

Morningstar Quarterly Style Monitor: Q1 2024

With Apple and Tesla losing steam, 'the magnificent four' continue to drive returns for growth style indexes; globally, financials lead the rally for value style indexes.

Morningstar Inc.

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Executive Summary

This is the latest installment of the Morningstar Quarterly Style Monitor, which is designed to help investors stay on top of style trends. This publication tracks several members of the Morningstar Broad Style Index family, as well as the recently launched Global Style family, providing insights into their performance drivers and portfolio composition.

Key Takeaways

- ▶ Expectations of rate cuts along with artificial intelligence-related enthusiasm during the quarter made for a more favorable market environment, with all style indexes closing in positive territory.
- ▶ The margin of outperformance for US small growth was higher than for other size segments, with the mid-cap segment following closely behind. Globally, growth continued to outperform value.
- ▶ While the so-called magnificent four stocks¹ continued to push the growth indexes higher, in the US, value indexes' returns were more diversified with financial services delivering 22% of the total returns followed by even contributions from technology, healthcare, energy, and industrials.
- ▶ Portfolio resets were mainly due to price fluctuations and corporate actions.
- ▶ Valuation spreads between growth and value stocks, measured by P/E (trailing 12 months) have moderated over the past quarter. However, they remained historically high as of March 2024 for most segments, except for US mid-caps.
- ▶ Volatility has been pronounced in growth relative to value over the past year for US large cap as well as developed ex-US and emerging markets.
- ▶ Over the past year, small-cap stocks continue to show high sensitivity to movements in the broader market. Large-cap value stocks demonstrate defensive orientation with low market betas compared with their size counterparts.
- ▶ Growth indexes saw an increase in exposures to the technology sector except for the US mid- and small-cap segments, which saw a decrease in technology and an increase in financial-services weight. Decreased exposure to real estate and the consumer defensive sector was observed across the board, while value indexes increased their exposure to energy and financial services.
- ▶ While comparatively higher valuation spreads have historically presaged subpar returns for the more expensive style, the converse seems to be true for large-mid stocks in ex-US developed markets.

¹ Nvidia, Microsoft, Amazon, and Meta

Performance Highlights

Returns

With continued expectations of a soft landing for the economy and rate cuts expected in March, the US markets sustained the optimism in the first quarter of 2024. In contrast to the fourth quarter of 2023, where the market rally was spread across large, mid, and small-caps, this time, the US large caps have outperformed their mid- and small-cap counterparts by 221 and 601 basis points, respectively. Across the size spectrum, value stocks continued to lag their growth counterparts, although the margin of outperformance between growth and value is closing as compared with the relative outperformance during the first half of 2023. For the latest quarter, the small-cap value was the least-performing segment in the US, delivering a mere 3.91% return versus 12.19% for the Morningstar US Large Cap Broad Growth Index.

Globally, where our style family is built by applying Morningstar Indexes' Broad Style methodology to our suite of Target Market Exposure indexes (targeting large- and mid-cap stocks representing 85% of the investable market), the dynamics closely mirrored those in the US overall with growth stocks outperforming the broad market benchmark and value stocks failing to keep up with their corresponding broad market benchmarks. Morningstar Global Growth TME Index led the pack, delivering 9.08% returns, while the Morningstar Emerging Markets Value TME Index was at the bottom of the ladder, delivering 2.12%.

Exhibit 1 Returns (%)

US	1 Qr	1 Yr	5 Yr	10 Yr	Since Inception*
Morningstar US Market Extended	10.05	29.48	14.32	12.36	8.95
Morningstar US Market Broad Growth Extended	11.18	35.90	15.84	14.00	8.68
Morningstar US Market Broad Value Extended	8.92	22.84	12.09	10.35	8.77
Morningstar US Large Cap	11.08	32.71	15.64	13.37	8.68
Morningstar US Large Broad Growth	12.19	41.11	17.74	15.44	8.65
Morningstar US Large Broad Value	9.93	23.96	12.66	10.85	8.19
Morningstar US Mid Cap	8.87	22.06	11.76	10.57	9.71
Morningstar US Mid Cap Broad Growth	9.85	23.96	12.16	11.24	8.87
Morningstar US Mid Cap Broad Value	7.73	19.99	10.61	9.54	10.07
Morningstar US Small Cap Extended	5.07	20.28	8.55	7.70	8.69
Morningstar US Small Broad Growth Extended	6.21	20.37	7.62	7.99	7.31
Morningstar US Small Broad Value Extended	3.91	19.95	9.76	7.50	9.89
Global					
Morningstar Global Target Market Exposure	8.25	23.89	11.45	9.23	7.90
Morningstar Global Growth	9.08	26.94	12.15	10.28	8.61
Morningstar Global Value	7.40	20.85	10.16	7.88	7.11
Morningstar Developed Markets ex-US	5.86	16.36	8.20	5.43	4.53
Morningstar Developed Markets ex-US Growth	6.61	13.94	8.17	5.97	4.69
Morningstar Developed Markets ex-US Value	5.03	18.80	7.84	4.71	4.36
Morningstar Emerging Markets	2.44	9.42	3.36	4.02	3.21
Morningstar Emerging Markets Growth	2.81	6.91	1.90	3.43	3.13
Morningstar Emerging Markets Value	2.12	11.72	4.56	4.47	3.66

Source: Morningstar Direct. Data as of March 31, 2024.

*This includes performance backtested to the end of June 1997 for US indexes and June 2008 for global indexes.

**Returns longer than one year annualized.

***All index performance data displayed are for Total Return USD variants.

Relative to its value counterpart, the Morningstar US Market Broad Growth Index's outperformance in the first quarter of 2024 was based primarily on the selection effects within sectors, particularly in the technology, healthcare, and industrials sectors. Nvidia continued to be investors' favorite bet on the AI play, contributing 37% toward the broad growth returns followed by Microsoft, Amazon, and Meta each contributing 13%, 12%, and 7%, respectively. Together, these four stocks account for 69% of the total index returns. Eli Lilly (positive 33% return) and General Electric (positive 37% return) further boosted the relative performance for the growth index, and the exclusion of Boeing (negative 26% return) shielded the index from losses. At the same time, Apple (negative 10% return) and Tesla (negative 29% return) proved to be the leading detractors for the growth index. While the return drivers for growth style were concentrated in a few pockets, value indexes' returns were more diversified, with financial services contributing 22% of the total returns followed by technology (18%), healthcare (13%), energy (12%), and industrials (11%).

The drivers of the US Broad Growth Index also contribute toward the outperformance of the Global TME Growth Index over the Global TME Value Index with the "Magnificent 4" stocks contributing a magnificent 57% of the total Global TME Growth Index returns. At the same time, sector tilts in financial services and consumer cyclical sectors have worked in favor of the Global TME Value Index. Selection of Berkshire Hathaway (positive 17% return) and JP Morgan Chase (positive 18%) while underweighting of

HDFC Bank (negative 15% return) and avoiding Tesla (negative 29% return) in the value index narrowed the outperformance gap between value and growth indexes. Globally, financial services led the value rally, contributing 32% of the total returns of the TME Value Index followed by technology (16%), energy (10%), and communication services (10%) whereas technology contributed 48% of the Global TME Growth Index.

In the developed markets ex-US, the growth variant is overweight on Netherlands, Denmark, France, Sweden, and the United States while the value variant is overweight on UK, Germany, Italy, Finland, and Japan. Particularly, technology companies like ASML Holdings, Adyen, and ASM International in the Netherlands and Novo Nordisk in Denmark have positively contributed toward the growth outperformance. On the value side, the spectacular rally in Japanese stocks, particularly the financial-services companies, helped narrow the underperformance gap for the value index. In emerging markets, although the absolute performance of the Emerging-Markets Growth Index was a mere 2.81%, it outperformed the value index by 69 basis points, reversing the value dominance across horizons. Higher allocation to India along with an overweight to TSMC favored the growth index, while the value index benefited from an overexposure to financial services in South Korea and energy, industrials, and financial services in China.

Over the past decade in the US, growth beat value and large caps beat small caps. That is the opposite of what many factor investors have come to expect, as data going back to the 1920s suggests that smaller and more value-oriented stocks have tended to do better over the long term.² This more recent, countervailing trend continued during the last year and was punctuated during the first quarter of 2024, with growth prevailing over value by a wide margin.

