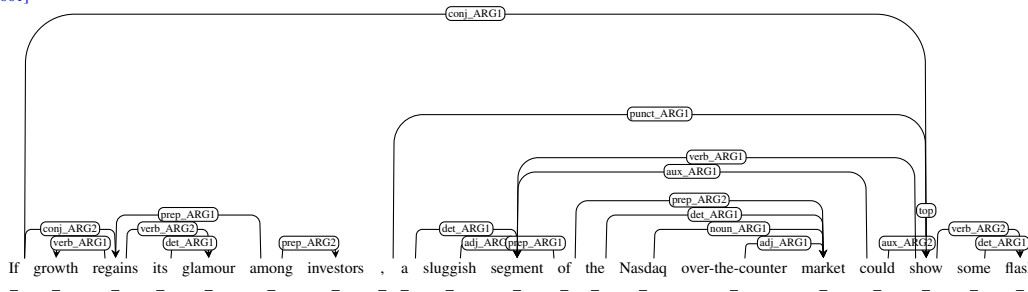
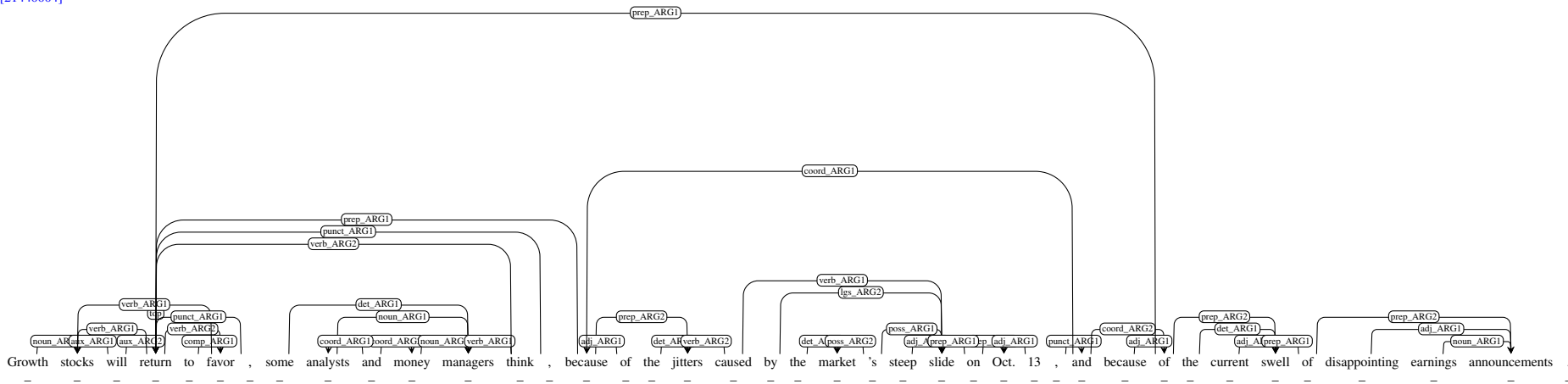


