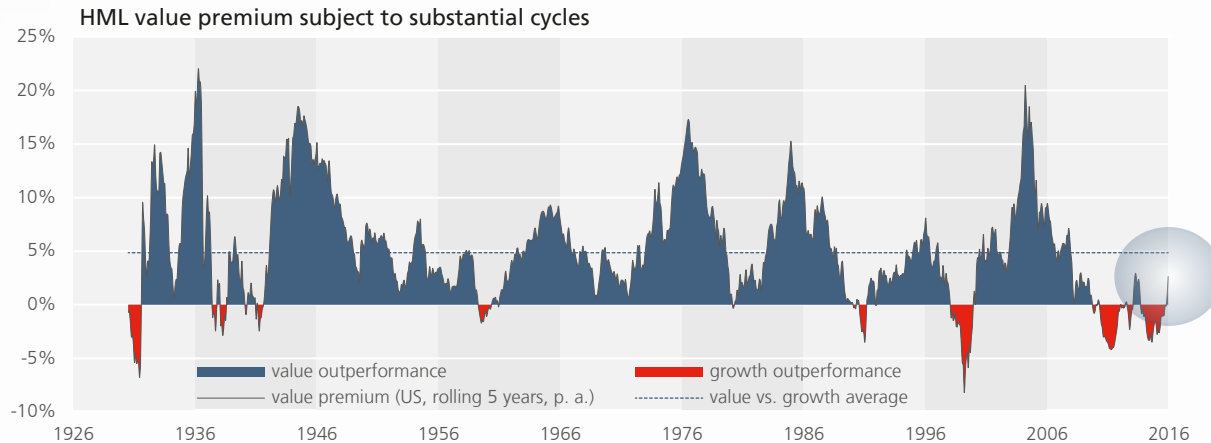


# Value is back: five-year US premium reaches break even in 2016!

## Phases of value weaknesses were followed by 12 years of value outperformance on average

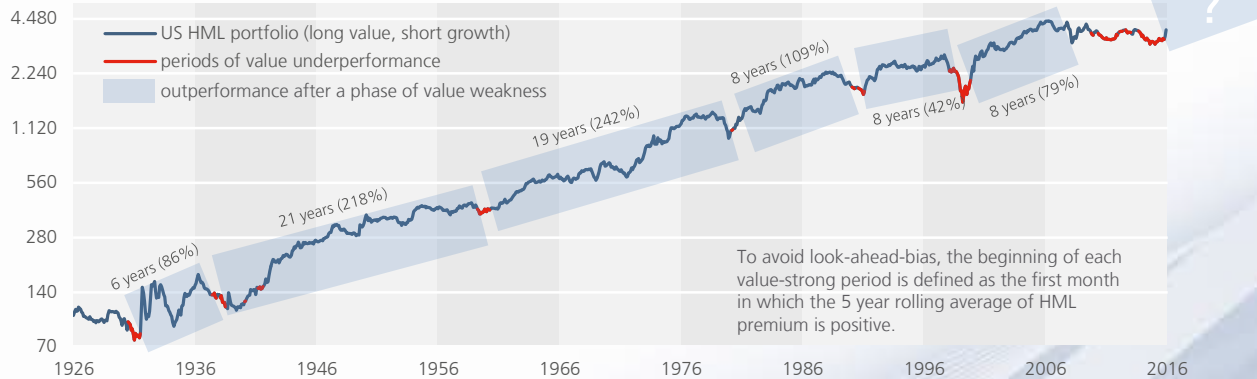


Years of value underperformance followed by outperformance

Start	End date	Value-Outperf.	Years
07-1931	03-1937	86%	6
05-1938	07-1959	218%	21
03-1960	07-1979	242%	19
02-1981	03-1989	109%	8
10-1990	08-1998	42%	8
12-1998	03-2007	79%	8
<b>Average</b>		<b>129%</b>	<b>12</b>

Historically, periods in which value stocks performed weaker than growth stocks over 5 years were followed by long periods of value outperformance. These periods lasted 12 years on average and saw a 129% higher return in value stocks compared to growth stocks.

Significant long-time value outperformance, but underperformance since 2008



...this is also the case on a static 10-year horizon

Start	End date	Value-Outperf.	Years
07-1931	07-1941	54%	10
05-1938	05-1948	137%	10
03-1960	03-1970	61%	10
02-1981	02-1991	72%	10
10-1990	10-2000	2%	10
12-1998	12-2008	60%	10
<b>Average</b>		<b>65%</b>	<b>10</b>

The HML- Portfolio is based on the Fama-French HML-Factor, whereas the Value-Outperformance depicts the growth rate of the HML-Portfolio over time (Value-Outperf.) The HML-Portfolio is indexed to 01.07.1926. Data as of November 2016.  
 Source: [http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data\\_library.html](http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html), StarCapital