GROWTH VERSUS VALUE INVESTMENT
"A CASE OF NAIROBI STOCK EXCHANGE"

BY

DOMINIC NYABUTO OTIENO
D53/6166/03

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS, KENYATTA UNIVERSITY

FEBRUARY 2007
DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signature........................Date.09/02/07...

DOMINIC N. OTIENO,
D53/6166/03,
DEPARTMENT OF ACCOUNTING AND FINANCE

This research project has been submitted with my approval as University Supervisor.

Signature........................Date.14/02/07...

FARIDA ABDUL,
LECTURER,
DEPARTMENT OF ACCOUNTING AND FINANCE

This research project has been submitted with my approval as the Chairman of the department

Signature........................Date..........................

MR. MAGANJO
CHAIRMAN,
DEPARTMENT OF ACCOUNTING AND FINANCE
DEDICATION

This work is dedicated to my family (beloved wife, children and parents) who for the last two years of my studies missed my presence of being together and remained patient till completion of my studies. I also dedicate this work to the Government of Kenya for facilitating me to pursue these studies at its own cost.
ACKNOWLEDGEMENT

All glory, honor and thanks to the Almighty God the giver of everlasting life in Jesus Christ, all wisdom and knowledge and from whom all blessings flow down for enabling me to finish this work successfully.

Profound gratitude and heartfelt thanks go to my supervisor Madam Farida Abdul for her valuable and cherished advice including support throughout the project.

I am greatly indebted to the government of Kenya, which not only fully sponsored me to pursue this course but also provided time out of my work place to pursue the course.

I am thankful to all those who spared their time and volunteered information, without which this work would not have been completed. To this end my special thanks go the entire staff of the Nairobi Stock Exchange who provided me with all the information I wanted, my brother Hezekiah Ogetange who contributed in the financing of the project and my friends Joel and Moses who helped me keep my sense of perspective with patience and encouragement and the entire staff mates at Pcs and Dcs office coasts.

Lastly but not least I am grateful to my wife Alice, my children Judith, Edina, Solomon, Rodah, Sophia, and Immaculate for their understanding and patience doing without my service as a father on daily basis for the period of two years during my studies.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td>i</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>iii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>vi</td>
</tr>
<tr>
<td>DEFINITION OF TERMS</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>ix</td>
</tr>
<tr>
<td>CHAPTER ONE</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 BACKGROUND TO STUDY</td>
<td>1</td>
</tr>
<tr>
<td>1.2 STATEMENT OF THE PROBLEM</td>
<td>3</td>
</tr>
<tr>
<td>1.3 OBJECTIVES OF THE STUDY</td>
<td>3</td>
</tr>
<tr>
<td>1.4 RESEARCH QUESTIONS</td>
<td>3</td>
</tr>
<tr>
<td>1.5 SIGNIFICANCE OF THE STUDY</td>
<td>4</td>
</tr>
<tr>
<td>1.6 SCOPE OF THE STUDY</td>
<td>4</td>
</tr>
<tr>
<td>CHAPTER TWO</td>
<td>5</td>
</tr>
<tr>
<td>LITERATURE REVIEW</td>
<td>5</td>
</tr>
<tr>
<td>2.1 THEORETICAL REVIEW</td>
<td>5</td>
</tr>
<tr>
<td>2.1.1 RETURN ON INVESTMENT</td>
<td>5</td>
</tr>
<tr>
<td>2.1.2 VALUE VERSUS GROWTH STOCKS</td>
<td>5</td>
</tr>
<tr>
<td>2.1.3 RATIOS USED TO SORT STOCK INTO VALUE AND GROWTH</td>
<td>7</td>
</tr>
<tr>
<td>2.2 EMPIRICAL REVIEW</td>
<td>10</td>
</tr>
<tr>
<td>CHAPTER THREE</td>
<td>13</td>
</tr>
<tr>
<td>RESEARCH METHODOLOGY</td>
<td>13</td>
</tr>
</tbody>
</table>

iv
3.0 INTRODUCTION ................................................................. 13
3.1 RESEARCH DESIGN ............................................................. 13
3.2 POPULATION OF THE STUDY ............................................... 13
3.3 DATA DESCRIPTION AND COLLECTION ............................... 13
3.4 DATA ANALYSIS ............................................................... 14

CHAPTER FOUR ................................................................. 15
4.0 RESEARCH FINDINGS ......................................................... 15
4.1 DESCRIPTION OF DATA ANALYZED .................................... 15
4.2 VALUE VERSUS GROWTH UNDER P/E, B/M, C/P, AND D/P RANKING ......................................................... 16
4.3 ANALYSIS OF VALUE VERSUS GROWTH UNDER ALL CATEGORIES IN FIVE YEARS ............................................. 17
4.4 CONCLUSION OF ANALYSIS ................................................. 20

CHAPTER FIVE ................................................................. 21
Summary and Conclusions ...................................................... 21
5.1 SUMMARY ................................................................. 21
5.2 CONCLUSION ................................................................. 21
5.3 LIMITATIONS OF THE STUDY ............................................. 22
5.4 RECOMMENDATIONS OF THE STUDY ................................... 23

REFERENCES ................................................................. 24
APPENDIX I ................................................................. 26
APPENDIX II ................................................................. 28
APPENDIX III ................................................................. 30
APPENDIX IV ................................................................. 31
APPENDIX V ................................................................. 32
ABSTRACT

In making investments, investors will always wish to employ strategies that will realize superior performance. One of the most important developments in equity management in the last several years is the creation of portfolio strategies based on value-oriented and growth-oriented strategies, where value stocks have been defined as stocks with a higher of either earnings yields, book-market value, dividend yield, or cash flow to price ratio, and growth stocks as those with a low of these ratios.

In markets around the world, value stocks have been shown to show superior performance than growth stocks except during the later part of the 1990s. This study seeks to find out whether value stocks outperform growth stocks at the Nairobi Stock Exchange, if stocks are categorized into value and growth stock on the basis of earnings yield, price earning, book-to-market value, cash flow to price and dividend yield.
DEFINITION OF TERMS

**Book-to-market value (B/M)**
Book value: Refers to the value of an assets recorded in the company’s balance sheet.
Market value: Means the value of a product or a company if sold today.

**Earning price (E/P) or Earning yield**
Earning price (E/P) is also called earning yield. It is defined as the earnings per share divided by the market value per share.

**Price earning (P/E)**
Price earning ratio refers to the period of time a company takes to refund the aggregate investment in a share. This is in other words the pay back period (PBP) of shares. It is a reciprocal of the earning yield ratio.

**Cash flow to price (C/P)**
Refers to movements of money into and out of a business goods are bought and sold.

**Dividend yield (D/P)**
Dividend yield means shares of profits paid to shareholders in a company. Therefore dividend yield is the dividend per share divided by market value per share.

**Earning per share (EPS)**
Earning per share is one way of measuring the company’s profitability. It is calculated by dividing the profit after tax by the total numbers of the ordinary shares.

**Performance**
The performance is based on the four variables: book-to market, earnings yield, price earning, cash flow to price, and dividend yield. The top 30% high of the B/M, E/P, P/E, C/P, and D/P will be classified as value stock and the bottom of 30% of the said ratios will be classified as growth stock.
Value Investing
Investing for value means purchasing stocks at relatively low prices as indicated by low price-to-earnings, price-to-book, and price-to-sales ratios and, high dividend yields.

Growth Investing
Investing for growth results in just the opposite that is, high price-to-earnings, price-to-book, and price-to-sales ratios, and low dividend yields.

Value
Amount of money, which something is worth

Asset value
Value of company calculated by adding all its assets.

Discounted value
Difference between the face value of a share and its lower market price

Future Value
The value to which a sum of money will increase if invested for a certain period of time at a certain rate of interest.

Main investment market segment / alternative investment market segment
Are markets where corporate can list their shares.

Fixed income security market segments
Is the market where debt instrument such as corporate and government are listed.
## LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>E/P</td>
<td>Earning Yield</td>
</tr>
<tr>
<td>E/P</td>
<td>Price Earning</td>
</tr>
<tr>
<td>B/P</td>
<td>Book-to-market value</td>
</tr>
<tr>
<td>D/P</td>
<td>Divided Yield</td>
</tr>
<tr>
<td>NAV</td>
<td>Net Asset Value</td>
</tr>
<tr>
<td>C/P</td>
<td>Cash Flow to price</td>
</tr>
<tr>
<td>N.S.E.</td>
<td>Nairobi Stock Exchange</td>
</tr>
<tr>
<td>M/V</td>
<td>Market value</td>
</tr>
<tr>
<td>PBP</td>
<td>Pay back period</td>
</tr>
<tr>
<td>MIMS</td>
<td>Main Investment Market Segment</td>
</tr>
<tr>
<td>AIMS</td>
<td>Alternative Investment Market Segment</td>
</tr>
<tr>
<td>FISMS</td>
<td>Fixed Income Security Market Segment</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

1.1 Background to Study

Investment managers classify firms with high ratios of book to market equity (B/M), earning to price (E/P), price earning (P/E), cash flow to price (C/P), and divided yield (D/P) as value stocks and those with low B/M, E/P, P/E, C/P and D/P as growth stocks.

"One of the most important developments in active equity management during the last several years has been the creation of the portfolio strategies based on value-and growth-oriented strategies. Indeed it is now common for fund management firms to define themselves as value stock managers or growth stock managers when selling their services to their client" (Reilly and Brown 2000).

Value stocks are expected to have higher returns than growth stocks (Fama and French 1998). In studying U.S. stocks Fama and French (1996) and Lakonishok et al. (1994) showed that for U.S., there was a strong value premium in average returns. That is, value stocks had higher average returns than growth stocks.

Further to their study of U.S. stocks, Fama and French in 1998 conducted a study on the twelve major markets of Europe, Australia, and Far East (E A F E) countries for the period 1975-1995. They also conducted a study for the stocks in emerging markets for the period 1987-1995. The results of their studies showed that value stocks have higher returns than growth stocks in the major markets around the world.

Academic studies covering the period from the early 1960s to 1990s have found that value stocks have been superior to growth stocks. (Davis 1994)) in his study covering the period 1940-63 concluded that value stocks on average performed better than the growth stocks. For the last 60 years, value stocks have performed better than growth stocks but recently it has not (loft house 2000). According to loft house from his research on Wiltshire large value index, he argues that;
“Perhaps the academic studies are just sample dependant or they hold only for the sample of years studied. Other explanations could be that the recent preference for growth stocks is something that reflects a period of intense technological change that has changed the rules of the game. They could also be a one-off adjustment, and then value will reassert itself. In addition, one can not rule out the presence of a stock market bubble making the good performance of the growth stocks to be short lived.”

Chan et al. (2004), also reckons that the later part of the 1990s was harsh on value stocks. Growth stocks performed well in those years. They state the most plausible interpretation of the events of the late 1990s is that investor sentiment reached exaggerated levels of optimism about the prospects of technology, media and telecommunication stocks.

All the studies mentioned above are in developed capital markets, except the study by Fama and French on emerging markets. Emerging markets differ from developed markets in terms of size; return volatility, market concentration, risk and technology. The emerging markets studied by Fama and French include only two in Africa that is, Nigeria and Zimbabwe.

According to Chan et al. (2004), value and growth are more widely recognized distinctive specialization adopted by money managers. They state that the topic of value and growth investing is a prime example of fruitful exchange of ideas between academic research and investment practice. The results of academic studies have formed the basis for investment strategies that are widely applied in equity markets. Given this potential benefit, it would be important to know whether a value premium would be observed also in other markets in Africa such as the Nairobi Stock Exchange. Such knowledge would be handy to investors at the Nairobi Stock Exchange particularly investors such as pension schemes and mutual funds who would wish to employ the most rewarding strategies hence, this study.
1.2 Statement of the Problem
The motive of every investor is to make a good return on his/her investment. In making the investment, an investor would therefore wish to employ that strategy that will realize superior performance. It is therefore important for an investor to know the strategy that will realize superior performance in a particular stock market. Black and McMillan (2004), state that style investing incorporate strategies that help discriminate the future performance of particular types of stocks. One of the most frequently used strategies is value investing, where investors purchase value stocks rather that growth stocks in order to benefit from potential long-term performance of value stocks in the form of higher average return. The purpose of this study is therefore to establish which between value and growth investment strategies in Nairobi Stock Exchange gives a good return to an investor.

1.3 Objectives of the Study
The study was carried out to achieve the following:

i) To determine whether there is a significant difference in the performance of value and growth stocks at the Nairobi Stock Exchange.

ii) To determine whether the classification of stocks into value and growth on the basis of Price Earning Ratio (P/E), Earning Price (E/P), Book-to-Market value (B/M), Dividend Yield (D/P), and Cash flow to Price Ratio (C/P) will give consistent returns in terms of portfolio performance.

iii) To establish which between value and growth investment strategy in the NSE gives a good return to an investor.

1.4 Research Questions
The following research questions guided the study:

i) Is there a significant difference in the performance of value and growth stocks at the Nairobi Stock Exchange?
ii) Will the classification of stocks into value and growth on the basis of B/M, P/E, E/P, C/P and D/P give consistent returns in terms of portfolios' performances?

iii) Which between value and growth investment strategies gives a good return to an investor?

1.5 Significance of the Study

The study would be of interest to various people including:

i) Investment practitioners - The study will be of use to investors, investment advisors and security analysts in selecting an investment strategy.

ii) Academicians and Researchers - The results of the study will add to the body of knowledge on the Kenyan Finance Market and form a basis for further research in this area.

1.6 Scope of the Study

This study was based on all the 48 companies that were quoted at the NSE from years 2000 to 2004. The parameters used in determining value or growth stocks were, price earning ratio, book-to-market value, cash flow to price and dividends yield.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Return on Investment

When people buy common stock they give up current consumption in hope of attaining increased future consumption. They expect to collect dividends and eventually sell the stock at a profit (Van Horne et al. 2000). This means that investors buy stocks because they expect an increase in their wealth. This increase in wealth has two components; that is, the dividend received and the increase in the value of the stock (capital gain).

The percentage change in the investor’s wealth from the beginning to the end of a period is known as the rate of return or simply the return.

\[
\text{Thus, return} = \frac{\text{Dividends} + \text{Capital Gains}}{\text{Beginning Price}} \times 100
\]

\[
= \frac{\text{Dividends} + (\text{Ending Price} - \text{Beginning Price})}{\text{Beginning Price}} \times 100
\]

2.1.2 Value versus Growth Stocks

Sharpe et al. (2003), state that there is no hard-and-fast rule as how stocks are divided into growth stocks (sometimes called glamour stocks) and value stocks (or income stocks) and disagreements exist among investment professionals on what category certain stocks belong to. However, it is important to note that value and growth are terms applied to stocks whose P/E, E/P, B/M, D/P and C/P are extreme. That is, extremely high or extremely low. This is evidenced in the study done by Banstein (1995) as quoted by Loft house (2000) and the one done by Fama and French (1998). While Bernstein worked with the top and the bottom 50 stocks in S & P 500, Fama and French worked with the top 30% and the bottom 30%.
Loft house (2001) defines a value investor as one who invests in shares with one or more of the following attributes:

i) Low price earnings ratio (P/E)
ii) High earnings yield ratio (E/P)
iii) High cash flow to price ratio (C/P)
iv) High dividends yield (D/P)
v) High asset value per share or Book to market

On their part, Sharpe et al. (2003), give the following distinction between value and growth investors:

A growth–oriented investor will,

i) Focus on the Earning per share (EPS).
ii) Look for companies that he or she expects to exhibit rapid EPS in the future, and
iii) Often implicitly assumes that the High P/E ratio will remain constant over the near term meaning that the stock price will rise as forecasted earning is retracted.