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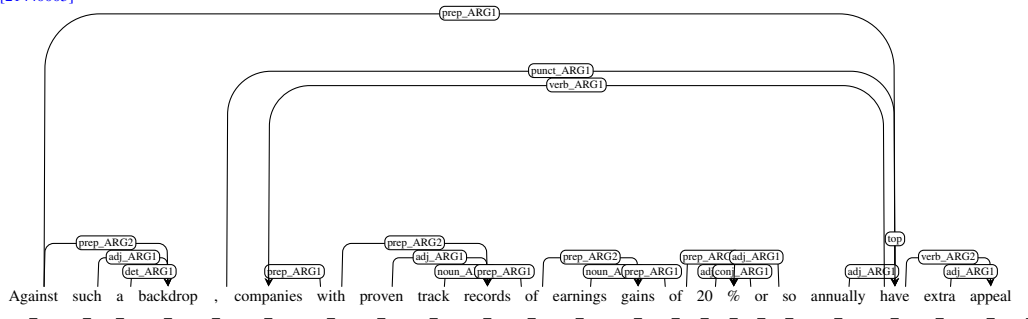
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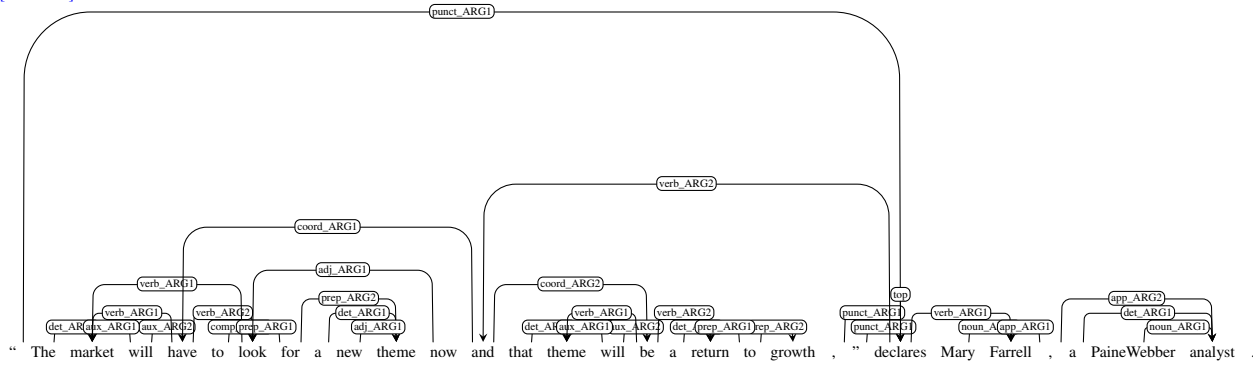
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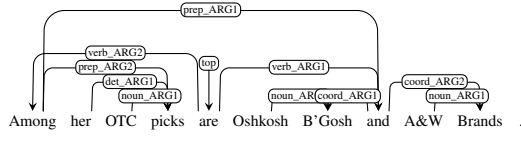
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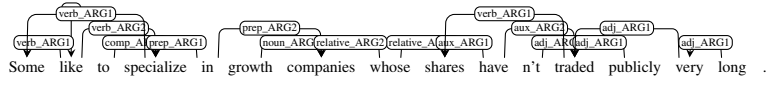
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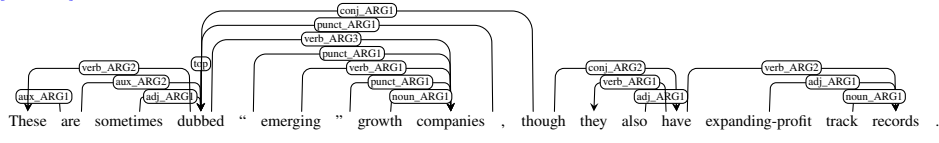
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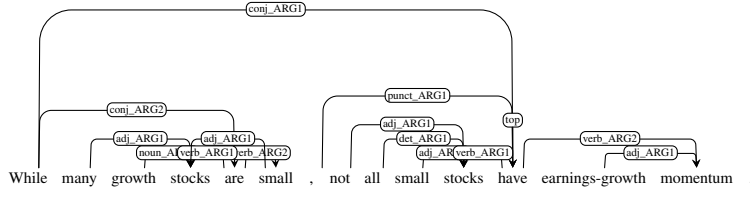
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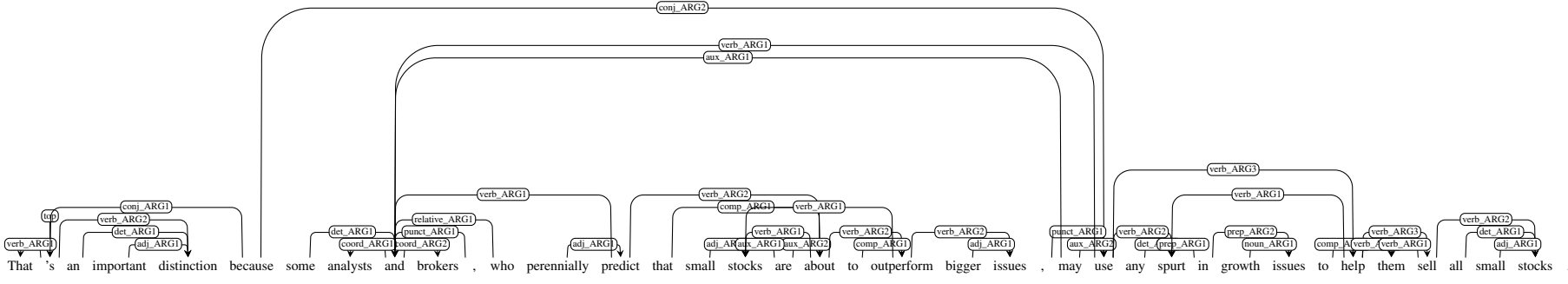
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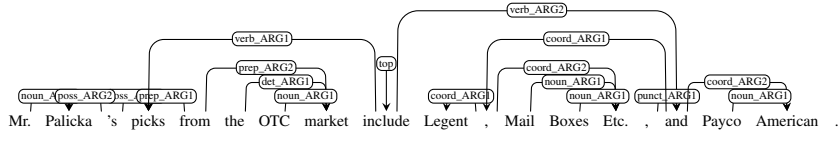
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[21440012]