Extending the look-back period to the end of June 1997, which is the earliest available for the US broad style indexes, small- and mid-cap stocks did in fact beat large caps, although the large-caps are catchup up with small-cap stocks, while the all-cap Morningstar US Market Broad Growth Extended Index lagged its value counterpart. Globally, since the end of June 2008 (the longest available performance horizon), growth stocks also outperformed value. Still, in the US, there was a notable trend across the lower ends of the market-cap spectrum: Smaller value stocks tended to do better than their growth counterparts. This is consistent with academic studies, which have shown that the value effect has historically been the most pronounced among the smallest stocks.³

Risk

Not surprisingly, over long-term time horizons, smaller-cap stocks in the US have tended to exhibit greater volatility and sensitivity to market fluctuations than their larger counterparts, as Exhibits 2 and 3 show. Such companies tend to have more-volatile earnings as they are more leveraged to the vagaries of niche markets and have a lower likelihood of enjoying durable competitive advantages relative to larger stocks.

² Source: French Data Library.

³ Fama, E.F. & French, K. 2014. "A Five-Factor Asset Pricing Model." September 2014. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2287202

The same pattern is observed across the one-year time horizon ending in the first quarter of 2024, where the expected risk behavior with respect to the company size is back on track, compared with the period from 2022 to the first half of 2023, which had large caps being more volatile than small caps over short-term time horizons. Such deviations from academic expectations can occur during turbulent markets such as in 2022-23, but they rarely hold over the long term. The five-year, 10-year, and since-inception data in Exhibit 2 confirms this hypothesis. In addition to structural characteristics of the larger-cap indexes (including higher concentration and larger stocks being more prone to frequent news flow that can drive short-term trading activity), fluctuations in sector weightings also play a role in driving short-term volatility.

Exhibit 2 Standard Deviation (%)

US	1 Yr	5 Yr	10 Yr	Since Inception*
Morningstar US Market Extended	14.45	18.98	15.64	16.00
Morningstar US Market Broad Growth Extended	15.94	21.03	17.26	18.42
Morningstar US Market Broad Value Extended	14.38	18.66	15.25	15.22
Morningstar US Large Cap	12.90	18.42	15.17	15.60
Morningstar US Large Broad Growth	15.15	21.48	17.48	18.29
Morningstar US Large Broad Value	12.38	17.42	14.33	14.63
Morningstar US Mid Cap	18.72	20.80	17.09	17.64
Morningstar US Mid Cap Broad Growth	19.78	21.34	17.69	19.90
Morningstar US Mid Cap Broad Value	18.77	21.78	17.56	17.40
Morningstar US Small Cap Extended	22.32	24.22	20.37	20.37
Morningstar US Small Broad Growth Extended	22.06	23.27	19.98	22.51
Morningstar US Small Broad Value Extended	23.15	26.36	21.65	19.95
Global				
Morningstar Global Target Market Exposure	13.93	17.68	14.68	16.76
Morningstar Global Growth	14.87	18.71	15.44	16.96
Morningstar Global Value	13.97	18.20	15.01	17.09
Morningstar Developed Markets ex-US	15.22	17.94	15.11	17.82
Morningstar Developed Markets ex-US Growth	16.37	17.89	14.95	17.08
Morningstar Developed Markets ex-US Value	15.01	19.43	16.29	19.09
Morningstar Emerging Markets	15.71	18.66	16.84	20.84
Morningstar Emerging Markets Growth	16.14	19.08	16.69	20.55
Morningstar Emerging Markets Value	15.55	19.52	18.07	21.31

Source: Morningstar Direct. Data as of March 31, 2024.

*This includes performance backtested to the end of June 1997 for US indexes and June 2008 for global indexes. Returns longer than one year annualized. All index performance data displayed are for Total Return USD variants.

Exhibit 3 Market Beta

US	1 Yr	5 Yr	10 Yr	Since Inception*
Morningstar US Market Extended	1.00	1.00	1.00	1.00
Morningstar US Market Broad Growth Extended	1.06	1.06	1.06	1.11
Morningstar US Market Broad Value Extended	0.94	0.94	0.93	0.90
Morningstar US Large Cap	0.88	0.96	0.96	0.97
Morningstar US Large Broad Growth	0.94	1.05	1.05	1.08
Morningstar US Large Broad Value	0.81	0.88	0.88	0.86
Morningstar US Mid Cap	1.26	1.06	1.06	1.06
Morningstar US Mid Cap Broad Growth	1.34	1.08	1.09	1.16
Morningstar US Mid Cap Broad Value	1.19	1.05	1.04	0.96
Morningstar US Small Cap Extended	1.42	1.18	1.19	1.14
Morningstar US Small Broad Growth Extended	1.43	1.13	1.16	1.23
Morningstar US Small Broad Value Extended	1.42	1.23	1.22	1.07
Global				
Morningstar Global Target Market Exposure	1.00	1.00	1.00	1.00
Morningstar Global Growth	1.03	1.02	1.02	0.99
Morningstar Global Value	0.96	0.99	0.99	1.00
Morningstar Developed Markets ex-US	1.00	1.00	1.00	1.00
Morningstar Developed Markets ex-US Growth	1.05	0.96	0.96	0.94
Morningstar Developed Markets ex-US Value	0.96	1.05	1.05	1.05
Morningstar Emerging Markets	1.00	1.00	1.00	1.00
Morningstar Emerging Markets Growth	1.02	0.99	0.96	0.97
Morningstar Emerging Markets Value	0.98	1.01	1.04	1.01

Source: Morningstar Direct. Data as of March 31, 2024.

*This includes performance backtested to the end of June 1997 for US indexes and June 2008 for global indexes. Returns longer than one year annualized. All index performance data displayed are for Total Return USD variants.

Regardless of size, value and growth stocks in the US have tended to exhibit similar risk characteristics with each other over the past decade, though specific periods have influenced this pattern. For example, growth stocks were a bit more volatile over the longest look-back period from July 1997 through March 2024. This is partly attributable to the dot-com bubble, and subsequent correction, during the early 2000s and the 2008 financial crisis.

Globally, outside of the US, value stocks have tended to be more volatile over longer time horizons. The last year, however, has been diverging from this long-term risk behavior of stocks across the board. Volatility of value stocks paint a contrasting picture between the US—where value stocks are less volatile than growth stocks—and the rest of the world, where growth stocks are riskier than value stocks.

While their risk, when viewed through the conventional lens of return volatility, will go through periods of divergence and convergence, it's worth remembering that value and growth styles carry different fundamental risk profiles. Value stocks tend to have weaker profitability, encounter stiffer competition, and face more daunting secular headwinds than growth stocks. Growth stocks tend to have healthier

businesses and more auspicious industry positioning, but they often come with rich valuations that could compress if they fall short of (often lofty) investor expectations. That said, some of these value and growth risks are firm-specific, which the broad style indexes largely diversify away.

Portfolio Highlights

With no reconstitutions taking place across the Morningstar Broad Style Index family during the March quarter (the next reconstitution will be in June), price fluctuations explain most of the changes to the composition of the indexes relative to the final quarter of 2023, though corporate actions also contributed. For example, ImmunoGen, Inc., a biotechnology company focused on the development of antibody-drug conjugate therapeutics for the treatment of cancer, was a notable delisting from the Morningstar US Market Growth Index, via acquisition by AbbVie, one of the largest healthcare firms globally. Mirati Therapeutics, another company focused on the development of cancer therapeutics, also exited the US Market Growth Index due to acquisition by Bristol Myers Squibb. Similarly, EngageSmart Inc, a leading provider of vertically tailored customer engagement software and integrated payments solutions, was dropped from the index because of takeover by Vista Equity Partners. In Europe, Dechra Pharmaceuticals, a constituent of Morningstar Global Growth Index, was acquired by Freya Bidco Limited, while Flutter Entertainment PLC was delisted from the Dublin stock exchange. Chr. Hansen Holding was dropped from the index as it was acquired by Novozymes, forming a new company by the name of Novonesis. In Norway, Aurelia Bidco acquired Adevinta ASA, a leading online classifieds group; and in Korea, Hahn & Co Cement Holdings Ltd is to acquire shares of SsangYong C&E, causing the latter to be dropped from the Morningstar Global Value Index.

