



# Growth vs Value

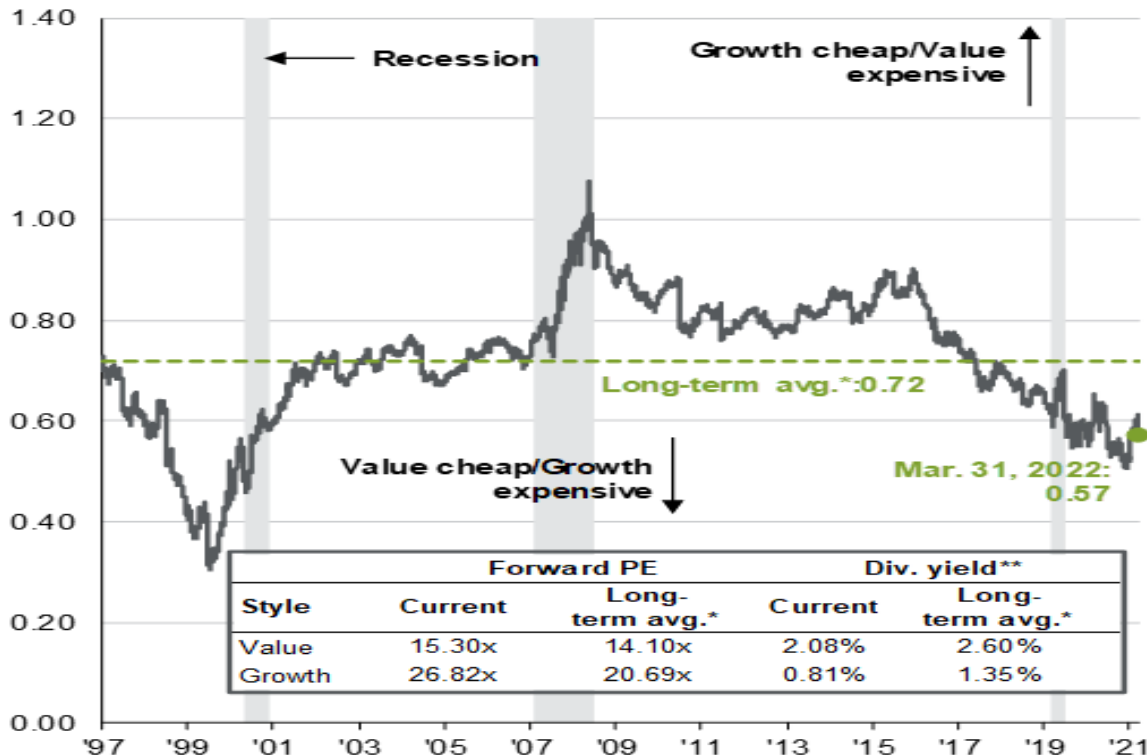
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CAPITAL MANAGEMENT

- Whether looking at current versus historic P/E ratios (table, right\*) or trends over time (chart, below\*), it is clear that growth has dominated for the last several years. We think this trend is likely to reverse, and thus investors should consider rotating to high quality value stocks.

| Current P/E vs. 20-year avg. P/E |             |             |             |
|----------------------------------|-------------|-------------|-------------|
|                                  | Value       | Blend       | Growth      |
| Large                            | 15.3 / 13.7 | 19.5 / 15.5 | 26.8 / 18.5 |
|                                  | 15.1 / 14.5 | 17.9 / 16.4 | 28.6 / 20.4 |
| Mid                              | 14.7 / 17.0 | 21.1 / 21.4 | 40.5 / 35.5 |
|                                  |             |             |             |
| Small                            |             |             |             |
|                                  |             |             |             |

## Value vs. Growth relative valuations

Rel. fwd. P/E ratio of Value vs. Growth, 1997 - present



Source: Past performance is not indicative of future returns. The price-to-earnings is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM) and is provided by FactSet Market Aggregates and J.P. Morgan Asset Management. *Guide to the Markets - U.S.* Data are as of March 31, 2022.