[21440014]



[21440015]

The main argument for growth stocks is their usually superior performance in a slowing economy .

[21440016] " If the market refocuses on earnings , we should get better valuations of growth stocks , " says L. Keith Mullins , a growth-stock analyst at Morgan Stanley .

[21440017] Eventually , he believes , investors will be willing to pay higher prices for companies with proven track records of earnings growth .

[21440018] In anticipation of that shift , he and other analysts are encouraging their clients to buy such issues now .

[21440019] Understandably , smaller growth stocks have n't been in favor recently .

[21440020] The average issue on Standard & Poor 's 500-stock Index gained 35 % last year , Ms. Farrell of PaineWebber says .

[21440021] Smaller-stock earnings , by comparison , rose between 15 % and 20 % .

[21440023] Also , the smaller growth stocks are n't widely traded , and so are harder to buy and sell quickly than blue chips .

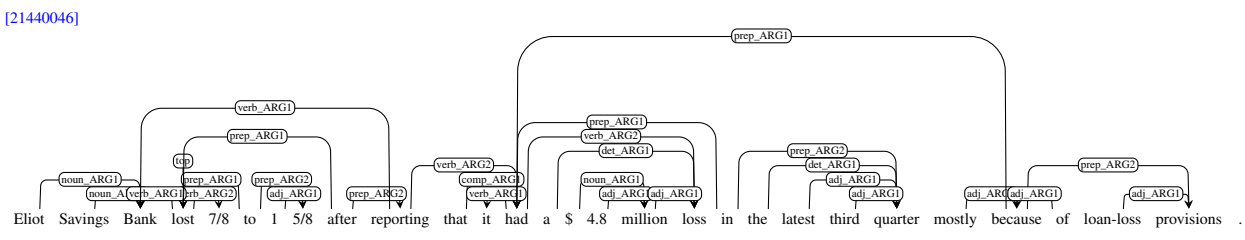
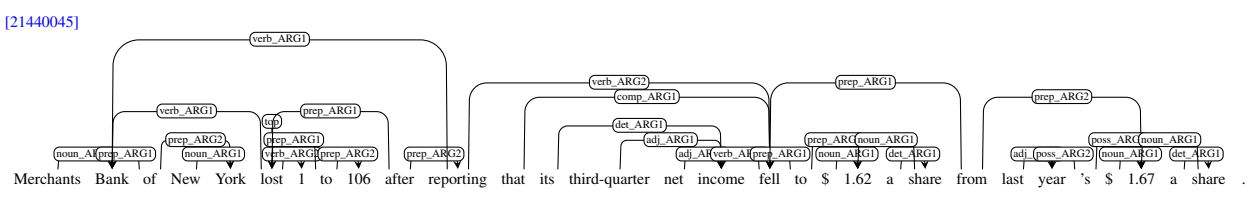
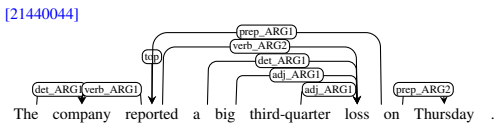
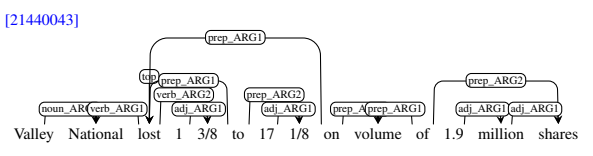
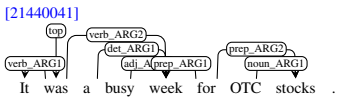
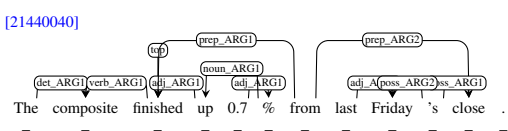
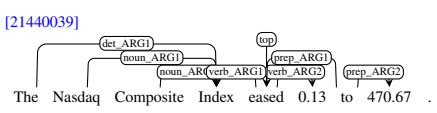
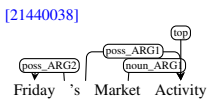
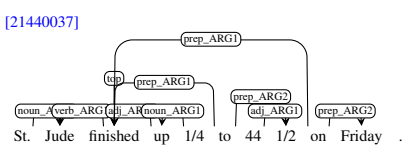
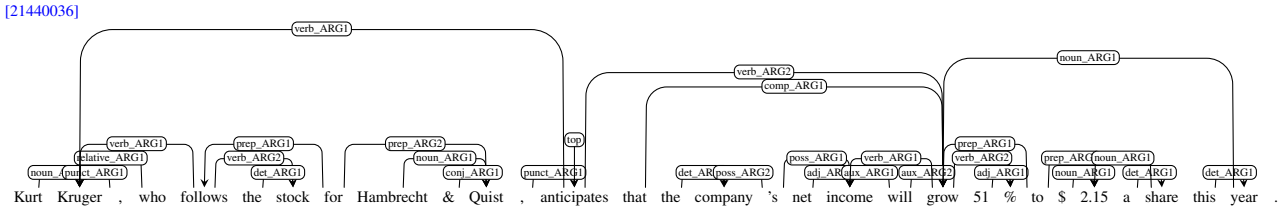
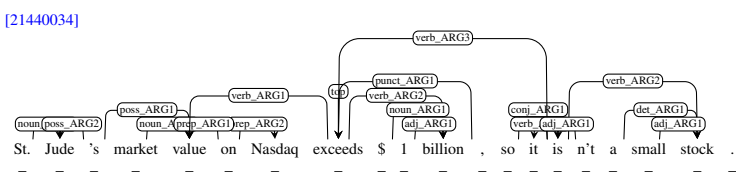
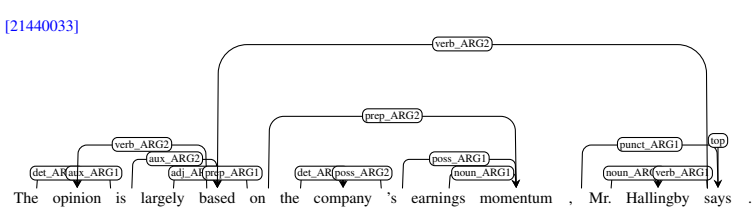
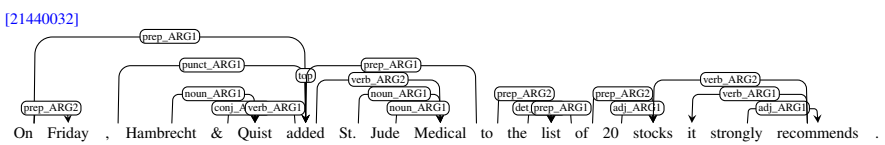
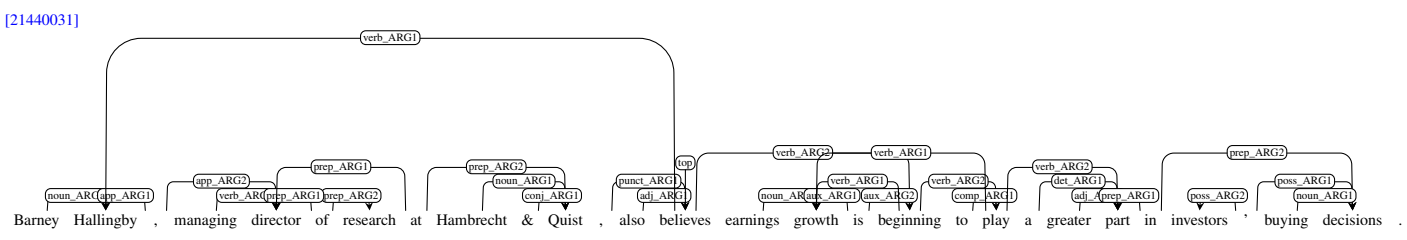
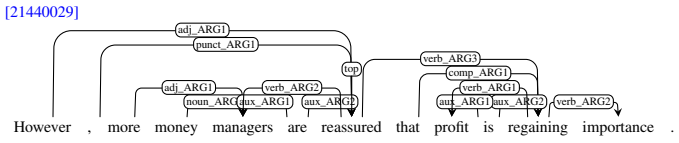
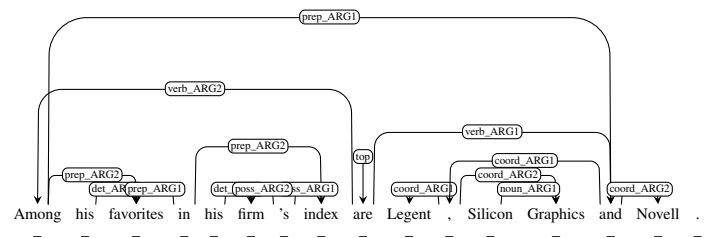
[21440024] As a result , Morgan Stanley 's Index of 40 Emerging Growth Stocks -- most of which are in the OTC market -- is up only 13 % for the year , while the Dow Jones Industrial Average has leaped 24 % and the S&P 500 has grown 25 % .