On the other hand, a value-oriented investor will,

i) Focus on the price component of the P/E ratio: he or she must be convinced that the price of the stock is ‘cheap’ by some means of comparison;
ii) Not care a great deal about current earnings or the fundamental driver of growth earnings; and
iii) Often implicitly assume that P/E ratio is below its natural level and that the market will soon correct this situation by increasing the stock price with little or no change in earnings.

Fisher and Jordan (2002) describe value managers as managers seeking high yield. They tend to look for companies that have either high dividends yields, low market-to-book value ratios or low price earnings ratios. According to these authors in times of economic uncertainty there tends to be an increasing emphasis on seeking such high
yield investments. This stems from the desire to achieve current income and can be accomplished by holding stocks that pay high current dividends.

They describe an alternative to this approach as purchasing out of favour stocks. Out of favour stocks tend to be stocks with low P/E ratios. They explain that at various times in the economic cycle, certain stock groups – that is stock whose basic business are in certain sector of the economy tend to be out of favour. This means that investors tend to shy away from owning these stocks because they feel that the economic environment is not conclusive to solid business in the industries. When this occurs, there are very few buyers around and lots of sellers; the price of the securities tends to drop. Sometimes they drop way out of line with the earnings of these companies. This then causes deterioration in their P/E ratios and when their P/E ratio becomes very low these analyst jump in to buy the out of favour stocks.

2.1.3 Ratios Used to Sort Stock into Value and Growth

**Price earning ratio** - This is the ratio of share price to the earnings attributable to each share.

\[
\text{Price earning ratio (P/E)} = \frac{\text{market price per share}}{\text{Earning per share}}
\]

It is sometimes referred to as the ‘multiple’ because it shows how much investors are willing to pay per shillings of earnings. It relates the earnings per share to the price the shares sell at the market. A high P/E ratio indicates shareholders confidence in the company and its future. It indicates how the stock market is judging the company’s earnings performance and prospects (Asienwa 1992). The P/E ratio is widely used by security analysts to value the firm’s performance as expected by investors. It indicates investor’s judgment or expectations about the firm’s performance (Pandey 2000)

The greatest weakness with P/E ratio is that companies sometimes “manage” their earnings with accounting wizardry to make them look better than they really are. A
crafty chief financier can fool with a firm's tax assumptions in a given quarter and add several percentage points of earning growth (Macharia 2002).

**Book value to market price ratio (B/M)** - This is the ratio between the book value of the share to market price

\[
\text{Book value market value ratio} = \frac{\text{Book value per share}}{\text{Market price per share}}
\]

The use of book to market value ratios has a long tradition in financial and security analysis. Recently, this measure has received considerable attention because of its apparently important but not well-understood role in explaining pattern in stock returns (Harris and Mars ton 1994). Those authors state that despite book –to-market value role in explaining security returns, little conscious has yet developed on what it is really measuring in empirical studies.

Capaul, Rowley and Sharpe (1993) discussed the merits of book – to- market value as a single variable to distinguish between value and growth stocks. The logic is that favorable growth prospects raise a firm’s stock price and hence reduce its B/M ratio. In contrast, high B/M stocks are more likely than others to have high asset value and less growth potential.

**Dividend yield (D/P)** - dividend yield represents dividend paid per share as percentage of share price

\[
\text{Dividend yield} = \frac{\text{Dividend per share}}{\text{Market price per share}}
\]

It is the measure of return on the owner’s investment from cash dividends. This is the dividends declared per share. It evaluates an investor’s return in relation to the market value of share. It gives the actual cash received by the investor as a rate of return on his
investment put differently; it tells you what percentage of your purchase price. The firm will return to you in dividends.

Not all the companies pay dividends nor should they. If a firm is growing quickly and can benefit shareholders by re-investing its earning in the business they can re-invest the earnings and therefore, a stock with no dividend yield is not necessary a loser. Nevertheless, many inventors would like a dividend because of the income and the security on investment it provides. If a firm’s share fluctuates, the investor would be compensated if he receives dividends to mitigate on the lose of capital gains.

There are number of arguments why high dividend yields might produce abnormal returns. In the context of a simple dividend model, the total return on stock will be its initial dividend yield plus its growth rate i.e.

\[ K = \frac{D}{p} + g \]

If we expect all stocks with the same risk to offer the same return, then low growth stock will have to offer higher initial yield however, if investor are poor at assessing growth prospects, it is possible that growth rate assured for high growth rate stock will be too high and for low growth stocks will be too low accordingly, high yield stocks might be expected to offer a higher total yield (Loft house 2000).

Another argument is related to taxation. In many countries income is taxed at a higher rate than capital gains. Even where income and capital gains are taxed the same, capital gain is typically not paid until the gain is realized and thus the capital gains tax can be postponed in a way that income tax cannot. If investor are interested in after -tax income. They will presumably. Only purchase high yielding stocks if they offer the same after tax return as the low yielding stocks. That is, offer the same after tax after tax return as the yielding stocks that is, offer higher returns than low yield stocks on a pre-tax basis.
Cash flow to price ratio (C/P) - Many investors are suspicious of the earning per share figures because of differences between companies in how they calculate depreciation and amortization and differences overtime in how a particular company will calculate those figures. This is the same weakness of earning figures mentioned in the earning yield section; that is the vulnerability of earning figures to accounting wizardry. These investors will choose to use some measure of cash instead of earning and calculate a cash flow ratio. This ratio can be calculated as follows:

\[
\frac{C}{P} = \frac{\text{Cash Flow per share}}{\text{Market price per share}}
\]

Where cash flow per share = \(\frac{\text{profit after taxes} + \text{depreciation} + \text{Amortization}}{\text{Weighted average number of ordinary shares}}\)

2.2 Empirical Review

Academic studies covering a period of 60 years have shown that value stocks outperform growth stocks in markets around the world. Various theories have been advanced to explain this.

A study carried by Obell G.O (2004) sought to establish the extent to which risk, measured by standard deviation of share returns on asset, and return on equity explain variations in price to book value ratio of firms listed at the Nairobi Stock Exchange.

The conclusion based on the result of the study was that investors interested in analyzing risk need not entirely rely on price to book ratio for that purpose and that largely, the difference in price to book ratio is explained by other factors and not necessarily risk. This is because there is no correspondence between price to book ratio and measures of risk except for variability in return on equity.

A study by Asienwa (1992) sought to find out whether there is a relationship between share performance and investment ratios of companies quoted at the Nairobi Stock
Exchange. It is indicative from the study that a relationship exists between investment ratios and share prices. The conclusion was that there is a strong relationship between investment ratios and share prices of companies quoted at the Nairobi Stock Exchange. However, the study focuses on performance as indicated by the share price and not returns. Returns encompass both changes in prices and dividend paid.

Brealey and Myers (2000) explain that stock prices today reflect investor's expectations of future operating and investment performance. Growth stocks sell at high price earnings ratio (P/E) because investors are willing to pay now for expected superior returns on investments that have not been made.

Lakonishok et al. (1994) and Haugen (1995) argue that the value premium in average returns arises because the market undervalues distressed stocks and overvalues growth stocks. When these pricing errors are corrected, distressed (value) stocks have high returns.

On the other hand Fama and French (1996) argue that the value premium is compensation for risk measured by the Capital Asset Pricing Model (CAPM) of Sharpe (1964). They argue that stocks with high book value-market value ratios are more prone to financial distress and hence riskier than glamour stocks. However if value strategy is fundamentally riskier then it should under perform relative to the growth strategy during undesirable states of the world when the marginal utility of wealth is high. Lakonishok et al. (1994) tested this and found no evidence to support the view that superior returns as value stocks reflect their higher fundamental risk. Nonetheless, there are many possible proxies for risk based explanation cannot be definitely laid to rest.

Another explanation by Chan, Louis, and Karceski (2000) draws on behavioral considerations. Studies in psychology have suggested that individuals tend to use heuristic for decision-making. In particular investors may extrapolate past performance too far into the future. Value stocks tend to have a history of poor performance relative to growth stocks with respect to earnings, cash flow and sales. Therefore, in so far as
investors and brokerage analyst overlook the lack of persistence in growth rates, and project past growth into the future, favorable sentiment is created for glamour stocks.

While agreeing with the above explanation, Chan, Louis and Lakonishok (2004), add that agency factors may play a role in the higher prices of glamour stocks. They argue that analysts have self-interest in recommending successful stocks to generate trading commission, as well as investment banking business. Moreover a growth in stocks is typically in exciting industries and is thus easier to tout in terms of analyst reports and media coverage. All these consideration play into career concerns of professional money managers and pension plan executives. Such individual may feel vulnerable holding portfolio of companies that are tainted by lackluster past performance so they gravitate toward successful growth oriented stocks. The upshot of all these is that value stocks become under priced and glamour stock becomes over priced relative to their fundamentals.

On their part, Black (1993) and McKinley (1995) argued that the value premium in U.S. stocks is sample specific to its appearance a chance result unlikely to recur in future returns. This argument was tested by Davis (1994) and he showed there was a value premium in US stock before 1963, the start date for the studies by Fama and French.

Hanson (2004) attributes the Premium to the fact that human capital is not silent to market expectations but claims for compensation increase as market value increases. According to him firms experiencing good times (growth stock) are, forced to share a larger portion of their proceeds (earnings) with their employees whereas low labour compensation claims in firms experiencing hard times (value stocks) are contributing to higher than expected earnings. They will fall below market expectations as a congruence of larger rents to human capital.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
This chapter gives a brief description of the methodology that was used in conducting this study. The chapter is organized into the following parts:

3.1 Research design
The study intended to find out whether value stocks outperform growth stocks at the NSE. Stocks were categorized into value and growth based on price earning, book- to-market value, cash flow to price, and divided yield ratios.

3.2 Population of the study
All at the 48 companies quoted at the Nairobi Stock Exchange were included in the study to facilitate their categorization into value and growth stocks. The population of the study is given in appendix I.

3.3 Data description and collection
Secondary data from the Nairobi Stock Exchange was used. Annual data availed by the stock exchange included price earning (P/E), book- to market (B/M), cash flow to price (C/P) and dividend yield (D/P) ratios. All these ratios were readily available except the C/P which was calculated by the researcher.

The formula used to calculate the cash flow per share was as follows:

\[
\frac{C}{P} \quad = \quad \frac{\text{Cash Flow per share}}{\text{Market price per share}}
\]

Where cash flow per share = \[\text{profit after taxes} + \text{depreciation} + \text{Amortization}\]
Weighted average number of ordinary shares
The data obtained was tabulated for ease of analysis. The data collected included ratios of P/E, B/M, C/p, and D/P and the corresponding returns of each company.

### 3.4 Data Analysis

As a starting point all the ratios used to sort stock into value and growth was calculated. These ratios were price-earning ratio (P/E), book-to-market price ratio (B/M), cash flow to price (C/P) and dividend yield (D/P).

The end of each years 2000 all through 2004 constituted the portfolio formation dates. At these dates all the companies were ranked according to price-earning (P/E), book to market (B/M), dividend yield (D/Y) and cash flow (C/P) to price ratio. This ranking formed the criterion for classifying stocks into value investment and growth stock investment during each of the year. Once the various stocks were classified and ranked the data was analyzed to establish the average returns of each category and the standard deviation of each portfolio. In addition the t-test statistic was computed to determine whether there was any significant difference in the average performance of value and growth portfolios. In the final stage, the researcher used the Statistical Package for Social Sciences (SPSS) in analyzing the data. The financial year end from years 2000 through 2004 constituted the portfolio formation dates. Due to volatility of stock prices, the average share prices of each company were used to calculate annual returns of companies.
CHAPTER FOUR

4.0 Research findings

4.1 Description of data analyzed
The research study aimed at showing whether there was a significant difference in investing using value strategy or growth strategy. The basis of classifying stocks into value or growth was price earning ratio (P/E), book to market ratio (B/M), cash flow to price ratio (C/P), and dividend yield. For every parameter (P/E, B/M, C/P and D/P) the corresponding annual returns were calculated for each company. The returns computed incorporated both the dividend yield and the capital gains. The formula used to calculate annual returns was as follows:

\[
\text{Annual returns} = \frac{\text{Dividends} + \text{Capital Gains}}{\text{Beginning Price}} \times 100
\]

\[
= \frac{\text{Dividends} + (\text{Ending Price} - \text{Beginning Price})}{\text{Beginning Price}} \times 100
\]

The next step was to rank the companies in order of P/E, B/M, C/P, and D/P beginning with the company that had the lowest ratio and ending with the company that had the highest ratio. An illustration of ranking and classification is shown under appendix III (P/E strategy for year 2000). This process was repeated for all strategies from year 2000 to 2004.

The classification was then carried out as follows:

i) Thirty percent of companies (14 companies) with the lowest but positive P/E were classified as value companies while the fourteen companies with the highest P/E were classified as growth companies. The requirement to use positive P/E ratios was due to the fact that no rational investor would be willing to invest in companies with negative P/E.
ii) Thirty percent of companies (14 companies) with the highest B/M ratio were classified as value companies while the 30% (14 companies) with the lowest B/M were classified as growth companies.

iii) Thirty percent of companies (14 companies) with the highest C/P ratio were classified as value companies while 30% (14 companies) with the lowest C/P were classified as growth companies.

iv) Thirty percent of companies (14 companies) with the highest D/P were classified as value companies while 30% (14 companies) with the lowest D/P were classified as growth companies.

Subsequent ranking of companies into value and growth categories resulted in a total of seventy observations for each category at the end of five years. Companies constituting value portfolio and growth portfolio observed under each year kept changing from year to year. Each basis of ranking (P/E, B/M, C/P, and D/P) was analyzed to find out the performance of value and growth strategies.

4.2 Value Versus Growth Under P/E, B/M, C/P, and D/P Ranking

The analysis of value and growth companies under the rankings of P/E, B/M, C/P, and D/P criterion are shown under tables 4.2.1 to 4.2.20 for the years 2000-2004 that were under observation. (As shown under Appendix V)
4.3 Analysis of Value Versus Growth Under all Categories in Five Years

The portfolio return tables on value and growth showed that value companies had higher returns than growth companies in majority of cases (17/20). This can be seen in the consolidated summary of table 4.3.1 below generated from the tables’ 4.2.1 to 4.2.20 on appendix V.