Sectors

The sector weightings for the broad style indexes are shown in Exhibit 4.

Exhibit 4 Sector Composition (%)

	Basic Materials	Communication Services	Consumer Cyclical	Consumer Defensive	Energy	Financial Services	Healthcare	Industrials	Real Estate	Tech	Utilities
US											
Morningstar US Market Extended	2.40	8.34	10.83	5.60	4.06	12.95	12.25	9.42	2.76	29.25	2.14
Morningstar US Market Broad Growth Extended	1.36	8.86	13.91	2.40	1.14	6.80	9.72	8.08	2.53	44.63	0.58
Morningstar US Market Broad Value Extended	3.51	7.80	7.59	8.84	7.15	19.47	14.89	10.86	3.00	13.10	3.79
Morningstar US Large Cap	1.38	10.69	10.60	5.56	3.91	12.89	12.75	6.21	0.81	34.30	0.91
Morningstar US Large Broad Growth	0.73	11.15	15.64	1.43	0.40	6.31	8.26	2.18	0.92	52.97	0.00
Morningstar US Large Broad Value	2.06	10.19	5.25	9.93	7.63	19.87	17.52	10.48	0.68	14.50	1.87
Morningstar US Mid Cap	5.03	2.60	9.75	6.70	4.35	12.20	10.05	17.24	7.70	17.87	6.52
Morningstar US Mid Cap Broad Growth	2.58	3.47	9.15	5.10	2.97	8.24	11.01	22.87	7.24	24.94	2.43
Morningstar US Mid Cap Broad Val	7.63	1.70	10.58	7.67	5.83	16.42	9.09	11.44	8.23	10.57	10.85
Morningstar US Small Cap Extended	4.60	2.64	15.08	3.41	4.63	15.30	13.29	17.40	7.13	14.62	1.90
Morningstar US Small Broad Growth Extended	3.67	2.40	10.75	4.15	3.02	7.51	18.90	22.27	4.83	21.49	1.01
Morningstar US Small Broad Value Extended	5.58	2.72	19.56	2.69	6.29	23.32	7.15	12.57	9.52	7.77	2.83
Global											
Morningstar Global Target Market Exposure	4.00	7.67	10.63	6.41	4.66	15.95	11.19	10.37	2.19	24.42	2.46
Morningstar Global Growth	2.62	7.99	14.03	5.35	1.65	8.88	10.80	9.70	1.81	35.97	1.19
Morningstar Global Value	5.41	7.39	6.86	7.52	7.79	23.63	11.71	11.10	2.62	12.04	3.82
Morningstar Developed Mkts ex-US	7.05	4.21	10.87	8.28	5.72	20.96	11.63	16.63	2.21	9.44	2.81
Morningstar Developed Markets ex- US Growth	4.80	4.65	12.74	9.87	1.68	11.31	17.05	19.36	1.72	15.01	1.80
Morningstar Developed Markets ex- US Value	9.19	3.85	8.61	6.73	9.53	31.47	6.02	13.82	2.81	3.71	3.88
Morningstar Emerging Markets	7.60	7.99	11.67	5.43	6.14	22.05	3.51	7.87	1.42	23.08	3.24
Morningstar Emerging Markets Growth	6.38	9.27	14.21	8.47	5.99	15.17	6.05	10.22	1.28	20.70	2.26
Morningstar Emerging Mkts Value	8.74	6.93	9.31	2.70	6.21	28.10	1.23	5.67	1.56	25.56	4.00

Source: Morningstar Direct. Data as of March 31, 2024.

There are persistent differences in growth rates and valuations across sectors, leading to diverging sector weightings across the value and growth indexes, which can affect performance. For example, the Morningstar US Market Broad Growth Extended Index has greater exposure to the consumer cyclical and technology sectors than its value counterpart and less exposure to the consumer defensive, financial services, industrials, utilities, healthcare, and energy sectors. Most of these sector tilts were also present five years ago.

Interestingly, these sector tilts become less nuanced globally. For example, in developed markets outside the US, technology accounts for a lesser share in growth as compared with that of value. And as opposed to the stark contrast observed in the US healthcare, consumer defensive and industrials, while underweight in the US growth index, are overweight in growth indexes outside of the US. Morningstar Emerging Markets Value Index is more skewed to the technology sector, being almost a quarter greater than its growth counterpart, which is contrary to what we observe in the US and developed markets ex-US. While the ex-US indexes only cover the large-midsize bands (as opposed to the all-cap coverage of the Morningstar US Market Extended Index), given cap weighting, we'd expect these style differences across regions to hold even when small caps are included.

In the US, there are also notable sector differences along the market-cap spectrum. In the Morningstar US Large Cap Index, value stocks are found predominantly in financial services, healthcare, technology, and communication services while the Mid Cap Value Index has more exposure in financial services, industrials, utilities, and consumer cyclicals. The Small Cap Value Index follows the mid-cap suite with high concentration in financial services, industrials, and consumer cyclicals. Large-cap growth stocks are found in technology, consumer cyclicals, and communication services whereas mid- and small-cap growth stocks are found in technology, industrials, and healthcare.

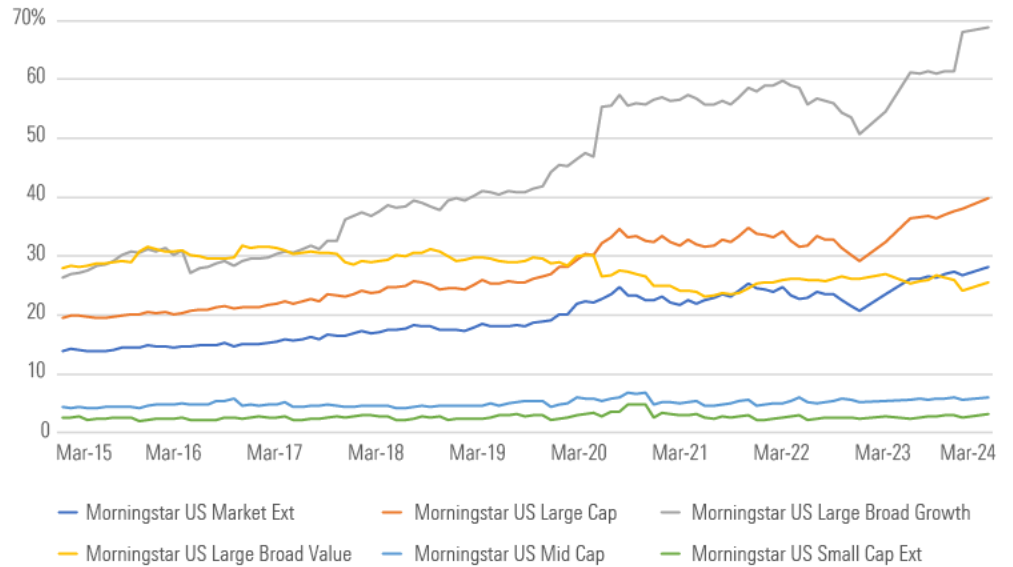
Concentration

The broad style indexes all skew toward the larger names within their respective segments, owing to market-cap weighting. This weighting approach reflects the composition of the opportunity set and allows companies to become a bigger part of the portfolios as they grow within each market-cap segment.

Concentration is most pronounced in the large-cap indexes (as shown in Exhibit 5), particularly in the Morningstar US Large Broad Growth Index, where the percentage of assets in the top 10 constituents has grown from 44% at the end of December 2019 to roughly 68% five years later. The market has become more concentrated as the largest growth stocks have outperformed. This not only increased their market-cap weightings but also reduced the number of large-growth stocks required to reach 50% coverage of the large-cap market, reducing the number of stocks in the portfolio. Today, the Morningstar US Large Broad Growth Index holds 88 stocks, down from 164 five years ago. Moreover, the largest constituent in the index today (Microsoft) comprises over 16% of the portfolio, with Apple following closely at a little under 14%, whereas six years ago, the equivalent weight for the largest holding (Microsoft) was less than half of today's number, just over 7%. The Morningstar US Large Value Index is relatively diversified, with top 10 holdings constituting 25% of the total portfolio and the medium-term trend holding around 25% since 2020.

