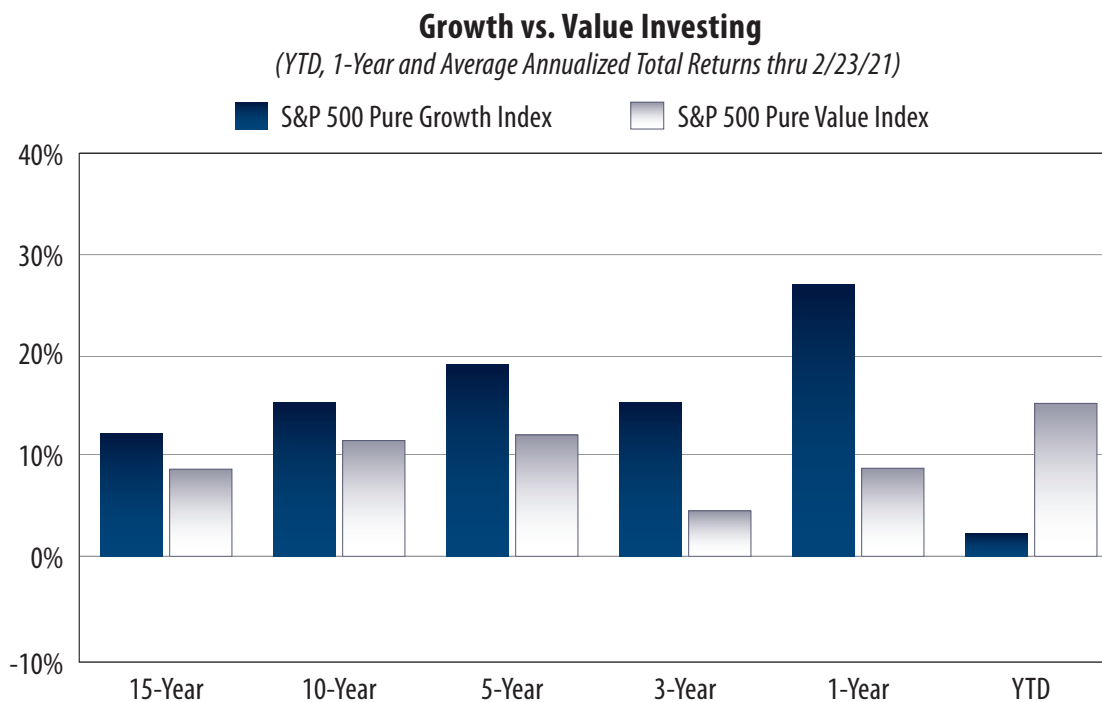


# A Snapshot of Growth vs. Value Investing



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

## View from the Observation Deck

1. We update this post every few months so that investors can see which of the two styles (growth or value) are delivering the better results.
2. Spoiler Alert: Value stocks are significantly outperforming growth stocks so far in 2021.
3. As indicated in the chart above, the S&P 500 Pure Growth Index significantly outperformed its value counterpart in five of the six periods. The YTD comparison is the story today.
4. The total returns through 2/23/20 were as follows (Pure Growth vs. Pure Value): 15-year avg. annual (12.10% vs. 8.56%); 10-year avg. annual (15.13% vs. 11.37%); 5-year avg. annual (18.87% vs. 11.92%); 3-year avg. annual (15.15% vs. 4.47%); 1-year (26.42% vs. 8.65%); and year-to-date (2.27% vs. 15.02%).
5. As of 1/29/21, the largest sector weighting in the S&P 500 Pure Growth Index was Information Technology at 39.6%, according to S&P Dow Jones Indices. The largest sector weighting in the S&P 500 Pure Value Index was Financials at 40.3%.
6. From 12/31/20 through 2/23/21, the S&P 500 Information Technology Index posted a total return of 1.79%, compared to 11.55% for the S&P 500 Financials Index, according to Bloomberg. The S&P 500 Index was up 3.56% over the same period.
7. Financials, particularly the banks, are benefitting from the rise in bond yields so far in 2021, in our opinion. The yield on the 10-year Treasury note has risen from 0.92% at the close on 12/31/20 to 1.34% on 2/23/21, according to data from Bloomberg.

*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 an unmanaged index of 500 stocks 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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