[21440025] The Nasdaq Composite has gained 23 % this year , but that 's largely due to the 100 largest nonfinancial stocks , which have soared 30 % .

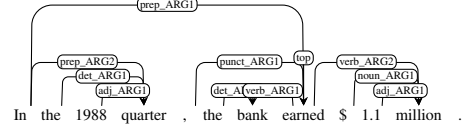
[21440026] Some investors are skeptical of growth stocks because investing in them means ignoring that maxim found in the fine print of some investment advertisements -- that past performance is n't indicative of future results .

[21440027] " People are naturally suspicious of them , " says Mr. Mullins of Morgan Stanley .

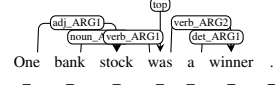
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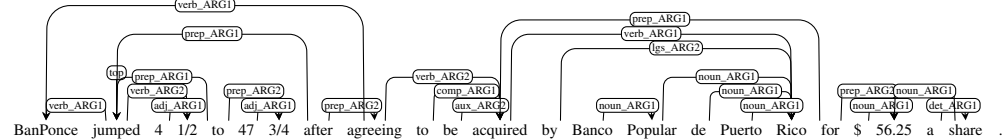
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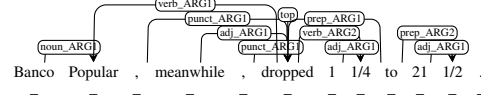
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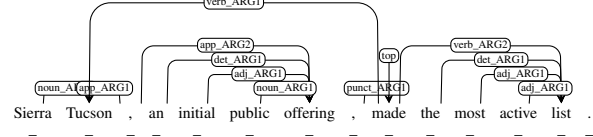
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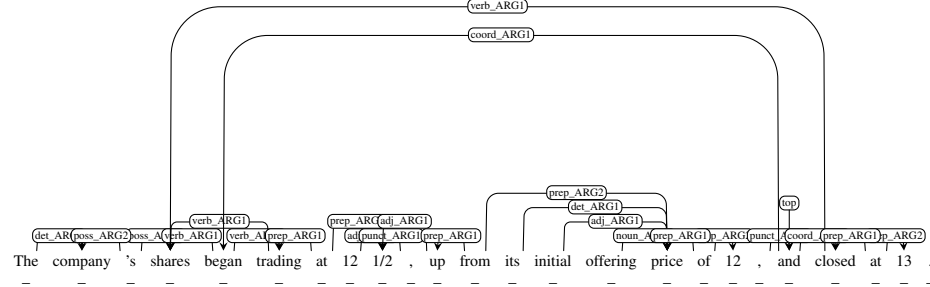
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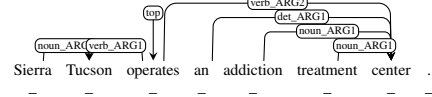