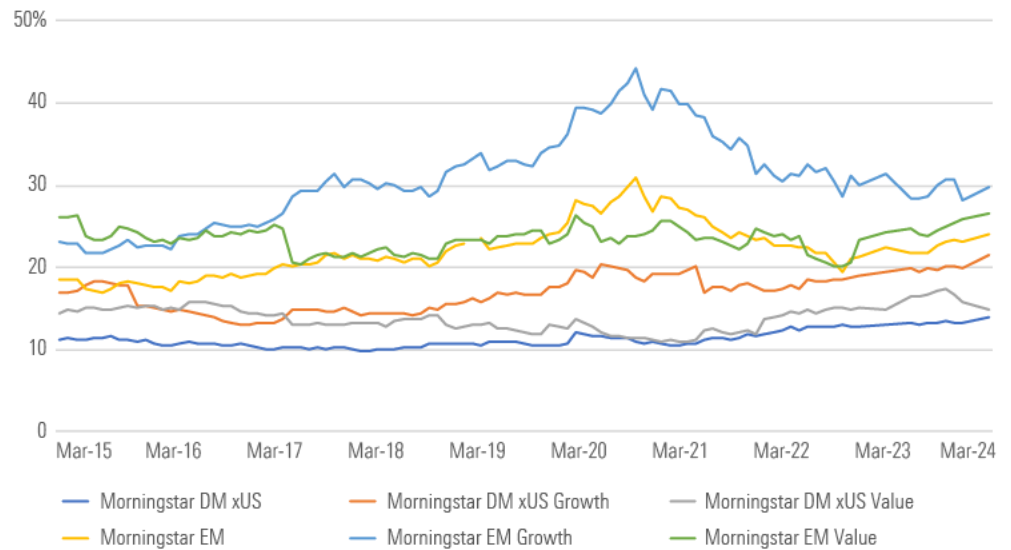
The small- and mid-cap indexes have far less concentration in their top 10 constituents, as there is a natural cap on how large constituents can grow before they advance to the next market-cap segment.

Exhibit 5 Percentage of Portfolio in Top 10 Holdings—US



Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 8 shows concentration trends for the style indexes across emerging markets and ex-US developed markets, along with the corresponding parent indexes. Concentration has been perennially higher in emerging markets, particularly in the growth index, which implies that there are factors endemic to these markets that facilitate greater concentration of capital. Additionally, while the portfolios largely seem to be getting more concentrated over time, the recent trend in the Morningstar Emerging Markets Growth Index is interesting, with concentration falling precipitously since October 2020. This is partially due to the underperformance of Chinese mega-caps like Alibaba and Tencent, which have been beleaguered by regulatory crackdowns on gaming, digital commerce, and the like.

Exhibit 6 Percentage of Portfolio in Top 10 Holdings—Global

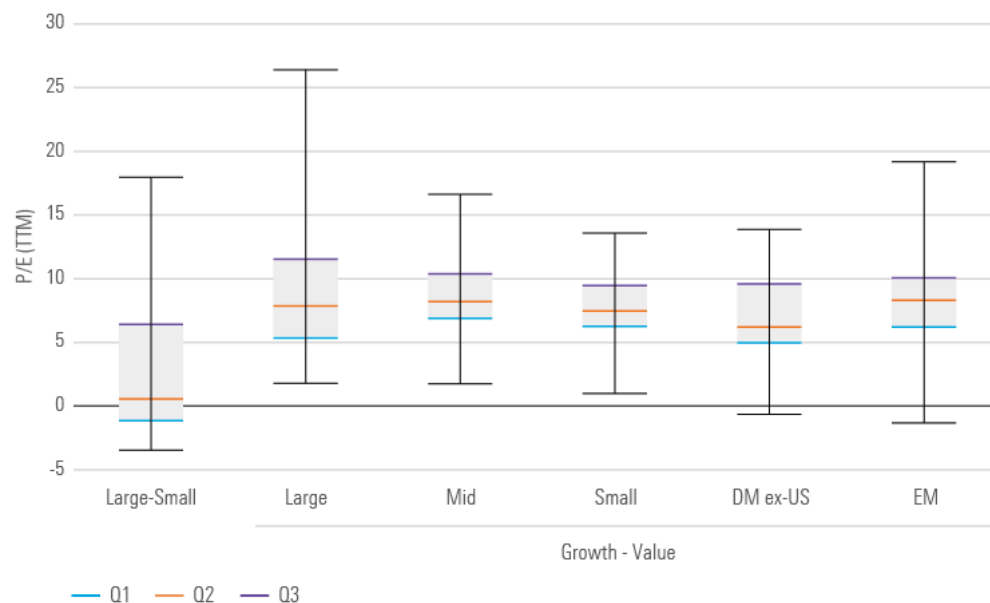
Source: Morningstar Direct. Data as of March 31, 2024.

Valuations

By definition, growth stocks trade at higher valuations than value stocks. After years of stronger performance, growth stocks have become more expensive relative to value stocks. This trend holds true both in the US and globally, as illustrated in Exhibits 7 through 15. These figures show the spread between the trailing 12-month P/E ratios of the growth and value indexes in the Morningstar Broad Style family for each of the three market-cap segments, as well as for the ex-US developed-markets and emerging-markets regions of the Global Style family. It also includes this spread data for the Morningstar US Large Cap Index and the Morningstar US Small Cap Extended Index, along with historical distributions for all the spreads.

After a volatile 2023, which saw a selloff in the third quarter followed by a recovery during the fourth quarter, relative valuations for growth stocks increased noticeably compared with the end of 2022 across all size segments and regions. As of March, the growth-value P/E spread was in the top quintile of historical distributions for all size bands and regions, with some of them above the 90th percentile, approaching unprecedented levels. However, for US mid, the spreads have been comparatively less pronounced than former indexes mentioned in this quarter. Compared with the fourth quarter of 2023, growth-value P/E spread has narrowed for US large, US small, and emerging markets although they continue to be in the top 10 percentile of their observed historical spreads.

Exhibit 7 P/E (TTM) Valuation Spread



	Growth - Value					
	US Large-Small	US Large	US Mid	US Small	DM ex-US	EM
Current P/E Valuation						
Spread	9.06	17.36	10.50	10.95	10.59	10.95
Percent Rank (%)	86.7%	92.8%	77.0%	92.3%	80.4%	83.5%

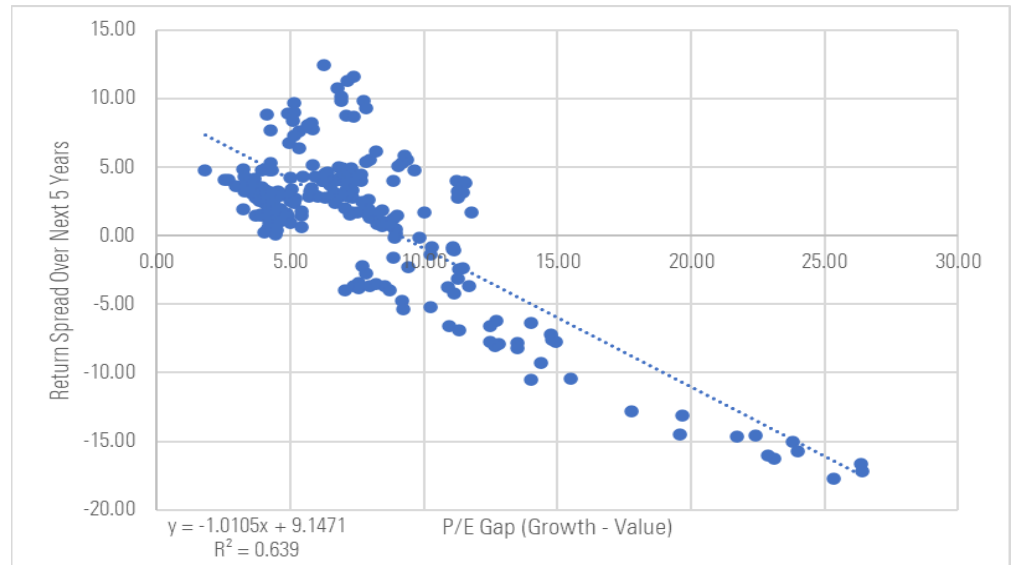
Source: Morningstar Direct. Data as of March 31, 2024.

