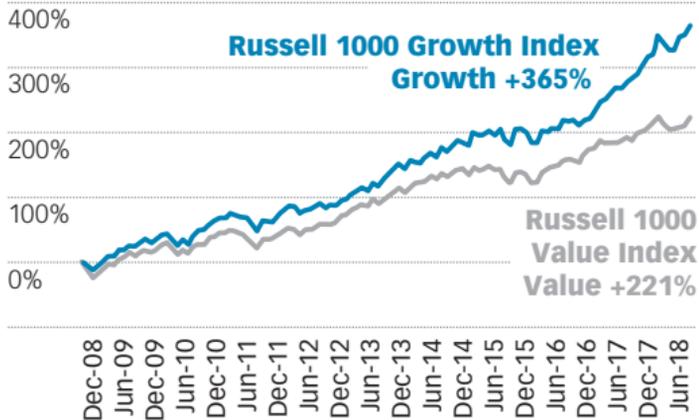
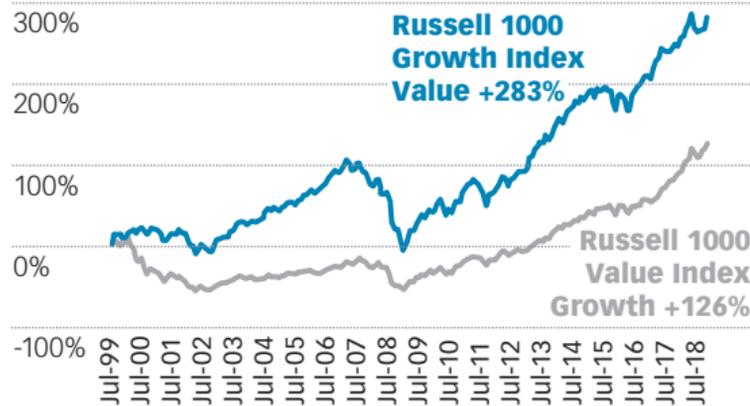


Mind the gap

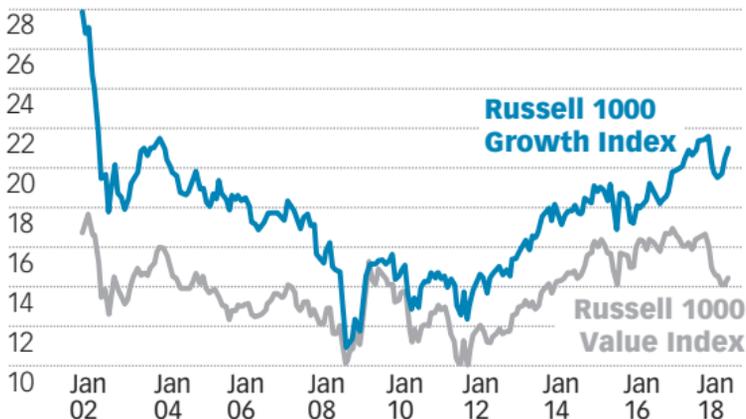
Growth vs Value Performance: Jan '09–Jul '18



Growth vs Value Performance: Mar '00–Jul '18



Forward P/E Ratio of Growth and Value Stocks



Is growth overvalued?

	Broad market	Growth stocks	Value stocks
Growth rate- Stage 1	12.0%	14.4%	9.4%
Growth rate- Stage 2	4%	4%	4%
Dividend payout ratio-Stage 1	38%	31%	43%
Dividend payout ratio-Stage 2	50%	50%	50%
Cost of Equity	8%	8%	8%
Length of stage 1	5 years	5 years	5 years
Estimated fair P/E ratio	17.7x	19.2x	16.1x
Actual P/E ratio	17.0x	20.9x	14.4x