Table 4.3.1 Five Year Mean Returns of Value and Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>P/E RANKING Value returns</th>
<th>Growth returns</th>
<th>B/M RANKING Value returns</th>
<th>Growth returns</th>
<th>C/P RANKING Value returns</th>
<th>Growth returns</th>
<th>D/P RANKING Value returns</th>
<th>Growth returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-1.59</td>
<td>-1.69</td>
<td>4.73</td>
<td>-9.29</td>
<td>-1.39</td>
<td>-12.53</td>
<td>0.32</td>
<td>-4.80</td>
</tr>
<tr>
<td>3</td>
<td>2.92</td>
<td>-10.27</td>
<td>1.14</td>
<td>-17.03</td>
<td>4.31</td>
<td>-16.34</td>
<td>1.95</td>
<td>-8.28</td>
</tr>
<tr>
<td>4</td>
<td>114.20</td>
<td>96.94</td>
<td>125.30</td>
<td>8.21</td>
<td>117.82</td>
<td>47.13</td>
<td>80.18</td>
<td>104.21</td>
</tr>
<tr>
<td>5</td>
<td>58.86</td>
<td>64.51</td>
<td>60.78</td>
<td>57.26</td>
<td>70.09</td>
<td>24.91</td>
<td>54.45</td>
<td>63.84</td>
</tr>
<tr>
<td>5 yr avg</td>
<td>31.69</td>
<td>26.41</td>
<td>35.93</td>
<td>4.41</td>
<td>35.44</td>
<td>3.76</td>
<td>27.88</td>
<td>28.10</td>
</tr>
</tbody>
</table>

From the table 4.3.1, value seems to outperform growth in nearly all the cases (17/20). In overall value strategy presents higher returns (31.69% under P/E, 35.93% under B/M, and 35.44% under C/P) except under the D/P ranking with a lower return of 27.88%. In order to confirm the reliability of this data, the results of means were subjected to further tests. A t-test was therefore conducted to establish whether the results obtained from averaging the portfolio returns can be relied upon in concluding that value strategy yields better returns than growth strategy.
The data of table 4.3.1 was then fed into the SPSS software to analyze the reported means and any correlation between the two strategies of value and growth. The results of t-test and correlation results were as below.

**T-Test**

One-Sample Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td>5</td>
<td>31.6900</td>
<td>54.19870</td>
<td>24.23840</td>
</tr>
<tr>
<td>PG</td>
<td>5</td>
<td>26.4100</td>
<td>51.19557</td>
<td>22.89536</td>
</tr>
<tr>
<td>BV</td>
<td>5</td>
<td>35.9320</td>
<td>57.25703</td>
<td>25.60612</td>
</tr>
<tr>
<td>BG</td>
<td>5</td>
<td>4.4120</td>
<td>31.29367</td>
<td>13.99496</td>
</tr>
<tr>
<td>CP</td>
<td>5</td>
<td>35.4420</td>
<td>56.39037</td>
<td>25.21854</td>
</tr>
<tr>
<td>CG</td>
<td>5</td>
<td>3.7540</td>
<td>30.78408</td>
<td>13.76706</td>
</tr>
<tr>
<td>DV</td>
<td>5</td>
<td>27.8780</td>
<td>37.14103</td>
<td>16.60998</td>
</tr>
<tr>
<td>DG</td>
<td>5</td>
<td>28.1040</td>
<td>53.11896</td>
<td>23.75552</td>
</tr>
</tbody>
</table>

95% Confidence Interval of the Difference

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td>1.3074</td>
<td>4</td>
<td>0.2612</td>
<td>31.69000</td>
<td>-35.6066</td>
<td>98.9866</td>
</tr>
<tr>
<td>PG</td>
<td>1.1535</td>
<td>4</td>
<td>0.3129</td>
<td>26.41000</td>
<td>-37.1577</td>
<td>89.9777</td>
</tr>
<tr>
<td>BV</td>
<td>1.4033</td>
<td>4</td>
<td>0.2332</td>
<td>35.93200</td>
<td>-35.1620</td>
<td>107.0260</td>
</tr>
<tr>
<td>BG</td>
<td>0.3153</td>
<td>4</td>
<td>0.7683</td>
<td>4.41200</td>
<td>-34.4442</td>
<td>43.2682</td>
</tr>
<tr>
<td>CP</td>
<td>1.4054</td>
<td>4</td>
<td>0.2326</td>
<td>35.44200</td>
<td>-34.5759</td>
<td>105.4599</td>
</tr>
<tr>
<td>CG</td>
<td>0.2727</td>
<td>4</td>
<td>0.7986</td>
<td>3.75400</td>
<td>-34.4695</td>
<td>41.9775</td>
</tr>
<tr>
<td>DV</td>
<td>1.6784</td>
<td>4</td>
<td>0.1686</td>
<td>27.87800</td>
<td>-18.2387</td>
<td>73.9947</td>
</tr>
<tr>
<td>DG</td>
<td>1.1831</td>
<td>4</td>
<td>0.3023</td>
<td>28.10400</td>
<td>-37.8519</td>
<td>94.0599</td>
</tr>
</tbody>
</table>

Data analysis results from the above tables shows that six out of eight mean samples passed the t test at the at 95% confidence level. The two categories which failed the test were the B/M growth and C/P growth. This shows that all the value categories passed the one sample t-test; therefore it gives more weight to the argument that value companies outperform growth companies.
From the confidence interval the results of value portfolio seem to be better than growth portfolio in all the cases. Under P/E the lowest rate an investor can get is -35.60% compared to -37.15%. Similarly, on the higher side, an investor can get a return of 98.98% under value compared to 89.97% of growth. The other strategies of B/M, C/P, and D/P also show that value portfolio has better confidence intervals than growth strategy.

A further analysis on the correlation of value and growth stocks was conducted to find out whether there was any relationship between the two strategies. The table of correlation values obtained from SPSS package is shown below.

<table>
<thead>
<tr>
<th>Pair</th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>pevalue &amp; pegrowth</td>
<td>5</td>
<td>0.985</td>
</tr>
<tr>
<td>Pair 2</td>
<td>bmvalue &amp; bmgrowth</td>
<td>5</td>
<td>0.539</td>
</tr>
<tr>
<td>Pair 3</td>
<td>cpvalue &amp; cpgrowth</td>
<td>5</td>
<td>0.996</td>
</tr>
<tr>
<td>Pair 4</td>
<td>dpvalue &amp; dpgrowth</td>
<td>5</td>
<td>0.996</td>
</tr>
</tbody>
</table>

The results showed a strong correlation in all the categories. P/E value and P/E growth returns had a correlation value of 0.985 against the significant value of 0.002, B/M value and B/M growth returns had a correlation of 0.539 against the significant value of 0.349, both C/P and D/P returns had a correlation of 0.996 against the significant value of 0.000.

From these correlations, it is clear that the value and growth strategy have strong positive correlation. Industry returns will therefore tend to move in the same direction in most cases. Although the movement in reported earnings is similar for both value and growth strategies, the former strategy produced better results in the majority of cases (17 out of 20 table 4.3.1).
4.4 Conclusion of Analysis

The three analyses carried out produced the following results:

The mean returns of value were higher than growth under the P/E, B/M, C/P strategies. It was only under D/P strategy where strategy outperformed value strategy.

All the categories of P/E, B/M, C/P and D/P passed the t-test for all categories except B/M growth and C/P growth. This result strengthens the argument that value strategy outperformed growth strategy during the period under study.

All the categories of P/E, B/M, C/P and D/P showed that there was a significant correlation in the reported returns of value and growth stocks. Although returns of value and growth tend to move in one direction, value returns were generally higher than the growth returns in 17 out of twenty cases.
CHAPTER FIVE

Summary and Conclusions

5.1 Summary
This study was carried out with the intention of identifying whether there was any significant difference between growth and value stocks at the NSE.

The basis of classifying stocks into value and growth was P/E, B/M, C/P and D/P ratios. Values stocks were those with low P/E ratios, high B/M ratios, high C/P and high D/P ratios. On the other hand, growth stocks were those with high P/E ratio low B/M ratio, low C/P ratio and low D/P ratio.

In order to have a distinct line between value and growth, the top 30% of companies under each category were taken leaving out the middle 40% of the companies. This resulted in a total of 28 companies being analyzed (14 for value and 14 for growth).

The data was then analyzed using SPSS computer software. The tests included a t-test on reported means of returns under the two categories of value and growth. Correlation test was also carried out to establish whether there is any relationship between value and growth returns.

After the analysis, the study showed that value strategy outperformed growth strategy at the Nairobi stock exchange. The period under review was years 2000 to 2004.

5.2 Conclusion
The purpose of this research was to analyze if there was any significant difference between the value and growth strategies for companies quoted at the NSE. The study was also to show whether the returns under value or growth strategy were consistent and which of the two strategies produced better results.
The findings of the research showed the existence of a significant difference between value and growth returns. Value returns were higher than growth returns in majority of cases (17/20). If investments were to be classified into value and growth portfolio, one would be better off if he were to invest in value stocks. Similarly, Portfolio Managers are likely to fetch more value to their clients if they were to invest in value stocks as opposed to growth stocks.

5.3 Limitations of the Study

The findings of the study should be viewed bearing in mind the following limitations:

1. The period covered in the study (five years) is short as compared to periods covered by other studies such as Fama’s and French 25 year period.

2. The classification ratios of P/E, B/M, C/P and D/P were based on financial year-end values and excluded any other reported values.

3. When calculating the capital gain, the average prices were used. However, in practical situation, an investor does not get an average price but a particular price that is available at a particular trading day. The research study can show that a certain strategy is significant but the investor could incur a real loss based on poor timing of trading day.

4. The timing of acquiring and disposing a growth stock determines the value of returns gained. The value stock can change in a single day and become a growth stock. It is therefore not practicable to dispose such a stock and acquire another one immediately by an investor dealing in a particular strategy of value stocks or growth stocks.
5.4 Recommendations of the Study

The researcher recommends the following suggestions for further research.

1. A similar study of value and stock investment but covering a longer period of time; say 10 or 20 years.

2. A study to find out if the Fund Managers dealing in NSE applies any particular strategies and if so, the results of such strategies.

3. A similar study that employs other factors such as profit forecasts, industry outlook and rating by agencies could be carried out.
REFERENCES


Prentice hall, Englewood cliffs, N.J.


APPENDIX I

POPULATION OF THE STUDY

MAIN INVESTMENT MARKET SEGMENT

A. AGRICULTURAL
1. Unilever Tea Kenya ltd.
2. Kakuzi Limited.
3. Rea Vipingo Plantation Limited

B. COMMERCIAL AND SERVICES
5. Car and General (K) ltd.
6. CMC Holding ltd.
9. Marshalls (E.A) ltd.
11. Tourism Promotion Services limited.
12. Uchumi supermarket ltd.

C. FINANCE AND INVESTMENT
15. Diamonds Trust Bank ltd.
16. Housing Finance Co.ltd
17. I.C.D.C Investment Co. ltd
18. Jubilee Insurance Co. ltd
19. Kenya Commercial Bank ltd
21. NIC Bank ltd
22. Pan African Insurance Holding ltd
23. Standard Chartered Bank ltd

D. INDUSTRIAL AND ALLIED
24. Athi River Mining ltd
25. B.O.C Kenya ltd
26. Bamburi Cement ltd
27. British America Tobacco ltd
28. Carbacid Investment ltd
29. Crown Berger Kenya ltd
30. Olympia Capital Holding ltd (formerly Dunlop Kenya)
31. East Africa. Cables ltd
32. East Africa. Portland Cement ltd
33. East Africa. Breweries ltd
34. Sameer Africa ltd (formerly Firestone East Africa)
35. Kenya Oil Co Ltd.
36. Mumias Sugar Co Ltd.
37. Kenya Power & Lighting Company
38. Total Kenya Ltd.
39. Unga Group Ltd

ALTERNATIVE INVESTMENT MARKET SEGMENT
40. A. Baumann & Co Ltd
41. City Trust Ltd.
42. Eaagads Ltd.
43. Express Kenya Ltd
44. Williamson Tea Kenya Ltd.
45. Kapchorua Tea Co. Ltd
46. Kenya Orchards
47. Limuru Tea Co Ltd
48. Standard Group Ltd
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unilever</td>
<td>39.26</td>
<td>4.33</td>
<td>-20.81</td>
<td>-13.14</td>
<td>2.82</td>
</tr>
<tr>
<td>2 Kakuzi</td>
<td>89.02</td>
<td>-42.15</td>
<td>-44.34</td>
<td>-35.92</td>
<td>-17.66</td>
</tr>
<tr>
<td>4 Sasini Tea</td>
<td>36.13</td>
<td>-7.58</td>
<td>-35.72</td>
<td>-34.51</td>
<td>-12.93</td>
</tr>
<tr>
<td>5 Car&amp;Gen</td>
<td>10.88</td>
<td>290.99</td>
<td>-31.03</td>
<td>0.00</td>
<td>45.00</td>
</tr>
<tr>
<td>6 Cmc Holdings</td>
<td>46.10</td>
<td>226.23</td>
<td>10.80</td>
<td>-37.32</td>
<td>-18.64</td>
</tr>
<tr>
<td>7 Hutchings Biemer</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>9 Marshall</td>
<td>-3.29</td>
<td>-33.47</td>
<td>-12.44</td>
<td>-13.81</td>
<td>-3.00</td>
</tr>
<tr>
<td>10 Nation Media</td>
<td>34.92</td>
<td>117.94</td>
<td>16.34</td>
<td>-29.88</td>
<td>-12.96</td>
</tr>
<tr>
<td>11 Tps Serena</td>
<td>63.41</td>
<td>32.51</td>
<td>15.55</td>
<td>8.02</td>
<td>4.84</td>
</tr>
<tr>
<td>12 Uchumi</td>
<td>1.86</td>
<td>-22.14</td>
<td>-26.62</td>
<td>0.77</td>
<td>1.55</td>
</tr>
<tr>
<td>13 Barclays</td>
<td>32.98</td>
<td>124.60</td>
<td>26.14</td>
<td>2.22</td>
<td>-0.10</td>
</tr>
<tr>
<td>14 Cfc Bank</td>
<td>117.09</td>
<td>134.42</td>
<td>2.82</td>
<td>-14.16</td>
<td>-8.07</td>
</tr>
<tr>
<td>15 Diamond Trust</td>
<td>49.87</td>
<td>102.50</td>
<td>-11.39</td>
<td>-36.59</td>
<td>-17.71</td>
</tr>
<tr>
<td>16 HFCK</td>
<td>19.13</td>
<td>54.02</td>
<td>-2.61</td>
<td>-28.35</td>
<td>-17.02</td>
</tr>
<tr>
<td>17 ICDC</td>
<td>73.05</td>
<td>10.37</td>
<td>-19.64</td>
<td>3.21</td>
<td>3.52</td>
</tr>
<tr>
<td>18 Jubilee</td>
<td>69.20</td>
<td>115.79</td>
<td>2.47</td>
<td>-11.87</td>
<td>-4.62</td>
</tr>
<tr>
<td>19 KCB</td>
<td>69.33</td>
<td>114.74</td>
<td>-20.31</td>
<td>-26.58</td>
<td>-9.52</td>
</tr>
<tr>
<td>20 NBK</td>
<td>89.71</td>
<td>159.54</td>
<td>8.26</td>
<td>-25.77</td>
<td>-18.50</td>
</tr>
<tr>
<td>21 NIC</td>
<td>51.27</td>
<td>92.85</td>
<td>16.10</td>
<td>-16.15</td>
<td>-6.99</td>
</tr>
<tr>
<td>22 Pan Afric Ins</td>
<td>50.66</td>
<td>51.74</td>
<td>-16.60</td>
<td>-36.58</td>
<td>-29.63</td>
</tr>
<tr>
<td>23 SCB</td>
<td>29.05</td>
<td>136.56</td>
<td>26.26</td>
<td>8.80</td>
<td>16.22</td>
</tr>
<tr>
<td>24 ARM</td>
<td>39.69</td>
<td>200.63</td>
<td>17.26</td>
<td>-12.95</td>
<td>-15.22</td>
</tr>
</tbody>
</table>