Unusually wide valuation spreads may portend lower expected returns for the pricier index. Historically in the US, wider valuation spreads have been associated with lower returns over the next five years for the large- and mid-cap growth indexes relative to their value counterparts, as Exhibits 8 and 9 show. The same is true of the large-cap index relative to the small-cap extended index, as shown in Exhibit 11.

There wasn't a strong relationship between valuation spreads and future returns for the US small-cap growth and value indexes shown in Exhibit 10. The same is true of the large-mid universe in emerging markets, displayed in Exhibit 13.

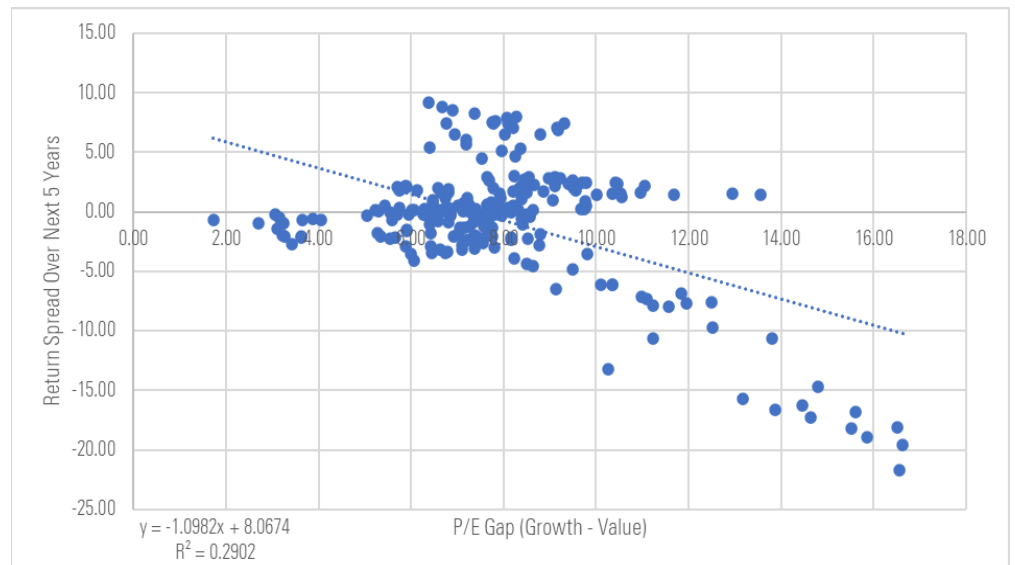
A startling and counterintuitive phenomenon can be observed in developed markets outside the US (Exhibit 12), where there seems to have been a significantly positive relationship between valuation spreads and subsequent five-year returns. We view this as an anomaly, likely attributable to exogenous economic factors that have disproportionately benefited growth stocks over this period. It's also worth noting that the historical distribution of valuation spreads has been tightest in these ex-US developed markets.

Exhibit 8 Relationship Between Valuations and Future Returns: November 1999-March 2024 (Morningstar US Large Broad Growth Index - Morningstar US Large Broad Value Index)



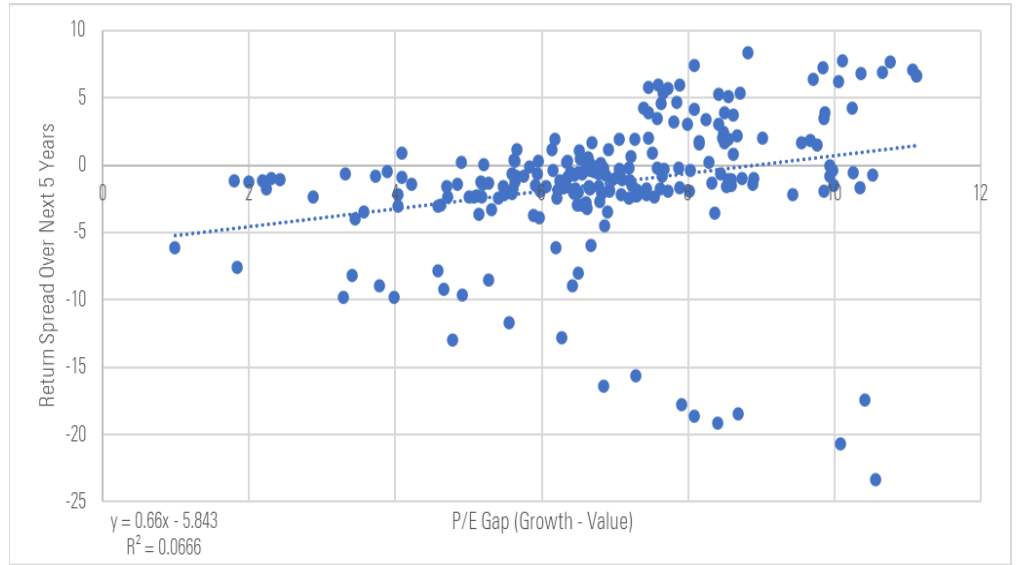
Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 9 Relationship Between Valuations and Future Returns: November 1999-March 2024 (Morningstar US Mid Broad Growth Index - Morningstar US Mid Broad Value Index)



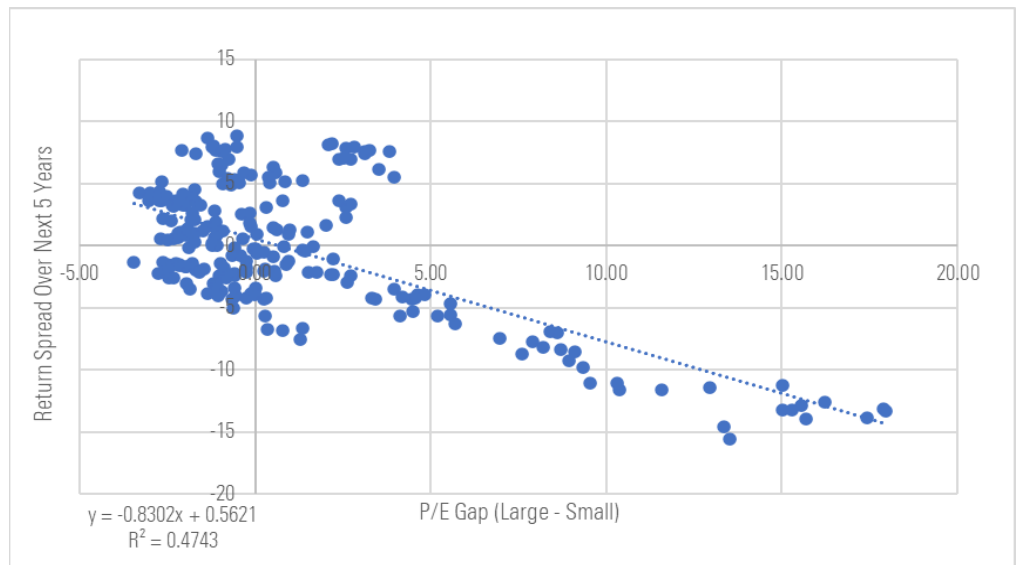
Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 10 Relationship Between Valuations and Future Returns: November 1999-March 2024 (Morningstar US Small Cap Broad Growth Extended Index - Morningstar US Small Cap Broad Value Extended Index)



