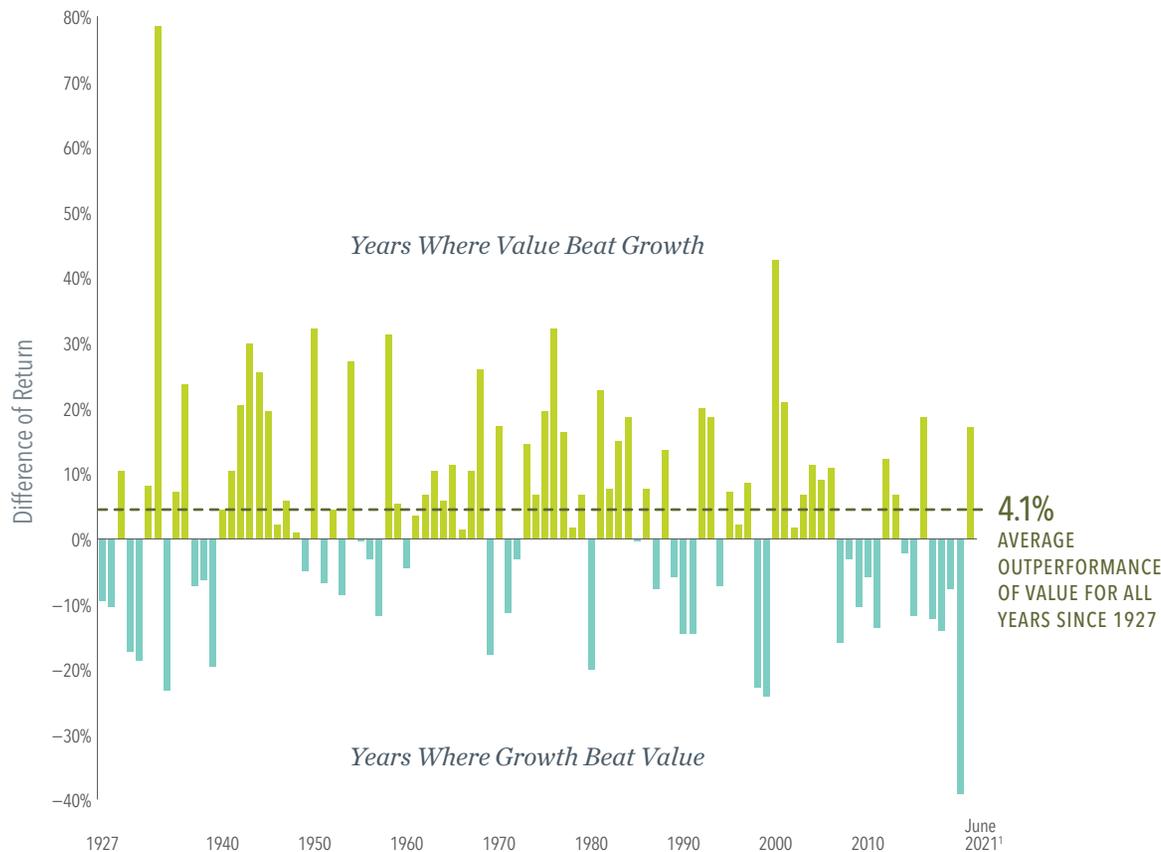


When It's Value vs. Growth, History Is on Value's Side

YEARLY OBSERVATIONS OF PREMIUMS
Value minus Growth: US Markets, January 1927–June 2021



Historically, value stocks have outperformed growth stocks in the US, and the outperformance in a given year has often been striking.

- Data covering nearly a century backs up the notion that value stocks—those with lower relative prices—have higher expected returns.
- Value premiums have often shown up quickly and in large magnitudes. For example, while the average annual value premium since 1927 has been 4.1%, in years when value outperformed growth, the average premium was over 14%.
- There is no evidence investors can reliably predict when value premiums will show up. Rather, a consistent focus on value stocks is essential to capturing these outside value premiums when they do appear.

Logic and history support a commitment to value stocks so investors can be positioned to take part when those shares outperform in the future.

1. Year-to-date return for 2021 through June 30.

Past performance is no guarantee of future results. Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In US dollars. Yearly premiums are calculated as the difference in one-year returns between the two indices described. Value minus growth: Fama/French US Value Research Index minus the Fama/French US Growth Research Index.

Fama/French US Value Research Index: Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

Fama/French US Growth Research Index: Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

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