......Continued
<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Bamburi</td>
<td>36.63</td>
<td>183.03</td>
<td>27.23</td>
<td>-9.14</td>
<td>16.97</td>
</tr>
<tr>
<td>26</td>
<td>BAT</td>
<td>53.31</td>
<td>219.09</td>
<td>10.73</td>
<td>-4.53</td>
<td>4.09</td>
</tr>
<tr>
<td>27</td>
<td>BOC</td>
<td>90.61</td>
<td>126.84</td>
<td>-6.00</td>
<td>-23.57</td>
<td>-11.03</td>
</tr>
<tr>
<td>28</td>
<td>Carbacid</td>
<td>60.47</td>
<td>120.94</td>
<td>-9.34</td>
<td>-22.72</td>
<td>-10.36</td>
</tr>
<tr>
<td>29</td>
<td>Crown Berger</td>
<td>49.41</td>
<td>258.40</td>
<td>7.14</td>
<td>-16.32</td>
<td>0.56</td>
</tr>
<tr>
<td>30</td>
<td>Olympic Holdings</td>
<td>48.55</td>
<td>123.50</td>
<td>-12.28</td>
<td>-30.49</td>
<td>-11.75</td>
</tr>
<tr>
<td>31</td>
<td>E.A Cables</td>
<td>189.79</td>
<td>31.51</td>
<td>5.16</td>
<td>-5.12</td>
<td>-2.53</td>
</tr>
<tr>
<td>32</td>
<td>E.A Portland</td>
<td>63.25</td>
<td>153.78</td>
<td>12.43</td>
<td>-2.27</td>
<td>-5.71</td>
</tr>
<tr>
<td>33</td>
<td>EABL</td>
<td>121.34</td>
<td>95.74</td>
<td>22.63</td>
<td>9.81</td>
<td>0.55</td>
</tr>
<tr>
<td>34</td>
<td>Sameer</td>
<td>26.45</td>
<td>35.41</td>
<td>-3.65</td>
<td>-18.44</td>
<td>-5.36</td>
</tr>
<tr>
<td>35</td>
<td>Kenya Oil</td>
<td>-4.68</td>
<td>138.14</td>
<td>11.73</td>
<td>18.89</td>
<td>25.72</td>
</tr>
<tr>
<td>36</td>
<td>Mumias</td>
<td>123.17</td>
<td>-33.33</td>
<td>-26.31</td>
<td>111.18</td>
<td>0.00</td>
</tr>
<tr>
<td>37</td>
<td>Kplc</td>
<td>196.43</td>
<td>7.26</td>
<td>-53.07</td>
<td>-50.91</td>
<td>-23.33</td>
</tr>
<tr>
<td>38</td>
<td>Total</td>
<td>117.48</td>
<td>56.33</td>
<td>-35.19</td>
<td>-28.33</td>
<td>6.99</td>
</tr>
<tr>
<td>39</td>
<td>Unga</td>
<td>64.40</td>
<td>36.29</td>
<td>-48.81</td>
<td>-51.42</td>
<td>-26.12</td>
</tr>
<tr>
<td>40</td>
<td>Abauman</td>
<td>-5.17</td>
<td>-9.09</td>
<td>-24.94</td>
<td>-18.04</td>
<td>-1.32</td>
</tr>
<tr>
<td>41</td>
<td>City Trust</td>
<td>53.30</td>
<td>24.95</td>
<td>4.52</td>
<td>-4.43</td>
<td>-7.45</td>
</tr>
<tr>
<td>42</td>
<td>Eaagads</td>
<td>-5.72</td>
<td>-11.52</td>
<td>-10.56</td>
<td>-29.90</td>
<td>-20.41</td>
</tr>
<tr>
<td>43</td>
<td>Express</td>
<td>6.33</td>
<td>2.27</td>
<td>-39.17</td>
<td>-28.25</td>
<td>-5.09</td>
</tr>
<tr>
<td>44</td>
<td>Kapchorua</td>
<td>-9.75</td>
<td>1.66</td>
<td>-4.12</td>
<td>7.24</td>
<td>11.67</td>
</tr>
<tr>
<td>45</td>
<td>Kenya Orchards</td>
<td>-14.15</td>
<td>0.00</td>
<td>2.91</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>46</td>
<td>Limuru Tea</td>
<td>-2.81</td>
<td>-23.45</td>
<td>-23.72</td>
<td>-19.69</td>
<td>8.50</td>
</tr>
<tr>
<td>47</td>
<td>Std Group</td>
<td>69.38</td>
<td>229.87</td>
<td>15.50</td>
<td>-44.99</td>
<td>-26.95</td>
</tr>
</tbody>
</table>
APPENDIX III

Illustration: Value and Growth Ranking Under P/E Strategy for Year 2000

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Year 2000 Before Ranking</th>
<th>COMPANY</th>
<th>Year 2000 After Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P/E</td>
<td>Ret</td>
<td>P/E</td>
</tr>
<tr>
<td>unilever</td>
<td>10.56</td>
<td>2.82</td>
<td>kenyaa orchards</td>
</tr>
<tr>
<td>kakuzi</td>
<td>-33.13</td>
<td>-17.66</td>
<td>kakuzi</td>
</tr>
<tr>
<td>rea-vipingo</td>
<td>-6.53</td>
<td>-9.78</td>
<td>eaaagds</td>
</tr>
<tr>
<td>sasini tea</td>
<td>11.92</td>
<td>-12.93</td>
<td>express</td>
</tr>
<tr>
<td>car&amp;gen</td>
<td>0</td>
<td>45.00</td>
<td>pan afric ins</td>
</tr>
<tr>
<td>cmc holdings</td>
<td>4.69</td>
<td>-18.64</td>
<td>rea-vipingo</td>
</tr>
<tr>
<td>hutchings biemer</td>
<td>0</td>
<td>0.00</td>
<td>Kcb</td>
</tr>
<tr>
<td>kenya airways</td>
<td>1.24</td>
<td>13.55</td>
<td>e.a portland</td>
</tr>
<tr>
<td>marshalls</td>
<td>0</td>
<td>-3.00</td>
<td>Unga</td>
</tr>
<tr>
<td>nation media</td>
<td>2.54</td>
<td>-12.96</td>
<td>Kplc</td>
</tr>
<tr>
<td>tps serena</td>
<td>7.36</td>
<td>4.84</td>
<td>std group</td>
</tr>
<tr>
<td>uchumi</td>
<td>7.02</td>
<td>1.55</td>
<td>Nbk</td>
</tr>
<tr>
<td>barclays</td>
<td>13.25</td>
<td>-0.10</td>
<td>Car&amp;gen</td>
</tr>
<tr>
<td>cfc bank</td>
<td>6.23</td>
<td>-8.07</td>
<td>hutchings biemer</td>
</tr>
<tr>
<td>diamond trust</td>
<td>6.8</td>
<td>-17.71</td>
<td>marshalls</td>
</tr>
<tr>
<td>hfck</td>
<td>12.11</td>
<td>-17.02</td>
<td>mumias</td>
</tr>
<tr>
<td>iede</td>
<td>8.36</td>
<td>3.52</td>
<td>kenyaa airways</td>
</tr>
<tr>
<td>jubilee</td>
<td>8.53</td>
<td>-4.62</td>
<td>nation media</td>
</tr>
<tr>
<td>kcb</td>
<td>-6.16</td>
<td>-9.52</td>
<td>Nic</td>
</tr>
<tr>
<td>nbk</td>
<td>-0.29</td>
<td>-18.50</td>
<td>cmc holdings</td>
</tr>
<tr>
<td>nic</td>
<td>4.68</td>
<td>-6.99</td>
<td>carbacid</td>
</tr>
<tr>
<td>pan afric ins</td>
<td>-8.12</td>
<td>-29.63</td>
<td>Eabl</td>
</tr>
<tr>
<td>scb</td>
<td>5.63</td>
<td>16.22</td>
<td>kenya oil</td>
</tr>
<tr>
<td>arm</td>
<td>10.04</td>
<td>-15.22</td>
<td>Scb</td>
</tr>
<tr>
<td>bamburi</td>
<td>42.39</td>
<td>16.97</td>
<td>e.a cables</td>
</tr>
<tr>
<td>bat</td>
<td>10.38</td>
<td>4.09</td>
<td>cfc bank</td>
</tr>
<tr>
<td>boc</td>
<td>11.24</td>
<td>-11.03</td>
<td>diamond trust</td>
</tr>
<tr>
<td>carbacid</td>
<td>5.02</td>
<td>-10.36</td>
<td>uchumi</td>
</tr>
<tr>
<td>crown berger</td>
<td>9.97</td>
<td>0.56</td>
<td>tps serena</td>
</tr>
<tr>
<td>olympic holdings</td>
<td>35.56</td>
<td>-11.75</td>
<td>city trust</td>
</tr>
<tr>
<td>e.a cables</td>
<td>6.16</td>
<td>-2.53</td>
<td>iede</td>
</tr>
<tr>
<td>e.a portland</td>
<td>-2.66</td>
<td>-5.71</td>
<td>jubilee</td>
</tr>
<tr>
<td>cabl</td>
<td>5.07</td>
<td>0.55</td>
<td>williamson tea</td>
</tr>
<tr>
<td>sameer</td>
<td>10.94</td>
<td>-5.36</td>
<td>crown berger</td>
</tr>
<tr>
<td>kenya oil</td>
<td>5.35</td>
<td>25.72</td>
<td>arm</td>
</tr>
<tr>
<td>mumias</td>
<td>0</td>
<td>0.00</td>
<td>bat</td>
</tr>
<tr>
<td>kplc</td>
<td>-1.28</td>
<td>-23.33</td>
<td>unilever</td>
</tr>
<tr>
<td>total</td>
<td>14.91</td>
<td>6.99</td>
<td>sameer</td>
</tr>
<tr>
<td>unga</td>
<td>-1.57</td>
<td>-26.12</td>
<td>limuru tea</td>
</tr>
<tr>
<td>abuaman</td>
<td>12.76</td>
<td>-1.32</td>
<td>boc</td>
</tr>
<tr>
<td>city trust</td>
<td>7.45</td>
<td>-7.45</td>
<td>sasini tea</td>
</tr>
<tr>
<td>eaaagads</td>
<td>-18.84</td>
<td>-20.41</td>
<td>hfck</td>
</tr>
<tr>
<td>express</td>
<td>-13.46</td>
<td>-5.09</td>
<td>abuaman</td>
</tr>
<tr>
<td>kapchorura</td>
<td>39.47</td>
<td>11.67</td>
<td>barclays</td>
</tr>
<tr>
<td>kenya orchards</td>
<td>-271.7</td>
<td>0.00</td>
<td>total</td>
</tr>
<tr>
<td>limuru tea</td>
<td>10.99</td>
<td>8.50</td>
<td>olympic holdings</td>
</tr>
<tr>
<td>std group</td>
<td>-1.01</td>
<td>-26.95</td>
<td>kapchorua</td>
</tr>
<tr>
<td>williamson tea</td>
<td>9.74</td>
<td>-16.06</td>
<td>bamburi</td>
</tr>
</tbody>
</table>

Qualifying companies of value and growth are displayed in italic.
### APPENDIX IV

**Illustration: Dividend Yield (DY), Share Price (S/P), Capital Gain (CG), Capital Yield (CY) and Returns (RET) for Year 2000**

