

TIP SHEET

Report on Business: Globe Investor Markets

VALUE VERSUS GROWTH

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These are interesting days for value investors as volatility is what they like, and no doubt they have their hands full of it these days. While no one really knows when the market carnage will end, as markets always tend to overreact on the downside as well as on the upside, investors should follow the lead of value investors – keep cool heads and be patient and disciplined.

Do you know why value strategies beat growth strategies in the long run? It is because human and institutional behaviour cause biases in stock prices that give rise to what is known as the value premium, namely that value stocks beat growth stocks. No wonder that the dean of value investing, Warren Buffett, wants his heirs to have a keen understanding of human and institutional biases.

Read the rest of the column by George Athanassakos at globeinvestor.com/magazine. Mr. Athanassakos is a professor of finance and Ben Graham Chair in Value Investing at the Richard **Ivey School of Business** at the University of Western Ontario.