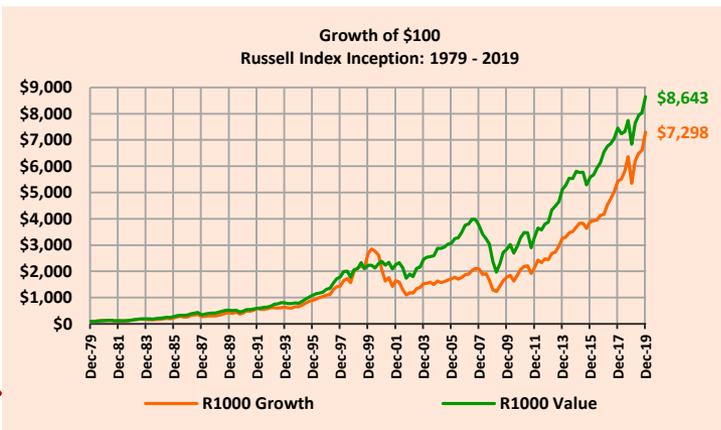


## MARKET MICROSCOPE – Growth & Value “Eras” In US Large Cap Stocks

In the US, Growth stocks have outperformed Value stocks in 9 of the past 13 years, opening up a significant gap in cumulative return since 2007. Investors may feel tempted to abandon their allocations to Value in favor of more Growth stocks, but it is important to remember that this kind of style dominance is not uncommon. Since the inception of the Russell indexes in 1979, there have been two “Value eras” (1981-1988 and 2000-2006) and two “Growth eras” (1989-1999 and 2007-2019). Even after including Growth’s latest strong run, Value has still outperformed Growth since inception.

Year	Russ 1000 Growth	Russ 1000 Value
1979	23.90%	20.55%
1980	39.57%	24.41%
1981	-11.31%	1.26%
1982	20.46%	20.04%
1983	15.98%	28.29%
1984	-0.95%	10.10%
1985	32.85%	31.52%
1986	15.36%	19.98%
1987	5.31%	0.50%
1988	11.27%	23.16%
1989	35.92%	25.19%
1990	-0.26%	-8.08%
1991	41.27%	24.55%
1992	4.99%	13.58%
1993	2.87%	18.07%
1994	2.62%	-1.98%
1995	37.18%	38.36%
1996	23.12%	21.64%
1997	30.49%	35.18%
1998	38.71%	15.63%
1999	33.16%	7.35%
2000	-22.42%	7.01%
2001	-20.42%	-5.59%
2002	-27.88%	-15.52%
2003	29.75%	30.03%
2004	6.30%	16.49%
2005	5.26%	7.05%
2006	9.07%	22.25%
2007	11.81%	-0.17%
2008	-38.44%	-36.85%
2009	37.21%	19.69%
2010	16.71%	15.51%
2011	2.64%	0.39%
2012	15.26%	17.51%
2013	33.48%	32.53%
2014	13.05%	13.45%
2015	5.67%	-3.83%
2016	7.08%	17.34%
2017	30.21%	13.66%
2018	-1.51%	-8.27%
2019	36.39%	26.54%
<b>1979-2019</b>	<b>11.61%</b>	<b>12.00%</b>
<b>Years Led</b>	<b>21</b>	<b>20</b>



While it is typical for the Growth index to have a higher P/E multiple than the Value index, the spread between the two has expanded greatly over the past few years. The differential is now at its highest point since 2002. (P/E data is through 11/30/19)

Sources: eVestment; FactSet