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DY</th>
<th>END YR SP</th>
<th>CG</th>
<th>CY</th>
<th>RET</th>
<th>BEG YR SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unilever</td>
<td>6.19</td>
<td>100.50</td>
<td>-3.50</td>
<td>-3.37</td>
<td>2.82</td>
<td>104.00</td>
</tr>
<tr>
<td>2. Kakuzi</td>
<td>0.73</td>
<td>71.00</td>
<td>-16.00</td>
<td>-18.39</td>
<td>0.00</td>
<td>87.00</td>
</tr>
<tr>
<td>3. Rea-Vipro</td>
<td>0.00</td>
<td>4.15</td>
<td>-0.45</td>
<td>-9.78</td>
<td>0.00</td>
<td>4.60</td>
</tr>
<tr>
<td>4. Safarini</td>
<td>5.76</td>
<td>45.13</td>
<td>-10.38</td>
<td>-18.69</td>
<td>0.00</td>
<td>55.50</td>
</tr>
<tr>
<td>5. Car&amp;Gen</td>
<td>0.00</td>
<td>14.50</td>
<td>4.50</td>
<td>45.00</td>
<td>0.00</td>
<td>10.00</td>
</tr>
<tr>
<td>6. Orca Holdings</td>
<td>4.09</td>
<td>23.00</td>
<td>-7.00</td>
<td>-23.33</td>
<td>0.00</td>
<td>30.00</td>
</tr>
<tr>
<td>7. Hutchnings Biemer</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>8. Kenya Airways</td>
<td>16.67</td>
<td>7.75</td>
<td>-0.25</td>
<td>-3.13</td>
<td>13.55</td>
<td>8.00</td>
</tr>
<tr>
<td>9. Marshall</td>
<td>0.00</td>
<td>24.25</td>
<td>-0.75</td>
<td>-3.00</td>
<td>0.00</td>
<td>25.00</td>
</tr>
<tr>
<td>10. Nation Media</td>
<td>2.54</td>
<td>84.50</td>
<td>-15.50</td>
<td>-12.96</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>11. TPS Serena</td>
<td>6.96</td>
<td>16.15</td>
<td>-0.35</td>
<td>-2.12</td>
<td>4.84</td>
<td>16.50</td>
</tr>
<tr>
<td>12. Uchumi</td>
<td>7.02</td>
<td>45.38</td>
<td>-2.63</td>
<td>-5.47</td>
<td>1.55</td>
<td>48.00</td>
</tr>
<tr>
<td>13. Barclays</td>
<td>13.25</td>
<td>89.25</td>
<td>-13.75</td>
<td>-13.35</td>
<td>0.00</td>
<td>103.00</td>
</tr>
<tr>
<td>15. Diamond Trust</td>
<td>4.29</td>
<td>19.50</td>
<td>-5.50</td>
<td>-22.00</td>
<td>17.02</td>
<td>25.00</td>
</tr>
<tr>
<td>17. Icdc</td>
<td>4.04</td>
<td>47.75</td>
<td>-0.25</td>
<td>-5.50</td>
<td>3.52</td>
<td>48.00</td>
</tr>
<tr>
<td>19. Kcb</td>
<td>0.00</td>
<td>28.50</td>
<td>-3.00</td>
<td>-9.52</td>
<td>9.52</td>
<td>31.50</td>
</tr>
<tr>
<td>20. Nbk</td>
<td>0.00</td>
<td>4.08</td>
<td>-0.93</td>
<td>-18.50</td>
<td>18.50</td>
<td>5.00</td>
</tr>
<tr>
<td>22. Pan Afric Ins</td>
<td>0.00</td>
<td>19.00</td>
<td>-8.00</td>
<td>-29.63</td>
<td>29.63</td>
<td>27.00</td>
</tr>
<tr>
<td>23. Schb</td>
<td>22.22</td>
<td>52.88</td>
<td>-3.38</td>
<td>-6.00</td>
<td>16.22</td>
<td>36.25</td>
</tr>
<tr>
<td>24. Arm</td>
<td>0.00</td>
<td>4.88</td>
<td>-0.88</td>
<td>-15.22</td>
<td>15.22</td>
<td>5.75</td>
</tr>
<tr>
<td>26. Bat</td>
<td>15.06</td>
<td>69.00</td>
<td>-8.50</td>
<td>-10.97</td>
<td>4.09</td>
<td>77.50</td>
</tr>
<tr>
<td>27. Boc</td>
<td>8.26</td>
<td>56.50</td>
<td>-13.50</td>
<td>-11.03</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td>28. Carbacid</td>
<td>5.61</td>
<td>60.50</td>
<td>-11.50</td>
<td>-15.97</td>
<td>10.36</td>
<td>72.00</td>
</tr>
<tr>
<td>29. Crown Berger</td>
<td>5.56</td>
<td>9.50</td>
<td>-0.50</td>
<td>-5.00</td>
<td>0.56</td>
<td>10.00</td>
</tr>
<tr>
<td>30. Olympic Holdings</td>
<td>6.25</td>
<td>8.20</td>
<td>-1.80</td>
<td>-18.00</td>
<td>11.75</td>
<td>10.00</td>
</tr>
<tr>
<td>31. E.A Cables</td>
<td>11.89</td>
<td>11.13</td>
<td>-1.88</td>
<td>-14.42</td>
<td>2.53</td>
<td>13.00</td>
</tr>
<tr>
<td>32. E.A Portland</td>
<td>0.00</td>
<td>13.20</td>
<td>-0.80</td>
<td>-5.71</td>
<td>5.71</td>
<td>14.00</td>
</tr>
<tr>
<td>33. Eabl</td>
<td>8.56</td>
<td>71.75</td>
<td>-6.25</td>
<td>-8.01</td>
<td>0.55</td>
<td>78.00</td>
</tr>
<tr>
<td>34. Sameer</td>
<td>8.70</td>
<td>13.75</td>
<td>-2.25</td>
<td>-14.06</td>
<td>5.36</td>
<td>16.00</td>
</tr>
<tr>
<td>35. Kenya Oil</td>
<td>5.29</td>
<td>69.25</td>
<td>11.75</td>
<td>20.43</td>
<td>25.72</td>
<td>57.50</td>
</tr>
<tr>
<td>36. Mumias</td>
<td>0.00</td>
<td>3.18</td>
<td>3.18</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>37. Kplc</td>
<td>3.88</td>
<td>82.25</td>
<td>-30.75</td>
<td>-23.21</td>
<td>23.33</td>
<td>113.00</td>
</tr>
<tr>
<td>38. Total</td>
<td>0.00</td>
<td>51.63</td>
<td>3.38</td>
<td>6.99</td>
<td>6.99</td>
<td>48.25</td>
</tr>
<tr>
<td>39. Unga</td>
<td>0.00</td>
<td>23.83</td>
<td>-8.43</td>
<td>-26.12</td>
<td>26.12</td>
<td>32.25</td>
</tr>
<tr>
<td>40. Abauman</td>
<td>6.99</td>
<td>15.73</td>
<td>-1.43</td>
<td>-8.31</td>
<td>1.32</td>
<td>17.15</td>
</tr>
<tr>
<td>41. City Trust</td>
<td>0.00</td>
<td>21.75</td>
<td>-1.75</td>
<td>-7.45</td>
<td>7.45</td>
<td>23.50</td>
</tr>
<tr>
<td>42. Eaagads</td>
<td>0.00</td>
<td>33.63</td>
<td>-8.63</td>
<td>-20.41</td>
<td>20.41</td>
<td>42.25</td>
</tr>
<tr>
<td>43. Express</td>
<td>0.00</td>
<td>17.70</td>
<td>-0.95</td>
<td>-5.09</td>
<td>5.09</td>
<td>18.65</td>
</tr>
<tr>
<td>44. Kapchorua</td>
<td>1.67</td>
<td>137.50</td>
<td>12.50</td>
<td>10.00</td>
<td>11.67</td>
<td>125.00</td>
</tr>
<tr>
<td>45. Kenya Orchards</td>
<td>0.00</td>
<td>5.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>5.00</td>
</tr>
<tr>
<td>46. Limuru Tea</td>
<td>8.50</td>
<td>650.00</td>
<td>0.00</td>
<td>8.50</td>
<td>650.00</td>
<td>16.05</td>
</tr>
<tr>
<td>47. Std Group</td>
<td>0.00</td>
<td>11.73</td>
<td>-4.33</td>
<td>-26.95</td>
<td>26.95</td>
<td>16.05</td>
</tr>
<tr>
<td>48. Williamson Tea</td>
<td>2.87</td>
<td>113.50</td>
<td>-26.50</td>
<td>-18.93</td>
<td>16.06</td>
<td>140.00</td>
</tr>
</tbody>
</table>

Qualifying companies for value & growth under P/E are displayed in italic.
### APPENDIX V

Table 4.2.1 Value (V) versus Growth (G) Returns for year 2000 under P/E

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>P/E</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>P/E</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Kenya Airways</td>
<td>1.24</td>
<td>13.55</td>
<td>Arm</td>
<td>10.04</td>
<td>-15.22</td>
</tr>
<tr>
<td>2  Nation Media</td>
<td>2.54</td>
<td>-12.96</td>
<td>Bat</td>
<td>10.38</td>
<td>4.09</td>
</tr>
<tr>
<td>3  Nic</td>
<td>4.68</td>
<td>-6.99</td>
<td>Unilever</td>
<td>10.56</td>
<td>2.82</td>
</tr>
<tr>
<td>4  Cmc Holdings</td>
<td>4.69</td>
<td>-18.64</td>
<td>Sameer</td>
<td>10.94</td>
<td>-5.36</td>
</tr>
<tr>
<td>5  Carbacid</td>
<td>5.02</td>
<td>-10.36</td>
<td>Limuru Tea</td>
<td>10.99</td>
<td>8.50</td>
</tr>
<tr>
<td>6  Eabl</td>
<td>5.07</td>
<td>0.55</td>
<td>Boc</td>
<td>11.24</td>
<td>-11.03</td>
</tr>
<tr>
<td>7  Kenya Oil</td>
<td>5.35</td>
<td>25.72</td>
<td>Sasini Tea</td>
<td>11.92</td>
<td>-12.93</td>
</tr>
<tr>
<td>8  Scb</td>
<td>5.63</td>
<td>16.22</td>
<td>Hfck</td>
<td>12.11</td>
<td>-17.02</td>
</tr>
<tr>
<td>9  E.A Cables</td>
<td>6.16</td>
<td>-2.53</td>
<td>Abauman</td>
<td>12.76</td>
<td>-1.32</td>
</tr>
<tr>
<td>10 Cfc Bank</td>
<td>6.23</td>
<td>-8.07</td>
<td>Barclays</td>
<td>13.25</td>
<td>-0.10</td>
</tr>
<tr>
<td>11 Diamond Trust</td>
<td>6.8</td>
<td>-17.71</td>
<td>Total</td>
<td>14.91</td>
<td>6.99</td>
</tr>
<tr>
<td>12 Uchumi</td>
<td>7.02</td>
<td>1.55</td>
<td>Olympic Holdings</td>
<td>35.56</td>
<td>-11.75</td>
</tr>
<tr>
<td>13 Tps Serena</td>
<td>7.36</td>
<td>4.84</td>
<td>Kapchorua</td>
<td>39.47</td>
<td>11.67</td>
</tr>
<tr>
<td>14 City Trust</td>
<td>7.45</td>
<td>-7.45</td>
<td>Bamburi</td>
<td>42.39</td>
<td>16.97</td>
</tr>
</tbody>
</table>

Table 4.2.1 showed that both portfolios resulted in losses. The mean return for value was at -1.59% compared to -1.69% for growth companies.
Table 4.2.2 Value (V) versus Growth (G) Returns for year 2001 under P/E

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>P/E</th>
<th>V - Ret (%)</th>
<th>COMPANY</th>
<th>P/E</th>
<th>G - Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kplc</td>
<td>0.8</td>
<td>-50.91</td>
<td>Bamburi</td>
<td>8.29</td>
<td>-9.14</td>
</tr>
<tr>
<td>Std Group</td>
<td>1.12</td>
<td>-44.99</td>
<td>Cmc Holdings</td>
<td>8.33</td>
<td>-37.32</td>
</tr>
<tr>
<td>E.A Portland</td>
<td>1.34</td>
<td>-2.27</td>
<td>Carbacid</td>
<td>8.81</td>
<td>-22.72</td>
</tr>
<tr>
<td>Kenya Oil</td>
<td>1.84</td>
<td>18.89</td>
<td>Arm</td>
<td>10.12</td>
<td>-12.95</td>
</tr>
<tr>
<td>Nbk</td>
<td>1.94</td>
<td>-25.77</td>
<td>E.A Cables</td>
<td>11.69</td>
<td>-5.12</td>
</tr>
<tr>
<td>Kenya Airways</td>
<td>2.57</td>
<td>13.66</td>
<td>Kcb</td>
<td>12.5</td>
<td>-26.58</td>
</tr>
<tr>
<td>Olympic Holdings</td>
<td>3.11</td>
<td>-30.49</td>
<td>Icde</td>
<td>14.02</td>
<td>3.21</td>
</tr>
<tr>
<td>Uchumi</td>
<td>3.52</td>
<td>0.77</td>
<td>Unilever</td>
<td>15.76</td>
<td>-13.14</td>
</tr>
<tr>
<td>Nation Media</td>
<td>3.7</td>
<td>-29.88</td>
<td>Diamond Trust</td>
<td>17.48</td>
<td>-36.59</td>
</tr>
<tr>
<td>Pan Afric Ins</td>
<td>3.84</td>
<td>-36.58</td>
<td>Barclays</td>
<td>19.31</td>
<td>2.22</td>
</tr>
<tr>
<td>Jubilee</td>
<td>4.61</td>
<td>-11.87</td>
<td>Rea-Vipingo</td>
<td>43.54</td>
<td>-28.92</td>
</tr>
<tr>
<td>Crown Berger</td>
<td>4.65</td>
<td>-16.32</td>
<td>Sasini Tea</td>
<td>48.9</td>
<td>-34.51</td>
</tr>
<tr>
<td>Nic</td>
<td>4.81</td>
<td>-16.15</td>
<td>Kapchorua</td>
<td>87.52</td>
<td>7.24</td>
</tr>
<tr>
<td>Scb</td>
<td>5.18</td>
<td>8.80</td>
<td>Eaagads</td>
<td>174</td>
<td>-29.90</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2001: **-15.94**
Mean Growth return for yr 2001: **-17.44**

Like year 2000, both portfolios resulted in losses. Value companies reported a mean return of -15.94% compared to -17.44% of growth companies.
## Table 4.2.4 Value (V) versus Growth (G) Returns for year 2003 under P/E

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>P/E</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>P/E</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Car&amp;Gen</td>
<td>0.99</td>
<td>290.99</td>
<td>Scb</td>
<td>16.93</td>
<td>136.56</td>
</tr>
<tr>
<td>2 Cmc Holdings</td>
<td>1.47</td>
<td>226.23</td>
<td>Iedc</td>
<td>17.62</td>
<td>10.37</td>
</tr>
<tr>
<td>3 Nation Media</td>
<td>2.62</td>
<td>117.94</td>
<td>E.A Portland</td>
<td>18.41</td>
<td>153.78</td>
</tr>
<tr>
<td>4 Barclays</td>
<td>5</td>
<td>124.60</td>
<td>Olympic Holdings</td>
<td>18.79</td>
<td>123.50</td>
</tr>
<tr>
<td>5 Kenya Oil</td>
<td>5.85</td>
<td>138.14</td>
<td>Diamond Trust</td>
<td>19.98</td>
<td>102.50</td>
</tr>
<tr>
<td>6 Nbk</td>
<td>6.61</td>
<td>159.54</td>
<td>Arm</td>
<td>20.35</td>
<td>200.63</td>
</tr>
<tr>
<td>7 Kenya Airways</td>
<td>6.64</td>
<td>-2.99</td>
<td>Sameer</td>
<td>21.07</td>
<td>35.41</td>
</tr>
<tr>
<td>8 Jubilee</td>
<td>8.46</td>
<td>115.79</td>
<td>Bat</td>
<td>24.2</td>
<td>219.09</td>
</tr>
<tr>
<td>9 Williamson Tea</td>
<td>9.52</td>
<td>-14.51</td>
<td>Hfck</td>
<td>26.73</td>
<td>54.02</td>
</tr>
<tr>
<td>10 Limuru Tea</td>
<td>11.93</td>
<td>-23.45</td>
<td>E.A Cables</td>
<td>29.52</td>
<td>31.51</td>
</tr>
<tr>
<td>11 City Trust</td>
<td>12.66</td>
<td>24.95</td>
<td>Tps Serena</td>
<td>42.03</td>
<td>32.51</td>
</tr>
<tr>
<td>12 Boc</td>
<td>12.73</td>
<td>126.84</td>
<td>Bamburi</td>
<td>42.86</td>
<td>183.03</td>
</tr>
<tr>
<td>13 Total</td>
<td>12.82</td>
<td>56.33</td>
<td>Unilever</td>
<td>51.82</td>
<td>4.33</td>
</tr>
<tr>
<td>14 Crown Berger</td>
<td>12.94</td>
<td>258.40</td>
<td>Rea-Vipingo</td>
<td>95.81</td>
<td>69.88</td>
</tr>
</tbody>
</table>

| Mean Value return for yr 2003 | 114.20 | Mean Growth return for yr 2003 | 96.94 |

Table 4.2.4 showed value companies reported higher returns of 114.20% compared to growth returns of 92.94%
### Table 4.2.3 Value (V) versus Growth (G) Returns for year 2002 under P/E