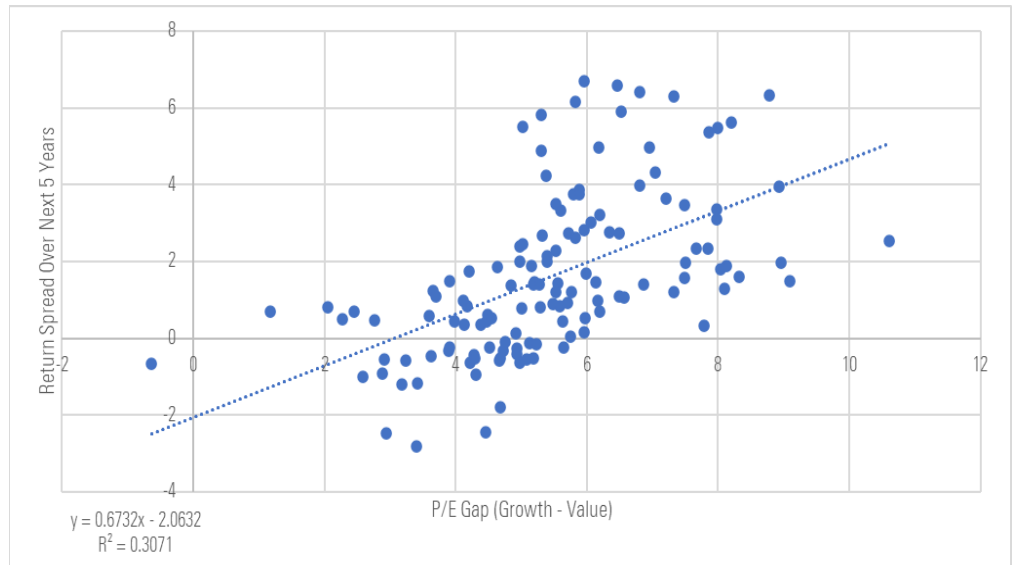
Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 11 Relationship Between Valuations and Future Returns: November 1999-March 2024 (Morningstar US Large Index - Morningstar US Small Cap Extended Index)



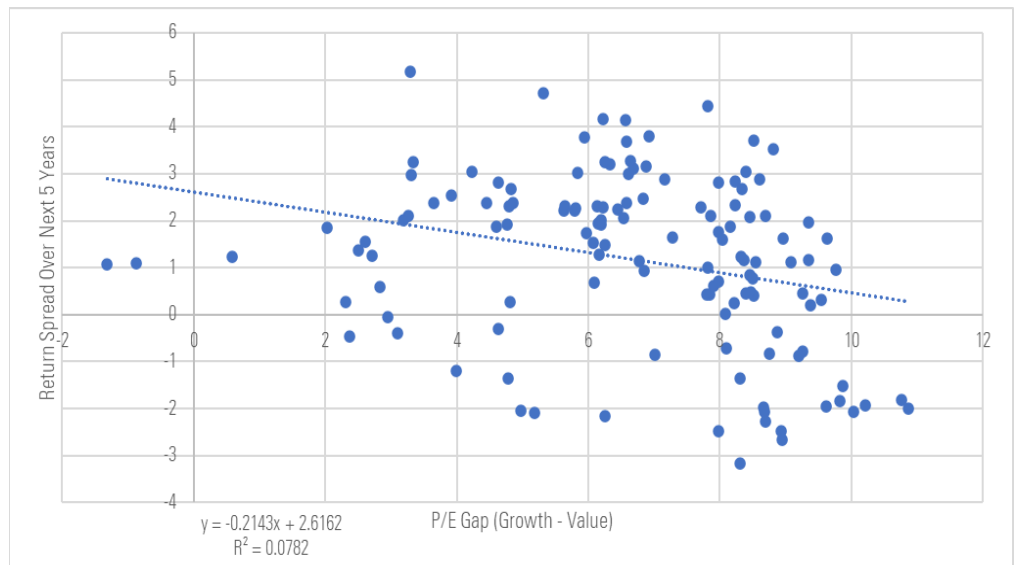
Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 12 Relationship Between Valuations and Future Returns: June 2008-March 2024 (Morningstar DM ex-US Growth TME Index - Morningstar DM ex-US Value TME Index)




Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 13 Relationship Between Valuations and Future Returns: June 2008-March 2024 (Morningstar EM Growth TME Index - Morningstar EM Value TME Index)



Source: Morningstar Direct. Data as of March 31, 2024.

Forever in Style

Regardless of market conditions, the Morningstar Broad Style and Global Style index families provide a robust toolkit for style investors. The indexes accurately represent the opportunity set available to style investors across different regions and can facilitate precise performance benchmarking and efficient asset allocation aligned with the Morningstar Style Box. For more information, visit <https://www.morningstar.com/products/indexes-style>. 

Appendix

Appendix 1: Style Investing

Style investing focuses on two of the most important drivers of stock returns: size and valuations. In their 1992 seminal paper “The Cross-Section of Expected Stock Returns,” Nobel laureate Eugene Fama and Kenneth French demonstrated that differences in these two variables can explain much of the variation of stock returns. That was the same year the Morningstar Style Box launched. This tool divides the equity market into nine sections along two dimensions: size and value/growth orientation, which has become a widely adopted frame of reference for classifying managed portfolios and assessing performance.

This style framework is also useful for framing asset-allocation decisions. The large-value segment of the market is a fertile hunting ground for mature dividend-payers, while the large-growth segment is home to many highly profitable companies with strong prospects. Small-growth stocks tend to have the greatest potential for capital appreciation, but they also carry considerable risk. Finally, the small-value segment may be where the best bargains are. Historically, this market segment has had the highest returns, though it has experienced long stretches of underperformance.

The Morningstar Broad Style and Global Style Indexes provide an effective toolkit to gauge style trends, both in the US and globally. These indexes cast a wider net than the nine segments of the style box, carving the value-growth spectrum into halves rather than thirds. This better reflects the opportunity set available to style investors, as managers often color outside their designated section in the style box. Stocks in the blend segment of the market are partially allocated to both the value and growth indexes, as they often appear in both value and growth managers’ portfolios.

Appendix 2: Company Characteristics by Style

Morningstar’s broad style and global style indexes each focus on a different type of stock, reflecting how many active managers define their opportunity set.

Large-growth stocks are often among the market’s most enviable businesses. These firms not only tend to enjoy robust growth prospects but also typically benefit from dominant market positions and deploy extremely profitable business models. Within the Morningstar Broad Style Index family, the Morningstar US Large Broad Growth Index has the greatest exposure to stocks with Morningstar Economic Moat Ratings of wide, reflecting durable competitive advantages that Morningstar equity analysts expect to last for at least 20 years, as Exhibit 16 illustrates. However, the constituents of this index tend to generate a smaller share of their revenue outside the US compared with any of the other broad style indexes that cover the US, as shown in Exhibit 17.

Similar to the US, global growth indexes have the greatest bent toward wide moat ratings, reflecting the structurally more favorable business models of these constituents. These durable competitive advantages are also more prevalent in developed markets relative to emerging markets. Companies listed in emerging markets are more likely to have to navigate headwinds like tenuous regulatory

landscapes (which invite competition) and more acute economic cyclicality (which detracts from our equity analysts' confidence in the durability of their profits).

Exhibit 14 Economic Moat Exposure (%)

US	Wide Moat	Narrow Moat	None
Morningstar US Market Extended	56.36	25.66	6.92
Morningstar US Market Broad Growth Extended	65.93	18.73	4.01
Morningstar US Market Broad Value Extended	46.24	33.02	10.01
Morningstar US Large Cap	74.66	22.69	2.16
Morningstar US Large Broad Growth	85.53	13.79	0.52
Morningstar US Large Broad Value	62.80	32.45	3.91
Morningstar US Mid Cap	16.81	42.25	21.92
Morningstar US Mid Cap Broad Growth	24.31	39.86	14.56
Morningstar US Mid Cap Broad Value	8.30	43.76	30.53
Morningstar US Small Cap Extended	0.66	11.01	9.72
Morningstar US Small Broad Growth Extended	0.55	9.54	8.08
Morningstar US Small Broad Value Extended	0.79	12.59	11.44
Global			
Morningstar Global Target Market Exposure	48.93	25.01	12.16
Morningstar Global Growth	60.54	20.38	6.43
Morningstar Global Value	36.42	30.28	18.25
Morningstar Developed Markets ex-US	29.36	22.93	25.34
Morningstar Developed Markets ex-US Growth	41.89	24.74	12.06
Morningstar Developed Markets ex-US Value	15.84	21.45	39.25
Morningstar Emerging Markets	15.70	16.16	13.49
Morningstar Emerging Markets Growth	17.63	14.35	13.60
Morningstar Emerging Markets Value	14.18	18.11	13.62

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 15 Revenue Generated in the US

US	% of Revenue from the US
Morningstar US Market Extended	61.73
Morningstar US Market Broad Growth Extended	56.48
Morningstar US Market Broad Value Extended	67.31
Morningstar US Large Cap	56.98
Morningstar US Large Broad Growth	50.84
Morningstar US Large Broad Value	63.49
Morningstar US Mid Cap	71.87
Morningstar US Mid Cap Broad Growth	68.93
Morningstar US Mid Cap Broad Value	75.20
Morningstar US Small Cap Extended	76.78
Morningstar US Small Broad Growth Extended	74.21
Morningstar US Small Broad Value Extended	79.77
Global	
Morningstar Global Target Market Exposure	45.25
Morningstar Global Growth	43.21
Morningstar Global Value	47.87
Morningstar Developed Markets ex-US	22.63
Morningstar Developed Markets ex-US Growth	26.72
Morningstar Developed Markets ex-US Value	18.69
Morningstar Emerging Markets	13.14
Morningstar Emerging Markets Growth	14.17
Morningstar Emerging Markets Value	12.38

Source: Morningstar Direct. Data as of March 31, 2024.

