Is History Repeating Itself?

**Russell 1000 Growth vs. Russell 1000 Value Relative Performance
Comparison: 1998-2001 vs. 2019-2022**

Oct. 1, 1998 – Sept. 30, 2001

Mar. 1, 2019 – Feb. 28, 2022

The series above are calculated by dividing the Russell 1000 Growth price index by the Russell 1000 Value price index. Each series is rebased to 100 at the beginning of the observation period (10/1/1998 for light blue line and 3/1/2019 for dark blue line).
Source: Bloomberg, FTSE Russell and Todd Asset Management as of 3/14/2021

- "History doesn't repeat itself, but it often rhymes." We are certain that Mark Twain didn't have the performance of Growth and Value stocks in mind when he quipped this phrase, but it applies just the same.

- We've highlighted over the past few quarters the historic outperformance of Growth vs. Value in the US and abroad. This continues to remind us of the period around 2000 where the Tech dominated Growth index capped off a decade long run with a recessionary bear market that unwound index concentration and deflated stretched multiples. Value, which was left for dead, went on to dramatically outperform Growth over the next cycle.

- It looks like a similar dynamic could be unfolding. Value began to outperform in early September 2020 and accelerated as progress was made against the pandemic. Over this same time frame, most of the FANGMA stocks are flat to down. It feels like a leadership change is underway and history would suggest we've got much further to go than most expect.