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>P/E</th>
<th>V − Ret (%)</th>
<th>COMPANY</th>
<th>P/E</th>
<th>G − Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Oil</td>
<td>1.85</td>
<td>11.73</td>
<td>E.A Portland</td>
<td>9.13</td>
<td>12.43</td>
</tr>
<tr>
<td>Crown Berger</td>
<td>2.72</td>
<td>7.14</td>
<td>Total</td>
<td>9.85</td>
<td>-35.19</td>
</tr>
<tr>
<td>Nation Media</td>
<td>2.98</td>
<td>16.34</td>
<td>Olympic Holdings</td>
<td>9.9</td>
<td>-12.28</td>
</tr>
<tr>
<td>Uchumi</td>
<td>3.01</td>
<td>-26.62</td>
<td>Sameer</td>
<td>10.46</td>
<td>-3.65</td>
</tr>
<tr>
<td>Jubilee</td>
<td>3.39</td>
<td>2.47</td>
<td>Diamond Trust</td>
<td>10.53</td>
<td>-11.39</td>
</tr>
<tr>
<td>Nbk</td>
<td>3.67</td>
<td>8.26</td>
<td>Hfck</td>
<td>10.71</td>
<td>-2.61</td>
</tr>
<tr>
<td>Eabl</td>
<td>3.88</td>
<td>22.63</td>
<td>Bamburi</td>
<td>12.93</td>
<td>27.23</td>
</tr>
<tr>
<td>Kenya Airways</td>
<td>4.17</td>
<td>9.97</td>
<td>City Trust</td>
<td>13.62</td>
<td>4.52</td>
</tr>
<tr>
<td>Icde</td>
<td>4.24</td>
<td>-19.64</td>
<td>Mumias</td>
<td>19.58</td>
<td>-26.31</td>
</tr>
<tr>
<td>Boc</td>
<td>4.95</td>
<td>-6.00</td>
<td>Unilever</td>
<td>21.28</td>
<td>-20.81</td>
</tr>
<tr>
<td>Cmc Holdings</td>
<td>5.8</td>
<td>10.80</td>
<td>Kakuzi</td>
<td>37.82</td>
<td>-44.34</td>
</tr>
<tr>
<td>Rea-Vipingo</td>
<td>6.17</td>
<td>-9.69</td>
<td>Eaagads</td>
<td>39.56</td>
<td>-10.56</td>
</tr>
<tr>
<td>Cfc Bank</td>
<td>6.36</td>
<td>2.82</td>
<td>Kenya Orchards</td>
<td>71.26</td>
<td>2.91</td>
</tr>
<tr>
<td>Bat</td>
<td>6.56</td>
<td>10.73</td>
<td>Limuru Tea</td>
<td>113.8</td>
<td>-23.72</td>
</tr>
</tbody>
</table>

| Mean Value return for yr 2002 | 2.92 |
| Mean Growth return for yr 2002 | -10.27 |

In year 2002, value companies showed a higher mean return of 2.92 compared to -10.27% of growth.
Table 4.2.5 Value (V) versus Growth (G) Returns for year 2004 under P/E

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>P/E</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>P/E</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sasini Tea</td>
<td>1.01</td>
<td>36.13</td>
<td>Kplc</td>
<td>15.3</td>
<td>196.43</td>
</tr>
<tr>
<td>2 Cmc Holdings</td>
<td>1.82</td>
<td>46.10</td>
<td>Nic</td>
<td>15.77</td>
<td>51.27</td>
</tr>
<tr>
<td>3 Kenya Airways</td>
<td>3.4</td>
<td>20.68</td>
<td>Kcb</td>
<td>16.23</td>
<td>69.33</td>
</tr>
<tr>
<td>4 Nation Media</td>
<td>3.53</td>
<td>34.92</td>
<td>Hfck</td>
<td>16.3</td>
<td>19.13</td>
</tr>
<tr>
<td>5 Rea-Vipingo</td>
<td>4.43</td>
<td>98.68</td>
<td>Bat</td>
<td>16.5</td>
<td>53.31</td>
</tr>
<tr>
<td>6 Car&amp;Gen</td>
<td>4.47</td>
<td>10.88</td>
<td>Boc</td>
<td>16.71</td>
<td>90.61</td>
</tr>
<tr>
<td>7 Mumias</td>
<td>5.83</td>
<td>123.17</td>
<td>Diamond Trust</td>
<td>16.75</td>
<td>49.87</td>
</tr>
<tr>
<td>8 Kenya Oil</td>
<td>6.07</td>
<td>-4.68</td>
<td>Scb</td>
<td>18.1</td>
<td>29.05</td>
</tr>
<tr>
<td>9 Olympic Holdings</td>
<td>6.92</td>
<td>48.55</td>
<td>Cfc Bank</td>
<td>19.29</td>
<td>117.09</td>
</tr>
<tr>
<td>10 Barclays</td>
<td>7</td>
<td>32.98</td>
<td>Bamburi</td>
<td>20.07</td>
<td>36.63</td>
</tr>
<tr>
<td>11 Jubilee</td>
<td>7.55</td>
<td>69.20</td>
<td>Limuru Tea</td>
<td>22.05</td>
<td>-2.81</td>
</tr>
<tr>
<td>12 E.A Cables</td>
<td>8.35</td>
<td>189.79</td>
<td>Total</td>
<td>28.34</td>
<td>117.48</td>
</tr>
<tr>
<td>13 Williamson Tea</td>
<td>8.71</td>
<td>28.66</td>
<td>Std Group</td>
<td>36.42</td>
<td>69.38</td>
</tr>
<tr>
<td>14 Kakuzi</td>
<td>9.36</td>
<td>89.02</td>
<td>Express</td>
<td>54.46</td>
<td>6.33</td>
</tr>
<tr>
<td><strong>Mean Value return for yr 2004</strong></td>
<td><strong>58.86</strong></td>
<td></td>
<td><strong>Mean Growth return for yr 2004</strong></td>
<td><strong>64.51</strong></td>
<td></td>
</tr>
</tbody>
</table>

Growth showed higher returns of 64.51% compared to 58.86% returns of growth companies
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>B/M</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>B/M</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Icdc</td>
<td>0.88</td>
<td>3.52</td>
<td>Kenya Orchards</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>Marshalls</td>
<td>0.98</td>
<td>-3.00</td>
<td>Abauman</td>
<td>0.12</td>
<td>-1.32</td>
</tr>
<tr>
<td>Bamburi</td>
<td>1.01</td>
<td>16.97</td>
<td>E.A Portland</td>
<td>0.15</td>
<td>-5.71</td>
</tr>
<tr>
<td>Car&amp;Gen</td>
<td>1.02</td>
<td>45.00</td>
<td>Cmc Holdings</td>
<td>0.16</td>
<td>-18.64</td>
</tr>
<tr>
<td>Kapchorua</td>
<td>1.07</td>
<td>11.67</td>
<td>Jubilee</td>
<td>0.17</td>
<td>-4.62</td>
</tr>
<tr>
<td>Nation Media</td>
<td>1.1</td>
<td>-12.96</td>
<td>Pan Afric Ins</td>
<td>0.22</td>
<td>-29.63</td>
</tr>
<tr>
<td>Std Group</td>
<td>1.2</td>
<td>-26.95</td>
<td>Kenya Airways</td>
<td>0.23</td>
<td>13.55</td>
</tr>
<tr>
<td>Bat</td>
<td>1.24</td>
<td>4.09</td>
<td>Express</td>
<td>0.26</td>
<td>-5.09</td>
</tr>
<tr>
<td>Barclays</td>
<td>1.35</td>
<td>-0.10</td>
<td>Nbk</td>
<td>0.29</td>
<td>-18.50</td>
</tr>
<tr>
<td>Sameer</td>
<td>1.49</td>
<td>-5.36</td>
<td>Arm</td>
<td>0.31</td>
<td>-15.22</td>
</tr>
<tr>
<td>Total</td>
<td>1.87</td>
<td>6.99</td>
<td>Unga</td>
<td>0.31</td>
<td>-26.12</td>
</tr>
<tr>
<td>Scb</td>
<td>1.91</td>
<td>16.22</td>
<td>Crown Berger</td>
<td>0.33</td>
<td>0.56</td>
</tr>
<tr>
<td>Uchumi</td>
<td>2.73</td>
<td>1.55</td>
<td>Keb</td>
<td>0.36</td>
<td>-9.52</td>
</tr>
<tr>
<td>Limuru Tea</td>
<td>3.18</td>
<td>8.50</td>
<td>Rea-Vipingo</td>
<td>0.37</td>
<td>-9.78</td>
</tr>
<tr>
<td><strong>Mean Value return for yr 2000</strong></td>
<td><strong>4.73</strong></td>
<td><strong>Mean Growth return for yr 2000</strong></td>
<td><strong>-9.29</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.6 showed value companies had higher returns of 4.73% compared to -9.29% of growth.
Table 4.2.7 Value (V) versus Growth (G) Returns for year 2001 under B/M

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>B/M</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>B/M</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Hfck</td>
<td>0.7</td>
<td>-28.35</td>
<td>Abauman</td>
<td>0.06</td>
<td>-18.04</td>
</tr>
<tr>
<td>2 Eabl</td>
<td>0.74</td>
<td>9.81</td>
<td>Cmc Holdings</td>
<td>0.09</td>
<td>-37.32</td>
</tr>
<tr>
<td>3 Eaagads</td>
<td>0.85</td>
<td>-29.90</td>
<td>Jubilee</td>
<td>0.15</td>
<td>-11.87</td>
</tr>
<tr>
<td>4 Total</td>
<td>0.88</td>
<td>-28.33</td>
<td>E.A Portland</td>
<td>0.15</td>
<td>-2.27</td>
</tr>
<tr>
<td>5 Sameer</td>
<td>0.89</td>
<td>-18.44</td>
<td>Crown Berger</td>
<td>0.18</td>
<td>-16.32</td>
</tr>
<tr>
<td>6 Icde</td>
<td>0.97</td>
<td>3.21</td>
<td>Unga</td>
<td>0.19</td>
<td>-51.42</td>
</tr>
<tr>
<td>7 Kapchorua</td>
<td>0.97</td>
<td>7.24</td>
<td>Kenya Airways</td>
<td>0.21</td>
<td>13.66</td>
</tr>
<tr>
<td>8 Bat</td>
<td>1.05</td>
<td>-4.53</td>
<td>Rea-Vipingo</td>
<td>0.28</td>
<td>-28.92</td>
</tr>
<tr>
<td>9 Nation Media</td>
<td>1.08</td>
<td>-29.88</td>
<td>Kcb</td>
<td>0.3</td>
<td>-26.58</td>
</tr>
<tr>
<td>10 Std Group</td>
<td>1.1</td>
<td>-44.99</td>
<td>Kakazi</td>
<td>0.31</td>
<td>-35.92</td>
</tr>
<tr>
<td>11 Barclays</td>
<td>1.18</td>
<td>2.22</td>
<td>City Trust</td>
<td>0.33</td>
<td>-4.43</td>
</tr>
<tr>
<td>12 Scb</td>
<td>2.07</td>
<td>8.80</td>
<td>Nbk</td>
<td>0.34</td>
<td>-25.77</td>
</tr>
<tr>
<td>13 Uchumi</td>
<td>2.91</td>
<td>0.77</td>
<td>Arm</td>
<td>0.35</td>
<td>-12.95</td>
</tr>
<tr>
<td>14 Limuru Tea</td>
<td>6.59</td>
<td>-19.69</td>
<td>Kenya Oil</td>
<td>0.35</td>
<td>18.89</td>
</tr>
<tr>
<td><strong>Mean Value return for yr 2001</strong></td>
<td><strong>-12.29</strong></td>
<td></td>
<td><strong>Mean Growth return for yr 2001</strong></td>
<td><strong>-17.09</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.7 showed Value had a mean return of -12.29% compared to -17.09% of growth
Table 4.2.8 Value (V) versus Growth (G) Returns for year 2002 under B/M

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>B/M</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>B/M</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Eabl</td>
<td>0.73</td>
<td>22.63</td>
<td>Kplc</td>
<td>0.03</td>
<td>-53.07</td>
</tr>
<tr>
<td>2 Marshalls</td>
<td>0.75</td>
<td>-12.44</td>
<td>Abauman</td>
<td>0.09</td>
<td>-24.94</td>
</tr>
<tr>
<td>3 Eaaagads</td>
<td>0.79</td>
<td>-10.56</td>
<td>Unga</td>
<td>0.11</td>
<td>-48.81</td>
</tr>
<tr>
<td>4 Kapchorua</td>
<td>1.01</td>
<td>-4.12</td>
<td>Jubilee</td>
<td>0.13</td>
<td>2.47</td>
</tr>
<tr>
<td>5 Total</td>
<td>1.04</td>
<td>-35.19</td>
<td>Kakuzi</td>
<td>0.17</td>
<td>-44.34</td>
</tr>
<tr>
<td>6 Uchumi</td>
<td>1.07</td>
<td>-26.62</td>
<td>Cmc Holdings</td>
<td>0.17</td>
<td>10.80</td>
</tr>
<tr>
<td>7 Sameer</td>
<td>1.13</td>
<td>-3.65</td>
<td>E.A Portland</td>
<td>0.17</td>
<td>12.43</td>
</tr>
<tr>
<td>8 Bat</td>
<td>1.14</td>
<td>10.73</td>
<td>Mumias</td>
<td>0.18</td>
<td>-26.31</td>
</tr>
<tr>
<td>9 Bamburi</td>
<td>1.24</td>
<td>27.23</td>
<td>Pan Afric Ins</td>
<td>0.2</td>
<td>-16.60</td>
</tr>
<tr>
<td>10 Kenya Orchards</td>
<td>1.38</td>
<td>2.91</td>
<td>Williamson Tea</td>
<td>0.21</td>
<td>-18.27</td>
</tr>
<tr>
<td>11 Barclays</td>
<td>1.87</td>
<td>26.14</td>
<td>Rea-Vipingo</td>
<td>0.23</td>
<td>-9.69</td>
</tr>
<tr>
<td>12 Nation Media</td>
<td>1.88</td>
<td>16.34</td>
<td>Express</td>
<td>0.23</td>
<td>-39.17</td>
</tr>
<tr>
<td>13 Scb</td>
<td>2.69</td>
<td>26.26</td>
<td>Kenya Airways</td>
<td>0.24</td>
<td>9.97</td>
</tr>
<tr>
<td>14 Limuru Tea</td>
<td>5.93</td>
<td>-23.72</td>
<td>Crown Berger</td>
<td>0.24</td>
<td>7.14</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2002: **1.14**
Mean Growth return for yr 2002: **-17.03**

Table 4.2.8 showed Value had higher returns of 1.14% compared to -17.03% of growth.
Table 4.2.9 Value (V) versus Growth (G) Returns for year 2003 under B/M

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>B/M</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>B/M</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Boc</td>
<td>1.73</td>
<td>126.84</td>
<td>Abauman</td>
<td>0.07</td>
<td>-9.09</td>
</tr>
<tr>
<td>2 Eabl</td>
<td>1.78</td>
<td>95.74</td>
<td>Kplc</td>
<td>0.13</td>
<td>7.26</td>
</tr>
<tr>
<td>3 Pan Afric Ins</td>
<td>1.87</td>
<td>51.74</td>
<td>Kenya Airways</td>
<td>0.15</td>
<td>-2.99</td>
</tr>
<tr>
<td>4 Diamond Trust</td>
<td>2.06</td>
<td>102.50</td>
<td>Kakuzi</td>
<td>0.17</td>
<td>-42.15</td>
</tr>
<tr>
<td>5 Carbacid</td>
<td>2.16</td>
<td>120.94</td>
<td>Williamson Tea</td>
<td>0.2</td>
<td>-14.51</td>
</tr>
<tr>
<td>6 Uchumi</td>
<td>2.71</td>
<td>-22.14</td>
<td>Sasini Tea</td>
<td>0.24</td>
<td>-7.58</td>
</tr>
<tr>
<td>7 Bamburi</td>
<td>3.29</td>
<td>183.03</td>
<td>Mumias</td>
<td>0.26</td>
<td>-33.33</td>
</tr>
<tr>
<td>8 Nation Media</td>
<td>3.67</td>
<td>117.94</td>
<td>Express</td>
<td>0.31</td>
<td>2.27</td>
</tr>
<tr>
<td>9 Limuru Tea</td>
<td>3.91</td>
<td>-23.45</td>
<td>Jubilee</td>
<td>0.32</td>
<td>115.79</td>
</tr>
<tr>
<td>10 Car&amp;Gen</td>
<td>4.01</td>
<td>290.99</td>
<td>Unga</td>
<td>0.33</td>
<td>36.29</td>
</tr>
<tr>
<td>11 Barclays</td>
<td>5.18</td>
<td>124.60</td>
<td>Marshalls</td>
<td>0.43</td>
<td>-33.47</td>
</tr>
<tr>
<td>12 Bat</td>
<td>5.74</td>
<td>219.09</td>
<td>City Trust</td>
<td>0.43</td>
<td>24.95</td>
</tr>
<tr>
<td>13 Seb</td>
<td>7.33</td>
<td>136.56</td>
<td>Rea-Vipingo</td>
<td>0.47</td>
<td>69.88</td>
</tr>
<tr>
<td>14 Std Group</td>
<td>9.3</td>
<td>229.87</td>
<td>Kapchorua</td>
<td>0.6</td>
<td>1.66</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2003 **125.30**
Mean Growth return for yr 2003 **8.21**