Large-value stocks tend to be more mature. These include slow-growth giants like Berkshire Hathaway and Procter & Gamble in the US and Shell outside of the US. Because they often have strong cash flows and limited need of it to fund growth, these stocks tend to make larger cash distributions to shareholders than their faster-growing and smaller counterparts.

Stocks in the middle of the value-growth spectrum, like Alphabet and Meta, are found in both the Morningstar US Large Broad Value and Growth indexes. That reflects that they are also found in both value and growth managers' portfolios, as they don't have a strong bias toward one style over the other.

Moving down the market-cap ladder tends to increase both risk and upside potential. Mid-cap growth stocks have a bit more growth runway than their larger counterparts. These companies are often at an earlier stage in their lifecycle yet have been successful, like Marvell Technology, or could be relatively mature firms transforming their businesses to align with climate commitments and increased focus on renewable energy, like utilities firm Constellation Energy Corp. Both companies were among the top holdings of the Morningstar US Mid Cap Broad Growth Index at the end of March 2024.

Small-growth stocks are riskier still. These firms tend to be less profitable and face greater uncertainty than better-established growth stocks, yet with this broader distribution of potential outcomes comes the juiciest growth potential. MicroStrategy Inc, a top holding in the Morningstar US Small Cap Broad

Growth Extended Index, exemplifies this promise and risk by leveraging its data storage, AI workflow products and applications in an economy that is constantly hungry for such services because of the horizontal transition to cloud and AI services and across industries. However, competition is fierce, and the industry tends to be quite cyclical, with demand troughs that can be just as deep and acute as the booms.

Mid- and small-cap value stocks also carry greater risk and upside potential than their larger counterparts. This includes a mix of stocks that have simply matured before reaching the large-cap ranks, as well as names that have fallen out of favor, often for good reason. Biotechnology researcher Biogen is a good example of the former, while automobile manufacturer General Motors Co embodies the latter.

Smaller stocks tend to generate more of their revenue in the US, particularly on the value side. The constituents of the Morningstar US Small Cap Broad Value Extended Index generated a larger share of their revenue in the US than any of the other broad style indexes, as shown in Exhibit 15.

Exhibits 16-30 show the top 10 constituents in the large-, mid-, and small-cap extended indexes, the value and growth indexes in those segments, as well as the value and growth indexes for ex-US developed markets and emerging markets.

Exhibit 16 Top Holdings: Morningstar US Large Cap Index

Constituent	Ticker	Sector	Weighting (%)
Microsoft Corp	MSFT	Technology	8.71
Apple Inc	AAPL	Technology	6.95
NVIDIA Corp	NVDA	Technology	5.99
Amazon.com Inc	AMZN	Consumer Cyclical	4.71
Meta Platforms Inc Class A	META	Communication Services	3.00
Alphabet Inc Class A	GOOGL	Communication Services	2.48
Alphabet Inc Class C	GOOG	Communication Services	2.24
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	2.12
Eli Lilly and Co	LLY	Healthcare	1.83
Broadcom Inc	AVGO	Technology	1.73

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 17 Top Holdings: Morningstar US Large Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
Microsoft Corp	MSFT	Technology	16.92
Apple Inc	AAPL	Technology	13.50
NVIDIA Corp	NVDA	Technology	11.64
Amazon.com Inc	AMZN	Consumer Cyclical	9.15
Eli Lilly and Co	LLY	Healthcare	3.56
Meta Platforms Inc Class A	META	Communication Services	3.45
Alphabet Inc Class A	GOOGL	Communication Services	2.97
Alphabet Inc Class C	GOOG	Communication Services	2.69
Tesla Inc	TSLA	Consumer Cyclical	2.64
Visa Inc Class A	V	Financial Services	2.39

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 18 Top Holdings: Morningstar US Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	4.38
JPMorgan Chase & Co	JPM	Financial Services	3.30
Exxon Mobil Corp	XOM	Energy	2.65
Meta Platforms Inc Class A	META	Communication Services	2.53
Broadcom Inc	AVGO	Technology	2.33
Procter & Gamble Co	PG	Consumer Defensive	2.19
The Home Depot Inc	HD	Consumer Cyclical	2.19
Johnson & Johnson	JNJ	Healthcare	2.19
Alphabet Inc Class A	GOOGL	Communication Services	1.96
AbbVie Inc	ABBV	Healthcare	1.85

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 19 Top Holdings: Morningstar US Mid Cap Index

Constituent	Ticker	Sector	Weighting (%)
CrowdStrike Holdings Inc Class A	CRWD	Technology	0.70
Trane Technologies PLC Class A	TT	Industrials	0.66
TransDigm Group Inc	TDG	Industrials	0.63
NXP Semiconductors NV	NXPI	Technology	0.62
PACCAR Inc	PCAR	Industrials	0.62
Marvell Technology Inc	MRVL	Technology	0.57
Edwards Lifesciences Corp	EW	Healthcare	0.56
Workday Inc Class A	WDAY	Technology	0.55
Constellation Energy Corp	CEG	Utilities	0.55
Autodesk Inc	ADSK	Technology	0.54

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 20 Top Holdings: Morningstar US Mid Cap Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
CrowdStrike Holdings Inc Class A	CRWD	Technology	1.38
Trane Technologies PLC Class A	TT	Industrials	1.30
TransDigm Group Inc	TDG	Industrials	1.24
Marvell Technology Inc	MRVL	Technology	1.12
Edwards Lifesciences Corp	EW	Healthcare	1.09
Workday Inc Class A	WDAY	Technology	1.08
Constellation Energy Corp	CEG	Utilities	1.08
Autodesk Inc	ADSK	Technology	1.06
DexCom Inc	DXCM	Healthcare	1.00
Hilton Worldwide Holdings Inc	HLT	Consumer Cyclical	0.96

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 21 Top Holdings: Morningstar US Mid Cap Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
PACCAR Inc	PCAR	Industrials	1.27
Capital One Financial Corp	COF	Financial Services	1.09
American International Group Inc	AIG	Financial Services	1.06
General Motors Co	GM	Consumer Cyclical	1.04
Ford Motor Co	F	Consumer Cyclical	1.04
Truist Financial Corp	TFC	Financial Services	1.03
Simon Property Group Inc	SPG	Real Estate	1.02
D.R. Horton Inc	DHI	Consumer Cyclical	1.01
Nucor Corp	NUE	Basic Materials	0.97
Williams Companies Inc	WMB	Energy	0.94

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 22 Top Holdings: Morningstar US Small Cap Extended Index

Constituent	Ticker	Sector	Weighting (%)
MicroStrategy Inc Class A	MSTR	Technology	0.56
TopBuild Corp	BLD	Industrials	0.32
Toll Brothers Inc	TOL	Consumer Cyclical	0.32
Dick's Sporting Goods Inc	DKS	Consumer Cyclical	0.30
nVent Electric PLC	NVT	Industrials	0.29
Shockwave Medical Inc	SWAV	Healthcare	0.27
Advanced Drainage Systems Inc	WMS	Industrials	0.27
Sarepta Therapeutics Inc	SRPT	Healthcare	0.27
Kinsale Capital Group Inc	KNSL	Financial Services	0.27
Comfort Systems USA Inc	FIX	Industrials	0.26

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 23 Top Holdings: Morningstar US Small Broad Growth Extended Index