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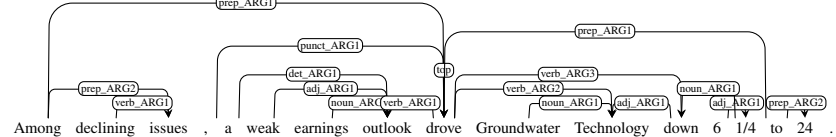
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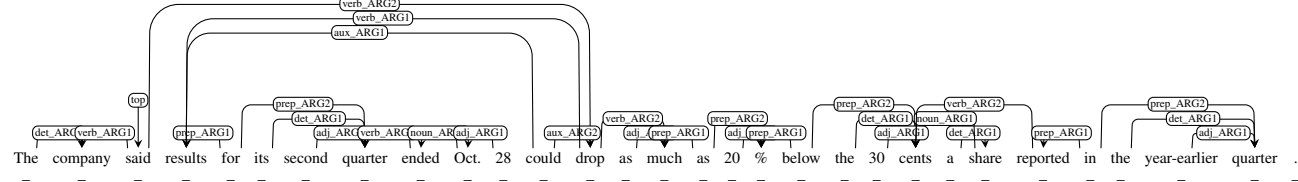
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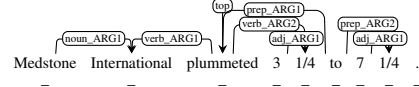
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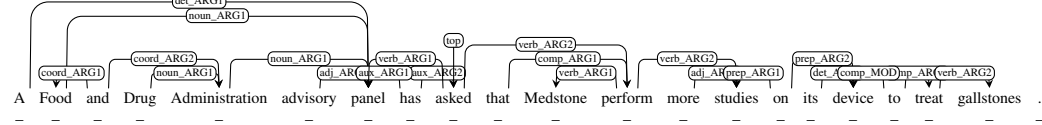
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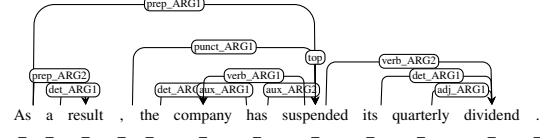
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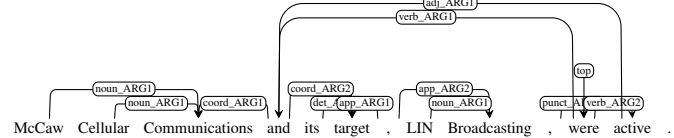
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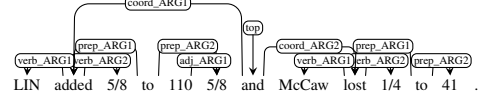
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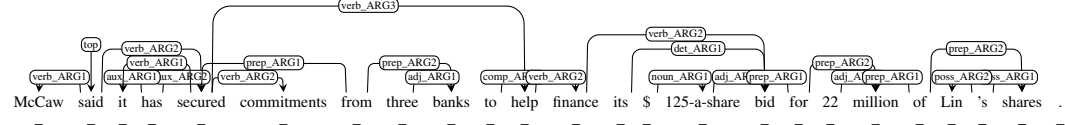
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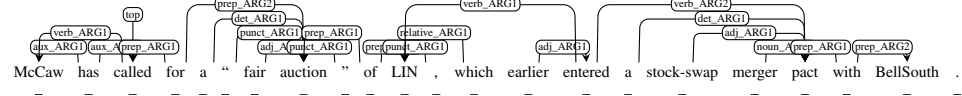
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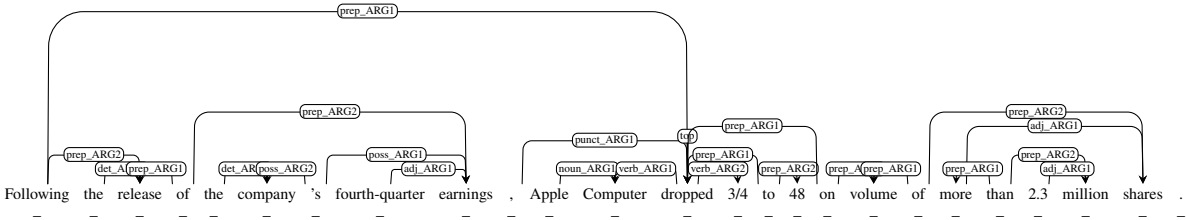
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