Table 4.2.9 showed Value companies had higher mean return of 125.3% compared to 8.21% of growth.
Table 4.2.10 Value (V) versus Growth (G) Returns for year 2004 under B/M

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>B/M</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>B/M</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sameer</td>
<td>1.64</td>
<td>26.45</td>
<td>Abauman</td>
<td>0.11</td>
<td>-5.17</td>
</tr>
<tr>
<td>2 Diamond Trust</td>
<td>1.94</td>
<td>49.87</td>
<td>Kenya Airways</td>
<td>0.2</td>
<td>20.68</td>
</tr>
<tr>
<td>3 Uchumi</td>
<td>2</td>
<td>1.86</td>
<td>Sasini Tea</td>
<td>0.21</td>
<td>36.13</td>
</tr>
<tr>
<td>4 Boc</td>
<td>2.23</td>
<td>90.61</td>
<td>Williamson Tea</td>
<td>0.23</td>
<td>28.66</td>
</tr>
<tr>
<td>5 Bamburi</td>
<td>2.69</td>
<td>36.63</td>
<td>Kplc</td>
<td>0.29</td>
<td>196.43</td>
</tr>
<tr>
<td>6 Eabl</td>
<td>2.9</td>
<td>121.34</td>
<td>Kapchorua</td>
<td>0.42</td>
<td>-9.75</td>
</tr>
<tr>
<td>7 E.A Cables</td>
<td>3.06</td>
<td>189.79</td>
<td>Unga</td>
<td>0.43</td>
<td>64.40</td>
</tr>
<tr>
<td>8 Nation Media</td>
<td>3.17</td>
<td>34.92</td>
<td>Kakuzi</td>
<td>0.44</td>
<td>89.02</td>
</tr>
<tr>
<td>9 Barclays</td>
<td>3.27</td>
<td>32.98</td>
<td>City Trust</td>
<td>0.61</td>
<td>53.30</td>
</tr>
<tr>
<td>10 Total</td>
<td>3.61</td>
<td>117.48</td>
<td>Mumias</td>
<td>0.63</td>
<td>123.17</td>
</tr>
<tr>
<td>11 Limuru Tea</td>
<td>3.8</td>
<td>-2.81</td>
<td>E.A Portland</td>
<td>0.67</td>
<td>63.25</td>
</tr>
<tr>
<td>12 Bat</td>
<td>4.58</td>
<td>53.31</td>
<td>Olympic Holdings</td>
<td>0.72</td>
<td>48.55</td>
</tr>
<tr>
<td>13 Seb</td>
<td>5.47</td>
<td>29.05</td>
<td>Rea-Viping0</td>
<td>0.73</td>
<td>98.68</td>
</tr>
<tr>
<td>14 Std Group</td>
<td>6.7</td>
<td>69.38</td>
<td>Eagramds</td>
<td>0.73</td>
<td>-5.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mean Value return for yr 2004</th>
<th>Mean Growth return for yr 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60.78</td>
<td>57.26</td>
</tr>
</tbody>
</table>

Table 4.2.10 showed Value had higher returns of 60.78% compared to 57.26% of growth.
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>C/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>C/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Diamond Trust</td>
<td>1.463</td>
<td>-17.71</td>
<td>Kplc</td>
<td>-42.35</td>
<td>-23.33</td>
</tr>
<tr>
<td>2 Nic</td>
<td>2.009</td>
<td>-6.99</td>
<td>Nbk</td>
<td>-11.03</td>
<td>-18.50</td>
</tr>
<tr>
<td>3 Uchumi</td>
<td>2.345</td>
<td>1.55</td>
<td>Unga</td>
<td>-9.81</td>
<td>-26.12</td>
</tr>
<tr>
<td>4 Icdd</td>
<td>2.96</td>
<td>3.52</td>
<td>Std Group</td>
<td>-7.33</td>
<td>-26.95</td>
</tr>
<tr>
<td>5 Unilever</td>
<td>3.188</td>
<td>2.82</td>
<td>Marshall</td>
<td>-7.24</td>
<td>-3.00</td>
</tr>
<tr>
<td>6 Total</td>
<td>3.69</td>
<td>6.99</td>
<td>E.A Portland</td>
<td>-4.66</td>
<td>-5.71</td>
</tr>
<tr>
<td>7 Nation Media</td>
<td>3.933</td>
<td>-12.96</td>
<td>Kcb</td>
<td>-4.14</td>
<td>-9.52</td>
</tr>
<tr>
<td>8 Limuru Tea</td>
<td>4.138</td>
<td>8.50</td>
<td>Scb</td>
<td>-2.2</td>
<td>16.22</td>
</tr>
<tr>
<td>9 Cme Holdings</td>
<td>4.3</td>
<td>-18.64</td>
<td>Bat</td>
<td>-2.099</td>
<td>4.09</td>
</tr>
<tr>
<td>10 Kenya Airways</td>
<td>4.764</td>
<td>13.55</td>
<td>Kakuzi</td>
<td>-1.839</td>
<td>-17.66</td>
</tr>
<tr>
<td>11 Eabl</td>
<td>5.422</td>
<td>0.55</td>
<td>Pan Afric Ins</td>
<td>-1.36</td>
<td>-29.63</td>
</tr>
<tr>
<td>12 Williamson Tea</td>
<td>6.43</td>
<td>-16.06</td>
<td>Eaagads</td>
<td>-1.33</td>
<td>-20.41</td>
</tr>
<tr>
<td>13 Carbacid</td>
<td>7.034</td>
<td>-10.36</td>
<td>Express</td>
<td>-1.24</td>
<td>-5.09</td>
</tr>
<tr>
<td>14 Kenya Oil</td>
<td>9.09</td>
<td>25.72</td>
<td>Rea-Vipingo</td>
<td>-0.57</td>
<td>-9.78</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2000  | **-1.39**  | Mean Growth return for yr 2000 | **-12.53**

Table 4.2.11 showed value had mean return of -1.39 compared to -12.53% of growth.
Table 4.2.12 Value (V) versus Growth (G) Returns for year 2001 under C/P

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>C/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>C/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nie</td>
<td>1.529</td>
<td>-16.15</td>
<td>Kplc</td>
<td>-36.36</td>
<td>-50.91</td>
</tr>
<tr>
<td>Olympic Holdings</td>
<td>1.61</td>
<td>-30.49</td>
<td>Marshalls</td>
<td>-21.45</td>
<td>-13.81</td>
</tr>
<tr>
<td>Jubilee</td>
<td>1.618</td>
<td>-11.87</td>
<td>Express</td>
<td>-6.55</td>
<td>-28.25</td>
</tr>
<tr>
<td>Kenya Airways</td>
<td>1.676</td>
<td>13.66</td>
<td>Limuru Tea</td>
<td>-4.97</td>
<td>-19.69</td>
</tr>
<tr>
<td>Barclays</td>
<td>1.92</td>
<td>2.22</td>
<td>Kakuzi</td>
<td>-2.31</td>
<td>-35.92</td>
</tr>
<tr>
<td>Cmc Holdings</td>
<td>2.83</td>
<td>-37.32</td>
<td>Bat</td>
<td>-1.872</td>
<td>-4.53</td>
</tr>
<tr>
<td>Nation Media</td>
<td>3.216</td>
<td>-29.88</td>
<td>Abauman</td>
<td>-1.668</td>
<td>-18.04</td>
</tr>
<tr>
<td>Pan Afric Ins</td>
<td>3.41</td>
<td>-36.58</td>
<td>Hfck</td>
<td>-1.62</td>
<td>-28.35</td>
</tr>
<tr>
<td>Std Group</td>
<td>4.9</td>
<td>-44.99</td>
<td>Unga</td>
<td>-1.07</td>
<td>-51.42</td>
</tr>
<tr>
<td>Eabl</td>
<td>5.952</td>
<td>9.81</td>
<td>Kapchorua</td>
<td>-0.896</td>
<td>7.24</td>
</tr>
<tr>
<td>E.A Portland</td>
<td>7.198</td>
<td>-2.27</td>
<td>Sasini Tea</td>
<td>-0.588</td>
<td>-34.51</td>
</tr>
<tr>
<td>Williamson Tea</td>
<td>10.58</td>
<td>-12.62</td>
<td>Eaagads</td>
<td>-0.389</td>
<td>-29.90</td>
</tr>
<tr>
<td>Kenya Oil</td>
<td>29.77</td>
<td>18.89</td>
<td>E.A Cables</td>
<td>-0.316</td>
<td>-5.12</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2001  **-13.62**  Mean Growth return for yr 2001  **-24.40**

Table 4.2.12 showed value returns had higher mean return of -13.62% compared to -24.4% of growth.
Table 4.2.13 Value (V) versus Growth (G) Returns for year 2002 under C/P

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>C/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>C/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cfe Bank</td>
<td>0.783</td>
<td>2.82</td>
<td>Kplc</td>
<td>-23.75</td>
<td>-53.07</td>
</tr>
<tr>
<td>Nbk</td>
<td>0.99</td>
<td>8.26</td>
<td>Kcb</td>
<td>-20.06</td>
<td>-20.31</td>
</tr>
<tr>
<td>Boc</td>
<td>1.026</td>
<td>-6.00</td>
<td>ABAuman</td>
<td>-12.52</td>
<td>-24.94</td>
</tr>
<tr>
<td>Kenya Airways</td>
<td>1.278</td>
<td>9.97</td>
<td>Kapchorua</td>
<td>-4.036</td>
<td>-4.12</td>
</tr>
<tr>
<td>Tps Serena</td>
<td>1.644</td>
<td>15.55</td>
<td>Williamson Tea</td>
<td>-3.561</td>
<td>-18.27</td>
</tr>
<tr>
<td>Marshalls</td>
<td>2.03</td>
<td>-12.44</td>
<td>Unga</td>
<td>-2.2</td>
<td>-48.81</td>
</tr>
<tr>
<td>Iedc</td>
<td>2.464</td>
<td>-19.64</td>
<td>Std Group</td>
<td>-0.94</td>
<td>15.50</td>
</tr>
<tr>
<td>Carbacid</td>
<td>2.613</td>
<td>-9.34</td>
<td>E.A Cables</td>
<td>-0.783</td>
<td>5.16</td>
</tr>
<tr>
<td>Jubilee</td>
<td>2.833</td>
<td>2.47</td>
<td>Bat</td>
<td>-0.741</td>
<td>10.73</td>
</tr>
<tr>
<td>Nation Media</td>
<td>5.059</td>
<td>16.34</td>
<td>City Trust</td>
<td>-0.704</td>
<td>4.52</td>
</tr>
<tr>
<td>Cmc Holdings</td>
<td>5.291</td>
<td>10.80</td>
<td>Sasini Tea</td>
<td>-0.673</td>
<td>-35.72</td>
</tr>
<tr>
<td>Eabl</td>
<td>9.789</td>
<td>22.63</td>
<td>Pan Afric Ins</td>
<td>-0.33</td>
<td>-16.60</td>
</tr>
<tr>
<td>Kenya Oil</td>
<td>34.16</td>
<td>11.73</td>
<td>Sameer</td>
<td>-0.166</td>
<td>-3.65</td>
</tr>
<tr>
<td><strong>Mean Value return for yr 2002</strong></td>
<td><strong>4.31</strong></td>
<td><strong>Mean Growth return for yr 2002</strong></td>
<td><strong>-16.34</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.13 showed value companies had higher returns of 4.31% compared to -16.34% of growth.
Table 4.2.14 Value (V) versus Growth (G) Returns for year 2003 under C/P

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>C/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>C/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cfc Bank</td>
<td>1.643</td>
<td>134.42</td>
<td>Kplc</td>
<td>-38.56</td>
<td>7.26</td>
</tr>
<tr>
<td>2 Nbk</td>
<td>2.02</td>
<td>159.54</td>
<td>Carbacid</td>
<td>-15.31</td>
<td>120.94</td>
</tr>
<tr>
<td>3 Car&amp;Gen</td>
<td>2.051</td>
<td>290.99</td>
<td>Express</td>
<td>-14.2</td>
<td>2.27</td>
</tr>
<tr>
<td>4 Kcb</td>
<td>2.243</td>
<td>114.74</td>
<td>Unilever</td>
<td>-4.712</td>
<td>4.33</td>
</tr>
<tr>
<td>5 Barclays</td>
<td>2.475</td>
<td>124.60</td>
<td>Unga</td>
<td>-4.3</td>
<td>36.29</td>
</tr>
<tr>
<td>6 Scb</td>
<td>2.82</td>
<td>136.56</td>
<td>Uchumi</td>
<td>-3.28</td>
<td>-22.14</td>
</tr>
<tr>
<td>7 Limuru Tea</td>
<td>3.353</td>
<td>-23.45</td>
<td>Sasini Tea</td>
<td>-1.77</td>
<td>-7.58</td>
</tr>
<tr>
<td>8 Boc</td>
<td>3.441</td>
<td>126.84</td>
<td>Eabl</td>
<td>-1.238</td>
<td>95.74</td>
</tr>
<tr>
<td>9 Williamson Tea</td>
<td>3.602</td>
<td>-14.51</td>
<td>Bat</td>
<td>-1.14</td>
<td>219.09</td>
</tr>
<tr>
<td>10 Jubilee</td>
<td>3.664</td>
<td>115.79</td>
<td>Kenya Orchards</td>
<td>-0.89</td>
<td>0.00</td>
</tr>
<tr>
<td>11 Kapchorua</td>
<td>5.162</td>
<td>1.66</td>
<td>Std Group</td>
<td>-0.76</td>
<td>229.87</td>
</tr>
<tr>
<td>12 Cmc Holdings</td>
<td>6.29</td>
<td>226.23</td>
<td>Abauman</td>
<td>-0.63</td>
<td>-9.09</td>
</tr>
<tr>
<td>13 Nation Media</td>
<td>6.311</td>
<td>117.94</td>
<td>Kakuzi</td>
<td>-0.6</td>
<td>-42.15</td>
</tr>
<tr>
<td>14 Kenya Oil</td>
<td>35.81</td>
<td>138.14</td>
<td>City Trust</td>
<td>-0.598</td>
<td>24.95</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2003 117.82
Mean Growth return for yr 2003 47.13