Constituent	Ticker	Sector	Weighting (%)
MicroStrategy Inc Class A	MSTR	Technology	1.12
Shockwave Medical Inc	SWAV	Healthcare	0.55
Advanced Drainage Systems Inc	WMS	Industrials	0.54
Sarepta Therapeutics Inc	SRPT	Healthcare	0.53
Kinsale Capital Group Inc	KNSL	Financial Services	0.53
Comfort Systems USA Inc	FIX	Industrials	0.52
Natera Inc	NTRA	Healthcare	0.50
Trex Co Inc	TREX	Industrials	0.49
Wingstop Inc	WING	Consumer Cyclical	0.47
Texas Roadhouse Inc	TXRH	Consumer Cyclical	0.47

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 24 Top Holdings: Morningstar US Small Value Extended Index

Constituent	Ticker	Sector	Weighting (%)
Toll Brothers Inc	TOL	Consumer Cyclical	0.64
Dick's Sporting Goods Inc	DKS	Consumer Cyclical	0.60
East West Bancorp Inc	EWBC	Financial Services	0.52
Ally Financial Inc	ALLY	Financial Services	0.51
Bath & Body Works Inc	BBWI	Consumer Cyclical	0.51
Tapestry Inc	TPR	Consumer Cyclical	0.50
Fortune Brands Innovations Inc	FBIN	Industrials	0.49
Tenet Healthcare Corp	THC	Healthcare	0.49
Carvana Co Class A	CVNA	Consumer Cyclical	0.44
United States Steel Corp	X	Basic Materials	0.42

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 25 Top Holdings: Morningstar Developed Markets Ex-US TME Index

Constituent	Ticker	Sector	Weighting (%)
Novo Nordisk A/S Class B	NOVO B	Healthcare	2.29
ASML Holding NV	ASML	Technology	2.02
Toyota Motor Corp	7203	Consumer Cyclical	1.58
Nestle SA	NESN	Consumer Defensive	1.50
Lvmh Moet Hennessy Louis Vuitton SE	MC	Consumer Cyclical	1.23
Shell PLC	SHEL	Energy	1.14
AstraZeneca PLC	AZN	Healthcare	1.11
SAP SE	SAP	Technology	1.10
Novartis AG Registered Shares	NOVN	Healthcare	1.05
Roche Holding AG	ROG	Healthcare	0.94

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 26 Top Holdings: Morningstar Developed Markets Ex-US Growth TME Index

Constituent	Ticker	Sector	Weighting (%)
Novo Nordisk A/S Class B	NOVO B	Healthcare	4.48
ASML Holding NV	ASML	Technology	3.94
Lvmh Moet Hennessy Louis Vuitton SE	MC	Consumer Cyclical	2.40
AstraZeneca PLC	AZN	Healthcare	2.17
Nestle SA	NESN	Consumer Defensive	1.89
SAP SE	SAP	Technology	1.67
Toyota Motor Corp	7203	Consumer Cyclical	1.54
L'Oreal SA	OR	Consumer Defensive	1.19
Airbus SE	AIR	Industrials	1.12
Commonwealth Bank of Australia	CBA	Financial Services	1.11

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 27 Top Holdings: Morningstar Developed Markets Ex-US Value TME Index

Constituent	Ticker	Sector	Weighting (%)
Shell PLC	SHEL	Energy	2.41
TotalEnergies SE	TTE	Energy	1.68
HSBC Holdings PLC	HSBA	Financial Services	1.67
Toyota Motor Corp	7203	Consumer Cyclical	1.66
BHP Group Ltd	BHP	Basic Materials	1.64
Roche Holding AG	ROG	Healthcare	1.25
The Toronto-Dominion Bank	TD	Financial Services	1.21
BP PLC	BP.	Energy	1.20
Nestle SA	NESN	Consumer Defensive	1.13
Novartis AG Registered Shares	NOVN	Healthcare	1.11

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 28 Top Holdings: Morningstar Emerging Markets TME Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	7.70
Samsung Electronics Co Ltd	005930	Technology	4.05
Tencent Holdings Ltd	00700	Communication Services	3.13
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	1.98
Reliance Industries Ltd	RELIANCE	Energy	1.91
HDFC Bank Ltd	HDFCBANK	Financial Services	1.27
International Holdings Co PJSC	IHC	Industrials	1.05
PDD Holdings Inc ADR	PDD	Consumer Cyclical	0.97
SK Hynix Inc	000660	Technology	0.96
Infosys Ltd	INFY	Technology	0.96

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 29 Top Holdings: Morningstar Emerging Markets Growth TME Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	9.69
Reliance Industries Ltd	RELIANCE	Energy	4.01
Tencent Holdings Ltd	00700	Communication Services	3.28
International Holdings Co PJSC	IHC	Industrials	2.20
PDD Holdings Inc ADR	PDD	Consumer Cyclical	2.03
SK Hynix Inc	000660	Technology	2.02
ICICI Bank Ltd	ICICIBANK	Financial Services	1.87
Meituan Class B	03690	Consumer Cyclical	1.83
HDFC Bank Ltd	HDFCBANK	Financial Services	1.55
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	1.42

Source: Morningstar Direct. Data as of March 31, 2024.

Exhibit 30 Top Holdings: Morningstar Emerging Markets Value TME Index

Constituent	Ticker	Sector	Weighting (%)
Samsung Electronics Co Ltd	005930	Technology	7.88
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	5.99
Tencent Holdings Ltd	00700	Communication Services	3.05
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	2.54
China Construction Bank Corp Class H	00939	Financial Services	1.50
Hon Hai Precision Industry Co Ltd	2317	Technology	1.44
Vale SA	VALE3	Basic Materials	1.12
Samsung Electronics Co Ltd Participating Preferred	005935	Technology	1.06
HDFC Bank Ltd	HDFCBANK	Financial Services	1.04
Industrial and Commercial Bank of China Ltd Class H	01398	Financial Services	0.93

Source: Morningstar Direct. Data as of March 31, 2024.

Appendix 3: Funds That Track Morningstar Broad Style Indexes**Exhibit 31** Funds That Track Morningstar Broad Style Indexes

Name	SecId	Ticker	Domicile	Primary Prospectus Benchmark
BNY Mellon US Large Cap Core Equity ETF	F0000149CO	BKLC	United States	Morningstar US Large Cap TR USD
iShares Morningstar Growth ETF	FEUSA04ACO	ILCG	United States	Morningstar US Large Mid Brd Grt TR USD
iShares Morningstar Value ETF	FEUSA04ACP	ILCV	United States	Morningstar US Large Mid Brd Val TR USD
Lyxor Core Morningstar US (DR) ETF-Dist	F0000109UX	LCUD	Luxembourg	Morningstar US Large-Mid NR USD
iShares Morningstar U.S. Equity ETF	FEUSA04ACN	ILCB	United States	Morningstar US Large-Mid TR USD
NBI U.S. Equity Index O	F000013VX6		Canada	Morningstar US Large-Mid TR USD
NBI U.S. Equity Index INV-2	F000016TJI		Canada	Morningstar US Large-Mid TR USD
iShares Morningstar Mid-Cap Growth ETF	FEUSA04ACR	IMCG	United States	Morningstar US Mid Cap Brd Grt TR USD
iShares Morningstar Mid-Cap Value ETF	FEUSA04ACS	IMCV	United States	Morningstar US Mid Cap Brd Val TR USD
BNY Mellon US Mid Cap Core Equity ETF	F0000149CP	BKMC	United States	Morningstar US Mid Cap TR USD
iShares Morningstar Mid-Cap ETF	FEUSA04ACQ	IMCB	United States	Morningstar US Mid Cap TR USD
iShares Morningstar Small-Cap Growth ETF	FEUSA04ACU	ISCG	United States	Morningstar US Small Brd Grt Ext TR USD
iShares Morningstar Small-Cap Value ETF	FEUSA04ACV	ISCV	United States	Morningstar US Small Brd Val Ext TR USD
iShares Morningstar Small-Cap ETF	FEUSA04ACT	ISCB	United States	Morningstar US Small Cap Ext TR USD

Source: Morningstar Direct. Data as of March 31, 2024.

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors — and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across major asset classes, styles and strategies. From traditional benchmarks and unique IP-driven indexes, to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Please visit indexes.morningstar.com for more information.

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