A Snapshot of Growth vs. Value Investing

Growth vs. Value Investing
(YTD, 1-Year and Average Annualized Total Returns thru 6/26/19)

View from the Observation Deck

1. As indicated in the chart, stocks are off to a very strong start in 2019. We update this post every few months so that investors can see which of the two styles (growth or value) are delivering the best results.
2. The S&P 500 Index closed at 2,913.78 on 6/26/19. It stood 1.37% below its all-time closing high of 2,954.18 on 6/20/19, according to Bloomberg.
3. The S&P 500 Pure Growth Index outperformed its value counterpart in all six periods featured in the chart.
4. The returns through 6/26/19 were as follows (Pure Growth vs. Pure Value): 15-year average annualized (10.78% vs. 9.70%); 10-year average annualized (17.23% vs. 16.87%); 5-year average annualized (9.89% vs. 5.78%); 3-year average annualized (15.52% vs. 11.25%); 1-year (3.38% vs. -1.70%) and year-to-date (19.09% vs. 13.58%).
5. As of 5/31/19, the two largest sector weightings in the S&P 500 Pure Growth Index were Information Technology (23.3%) and Health Care (15.1%), compared to Financials (34.8%) and Consumer Discretionary (16.3%) for the S&P 500 Pure Value Index, according to S&P Dow Jones Indices.
6. Despite concerns over slowing global growth due largely to the trade conflict between the U.S. and China (tariffs commenced on 3/8/18), investors have favored growth stocks over value stocks over the past 12 months.