Table 4.2.14 showed value companies reported a higher mean return of 117.82% compared to 47.13% of growth.
Table 4.2.15 showed value returns with higher mean return of 70.09% compared to 24.91% of growth.
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>D/P</th>
<th>V - Ret (%)</th>
<th>COMPANY</th>
<th>D/P</th>
<th>G - Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Tps Serena</td>
<td>6.96</td>
<td>4.84</td>
<td>Kakuzi</td>
<td>0.73</td>
<td>-17.66</td>
</tr>
<tr>
<td>2 Abauman</td>
<td>6.99</td>
<td>-1.32</td>
<td>Kapchorua</td>
<td>1.67</td>
<td>11.67</td>
</tr>
<tr>
<td>3 Uchumi</td>
<td>8.01</td>
<td>1.55</td>
<td>Bamburi</td>
<td>2.21</td>
<td>16.97</td>
</tr>
<tr>
<td>4 Boc</td>
<td>8.26</td>
<td>-11.03</td>
<td>Williamson Tea</td>
<td>2.87</td>
<td>-16.06</td>
</tr>
<tr>
<td>5 Limuru Tea</td>
<td>8.5</td>
<td>8.50</td>
<td>Cmc Holdings</td>
<td>3.17</td>
<td>-18.64</td>
</tr>
<tr>
<td>6 Eabl</td>
<td>8.56</td>
<td>0.55</td>
<td>Kplc</td>
<td>3.88</td>
<td>-23.33</td>
</tr>
<tr>
<td>7 Sameer</td>
<td>8.7</td>
<td>-5.36</td>
<td>Icde</td>
<td>4.04</td>
<td>3.52</td>
</tr>
<tr>
<td>8 Jubilee</td>
<td>9.46</td>
<td>-4.62</td>
<td>Diamond Trust</td>
<td>4.29</td>
<td>-17.71</td>
</tr>
<tr>
<td>9 Nic</td>
<td>10.14</td>
<td>-6.99</td>
<td>Kenya Oil</td>
<td>5.29</td>
<td>25.72</td>
</tr>
<tr>
<td>10 E.A Cables</td>
<td>11.89</td>
<td>-2.53</td>
<td>Crown Berger</td>
<td>5.56</td>
<td>0.56</td>
</tr>
<tr>
<td>11 Nation Media</td>
<td>12.11</td>
<td>-12.96</td>
<td>Carbacid</td>
<td>5.61</td>
<td>-10.36</td>
</tr>
<tr>
<td>12 Bat</td>
<td>15.06</td>
<td>4.09</td>
<td>Sasini Tea</td>
<td>5.76</td>
<td>-12.93</td>
</tr>
<tr>
<td>13 Kenya Airways</td>
<td>16.67</td>
<td>13.55</td>
<td>Unilever</td>
<td>6.19</td>
<td>2.82</td>
</tr>
<tr>
<td>14 Scb</td>
<td>22.22</td>
<td>16.22</td>
<td>Olympic Holdings</td>
<td>6.25</td>
<td>-11.75</td>
</tr>
<tr>
<td>Mean Value return for yr 2000</td>
<td><strong>0.32</strong></td>
<td></td>
<td>Mean Growth return for yr 2000</td>
<td><strong>-4.80</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.16 showed value companies reported a mean return of 0.32% compared to -4.80% of growth.
Table 4.2.17 showed value companies reported a mean return of 2.49% compared to -14.45% of growth.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>D/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>D/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown Berger</td>
<td>10</td>
<td>-16.32</td>
<td>Kapchorua</td>
<td>1.79</td>
<td>7.24</td>
</tr>
<tr>
<td>Nic</td>
<td>10.67</td>
<td>-16.15</td>
<td>Eaagads</td>
<td>2.44</td>
<td>-29.90</td>
</tr>
<tr>
<td>Kenya Oil</td>
<td>10.95</td>
<td>18.89</td>
<td>Cmc Holdings</td>
<td>2.52</td>
<td>-37.32</td>
</tr>
<tr>
<td>Mumias</td>
<td>11.18</td>
<td>111.18</td>
<td>Unilever</td>
<td>2.78</td>
<td>-13.14</td>
</tr>
<tr>
<td>Jubilee</td>
<td>11.29</td>
<td>-11.87</td>
<td>Iedc</td>
<td>4.26</td>
<td>3.21</td>
</tr>
<tr>
<td>Boc</td>
<td>11.83</td>
<td>-23.57</td>
<td>Diamond Trust</td>
<td>4.44</td>
<td>-36.59</td>
</tr>
<tr>
<td>E.A Cables</td>
<td>11.96</td>
<td>-5.12</td>
<td>Barclays</td>
<td>4.54</td>
<td>2.22</td>
</tr>
<tr>
<td>City Trust</td>
<td>12.35</td>
<td>-4.43</td>
<td>Arm</td>
<td>5</td>
<td>-12.95</td>
</tr>
<tr>
<td>Sameer</td>
<td>14.29</td>
<td>-18.44</td>
<td>Williamson Tea</td>
<td>5</td>
<td>-12.62</td>
</tr>
<tr>
<td>Abauman</td>
<td>14.39</td>
<td>-18.04</td>
<td>Sasini Tea</td>
<td>5.05</td>
<td>-34.51</td>
</tr>
<tr>
<td>Bat</td>
<td>16.12</td>
<td>-4.53</td>
<td>Tps Serena</td>
<td>6.47</td>
<td>8.02</td>
</tr>
<tr>
<td>Seb</td>
<td>17.55</td>
<td>8.80</td>
<td>Cfc Bank</td>
<td>7.44</td>
<td>-14.16</td>
</tr>
<tr>
<td>Uchumi</td>
<td>30.61</td>
<td>0.77</td>
<td>Carbacid</td>
<td>7.86</td>
<td>-22.72</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2001: **2.49**
Mean Growth return for yr 2001: **-14.45**
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>D/P</th>
<th>V – Ret (%)</th>
<th>COMPANY</th>
<th>D/P</th>
<th>G – Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Icde</td>
<td>10.52</td>
<td>-19.64</td>
<td>Kapchorua</td>
<td>0.36</td>
<td>-4.12</td>
</tr>
<tr>
<td>Eabl</td>
<td>10.91</td>
<td>22.63</td>
<td>Limuru Tea</td>
<td>0.8</td>
<td>-23.72</td>
</tr>
<tr>
<td>Nation Media</td>
<td>11.12</td>
<td>16.34</td>
<td>Williamson Tea</td>
<td>0.98</td>
<td>-18.27</td>
</tr>
<tr>
<td>Jubilee</td>
<td>11.29</td>
<td>2.47</td>
<td>Eaagads</td>
<td>2.63</td>
<td>-10.56</td>
</tr>
<tr>
<td>City Trust</td>
<td>11.43</td>
<td>4.52</td>
<td>Cmc Holdings</td>
<td>2.74</td>
<td>10.80</td>
</tr>
<tr>
<td>Sameer</td>
<td>11.49</td>
<td>-3.65</td>
<td>Sasini Tea</td>
<td>3.79</td>
<td>-35.72</td>
</tr>
<tr>
<td>Kenya Oil</td>
<td>11.73</td>
<td>11.73</td>
<td>Mumias</td>
<td>4</td>
<td>-26.31</td>
</tr>
<tr>
<td>E.A Portland</td>
<td>12</td>
<td>12.43</td>
<td>Unilever</td>
<td>4.63</td>
<td>-20.81</td>
</tr>
<tr>
<td>Scb</td>
<td>13.31</td>
<td>26.26</td>
<td>E.A Cables</td>
<td>5.43</td>
<td>5.16</td>
</tr>
<tr>
<td>Boc</td>
<td>16.26</td>
<td>-6.00</td>
<td>Tps Serena</td>
<td>5.79</td>
<td>15.55</td>
</tr>
<tr>
<td>Bat</td>
<td>16.67</td>
<td>10.73</td>
<td>Diamond Trust</td>
<td>6</td>
<td>-11.39</td>
</tr>
<tr>
<td>Uchumi</td>
<td>20.05</td>
<td>-26.62</td>
<td>Carbacid</td>
<td>6.43</td>
<td>-9.34</td>
</tr>
<tr>
<td>Crown Berger</td>
<td>21.43</td>
<td>7.14</td>
<td>Cfc Bank</td>
<td>7.28</td>
<td>2.82</td>
</tr>
<tr>
<td>Car&amp;Gen</td>
<td>29.9</td>
<td>-31.03</td>
<td>Kenya Airways</td>
<td>7.64</td>
<td>9.97</td>
</tr>
<tr>
<td>Mean Value return for yr 2002</td>
<td><strong>1.95</strong></td>
<td></td>
<td>Mean Growth return for yr 2002</td>
<td><strong>-8.28</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.18 showed value companies reported a mean return of 1.95% compared to -8.28% of growth.
Table 4.2.19 Value (V) versus Growth (G) Returns for year 2003 under D/P

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>D/P</th>
<th>V - Ret (%)</th>
<th>COMPANY</th>
<th>D/P</th>
<th>G - Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Eabl</td>
<td>5.31</td>
<td>95.74</td>
<td>Kcb</td>
<td>1.85</td>
<td>114.74</td>
</tr>
<tr>
<td>2 Williamson Tea</td>
<td>5.36</td>
<td>-14.51</td>
<td>Kenya Oil</td>
<td>2.02</td>
<td>138.14</td>
</tr>
<tr>
<td>3 Limuru Tea</td>
<td>6.25</td>
<td>-23.45</td>
<td>Bamburi</td>
<td>2.22</td>
<td>183.03</td>
</tr>
<tr>
<td>4 Total</td>
<td>6.63</td>
<td>56.33</td>
<td>Arm</td>
<td>2.35</td>
<td>200.63</td>
</tr>
<tr>
<td>5 E.A Cables</td>
<td>7.33</td>
<td>31.51</td>
<td>Diamond Trust</td>
<td>2.5</td>
<td>102.50</td>
</tr>
<tr>
<td>6 Rea-Vipingo</td>
<td>7.77</td>
<td>69.88</td>
<td>Cíc Bank</td>
<td>2.55</td>
<td>134.42</td>
</tr>
<tr>
<td>7 Kenya Airways</td>
<td>8.7</td>
<td>-2.99</td>
<td>Kapchorua</td>
<td>2.74</td>
<td>1.66</td>
</tr>
<tr>
<td>8 Unilever</td>
<td>9.09</td>
<td>4.33</td>
<td>E.A Portland</td>
<td>3.78</td>
<td>153.78</td>
</tr>
<tr>
<td>9 Cmc Holdings</td>
<td>9.33</td>
<td>226.23</td>
<td>Marshalls</td>
<td>3.95</td>
<td>-33.47</td>
</tr>
<tr>
<td>10 City Trust</td>
<td>10.71</td>
<td>24.95</td>
<td>Tps Serena</td>
<td>4.04</td>
<td>32.51</td>
</tr>
<tr>
<td>11 Barclays</td>
<td>16.94</td>
<td>124.60</td>
<td>Sameer</td>
<td>4.2</td>
<td>35.41</td>
</tr>
<tr>
<td>12 Nation Media</td>
<td>16.95</td>
<td>117.94</td>
<td>Crown Berger</td>
<td>4.23</td>
<td>258.40</td>
</tr>
<tr>
<td>13 Carbacid</td>
<td>22</td>
<td>120.94</td>
<td>Icde</td>
<td>4.31</td>
<td>10.37</td>
</tr>
<tr>
<td>14 Car&amp;Gen</td>
<td>24.97</td>
<td>290.99</td>
<td>Boc</td>
<td>4.37</td>
<td>126.84</td>
</tr>
</tbody>
</table>

Mean Value return for yr 2003 **80.18** Mean Growth return for yr 2003 **104.21**

Table 4.2.9 showed value companies reported a mean return of 80.18% compared to 104.21% of growth.
Table 4.2.20 Value (V) versus Growth (G) Returns for year 2004 under D/P

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>D/P</th>
<th>V - Ret (%)</th>
<th>COMPANY</th>
<th>D/P</th>
<th>G - Ret (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 E.A Cables</td>
<td>6.86</td>
<td>189.79</td>
<td>Cfc Bank</td>
<td>1.45</td>
<td>117.09</td>
</tr>
<tr>
<td>2 Kenya Airways</td>
<td>7.81</td>
<td>20.68</td>
<td>Tps Serena</td>
<td>2.33</td>
<td>63.41</td>
</tr>
<tr>
<td>3 Sameer</td>
<td>8</td>
<td>26.45</td>
<td>Kakuzi</td>
<td>2.5</td>
<td>89.02</td>
</tr>
<tr>
<td>4 Bat</td>
<td>8.25</td>
<td>53.31</td>
<td>Diamond Trust</td>
<td>2.5</td>
<td>49.87</td>
</tr>
<tr>
<td>5 Rea-Vipingo</td>
<td>8.42</td>
<td>98.68</td>
<td>Total</td>
<td>2.68</td>
<td>117.48</td>
</tr>
<tr>
<td>6 Unilever</td>
<td>8.84</td>
<td>39.26</td>
<td>Kcb</td>
<td>3.13</td>
<td>69.33</td>
</tr>
<tr>
<td>7 Car&amp;Gen</td>
<td>9.14</td>
<td>10.88</td>
<td>Boc</td>
<td>3.28</td>
<td>90.61</td>
</tr>
<tr>
<td>8 Cmc Holdings</td>
<td>10.16</td>
<td>46.10</td>
<td>Carbacid</td>
<td>3.45</td>
<td>60.47</td>
</tr>
<tr>
<td>9 Barclays</td>
<td>11.03</td>
<td>32.98</td>
<td>E.A Portland</td>
<td>3.68</td>
<td>63.25</td>
</tr>
<tr>
<td>10 Marshalls</td>
<td>11.32</td>
<td>-3.29</td>
<td>Kapchorua</td>
<td>3.75</td>
<td>-9.75</td>
</tr>
<tr>
<td>11 Mumias</td>
<td>12.15</td>
<td>123.17</td>
<td>Eabl</td>
<td>3.84</td>
<td>121.34</td>
</tr>
<tr>
<td>12 Sasini Tea</td>
<td>12.2</td>
<td>36.13</td>
<td>Kenya Oil</td>
<td>3.96</td>
<td>-4.68</td>
</tr>
<tr>
<td>13 Nation Media</td>
<td>14.17</td>
<td>34.92</td>
<td>Limuru Tea</td>
<td>4.23</td>
<td>-2.81</td>
</tr>
<tr>
<td>14 City Trust</td>
<td>20.83</td>
<td>53.30</td>
<td>Jubilee</td>
<td>4.31</td>
<td>69.20</td>
</tr>
<tr>
<td>Mean Value return for yr 2004</td>
<td><strong>54.45</strong></td>
<td>Mean Growth return for yr 2004</td>
<td><strong>63.84</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2.20 showed value companies reported a mean return of 54.45% compared to 63.84% of growth.

Note: In all the cases, V- Ret stand for Value returns and G- Ret stand for Growth returns