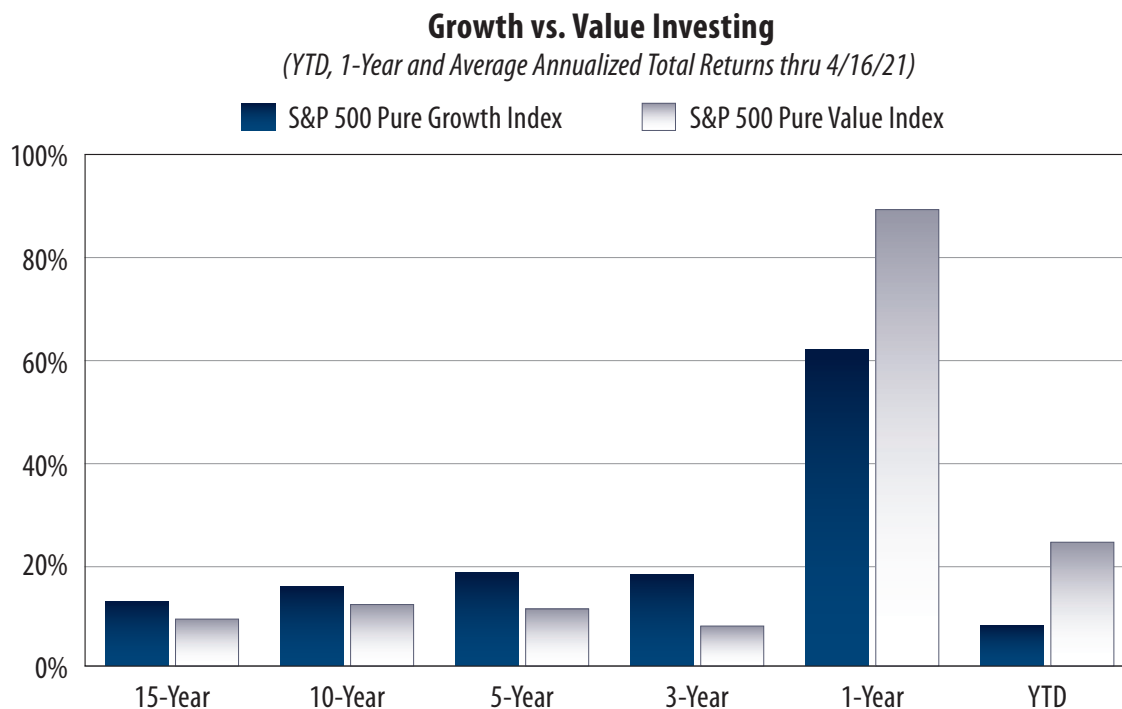


# A Snapshot of Growth vs. Value Investing



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. The most recent results clearly show that value stocks are significantly outperforming growth stocks.
3. While the S&P 500 Pure Growth Index outperformed its value counterpart in four of the six periods, the S&P 500 Pure Value Index has the edge over the past year, including year-to-date.
4. The total returns through 4/16/21 were as follows (Pure Growth vs. Pure Value): 15-year avg. annual (12.56% vs. 9.09%); 10-year avg. annual (15.37% vs. 11.91%); 5-year avg. annual (18.06% vs. 11.05%); 3-year avg. annual (17.72% vs. 7.74%); 1-year (61.42% vs. 88.56%); and year-to-date (7.92% vs. 24.01%).
5. As of 3/31/21, the largest sector weighting in the S&P 500 Pure Growth Index was Information Technology at 40.6%, according to S&P Dow Jones Indices. The largest sector weighting in the S&P 500 Pure Value Index was Financials at 42.6%.
6. From 12/31/20 through 4/16/21, the S&P 500 Information Technology Index posted a total return of 10.16%, compared to 20.69% for the S&P 500 Financials Index, according to Bloomberg. The S&P 500 Index was up 11.92% over the same period.
7. Financials, particularly the banks, are benefitting from the rise in bond yields in 2021, in our opinion. The yield on the 10-year Treasury note has increased 66 basis points, from 0.92% at the close on 12/31/20 to 1.58% on 4/16/21, according to data from Bloomberg.
8. The Large Value and Large Blend fund categories tracked by Morningstar, which include both open-end mutual funds and exchange-traded funds, reported estimated net inflows totaling \$25.954 billion and \$21.996 billion, respectively, in Q1'21, according to its own release. Large Growth funds and ETFs reported estimated net outflows totaling \$28.625 billion over the same period.

*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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