

Morningstar Quarterly Style Monitor: Q4 2025

Value makes a resurgence across regions.

Morningstar

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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, providing insights into their performance drivers and portfolio composition.

Key Takeaways

- ▶ In the fourth quarter of 2025, the Morningstar Developed Markets ex-US Target Market Exposure Index returned **5.54%**, the Morningstar Emerging Markets Target Market Exposure Index returned **4.60%**, and the Morningstar US Market Extended Index returned **2.42%**. The rally in developed markets ex-US arose largely from the UK, Canada, Switzerland, and Japan (together >50% of the developed-markets ex-US performance), while emerging-markets returns were highly concentrated in South Korea and Taiwan (together >50%).
- ▶ Value staged a global comeback, with value stocks significantly outperforming growth counterparts and broad-market benchmarks across all considered regions. Returns of value indexes exceeded those of their growth counterparts by **5.16**, **5.35**, and **1.83** percentage points in the US, developed markets outside of the US, and emerging markets, respectively.
- ▶ While the technology sector continues to dominate growth indexes in the US and emerging markets, the industrials sector leads growth in developed markets ex-US, whereas the financial-services sector remains the consistent anchor for value portfolios globally.
- ▶ Although headline volatility remained moderate, the risk profile in the US large-growth segment is becoming more concentrated within a handful of mega-cap stocks, thereby increasing tail risk in this segment of the market.
- ▶ Wide valuation spreads in the US continue to historically signal lower expected returns for growth stocks over the next five years; however, this predictive relationship appears to have broken down in developed markets ex-US, where valuation gaps no longer correlate clearly with future return spreads. Relatively cheaper valuation multiples for names in value indexes provide an additional fundamentals-based rationale for value's outperformance relative to growth in this quarter.

Performance Highlights

Returns

The fourth quarter of 2025 saw the large- and mid-cap segments of global equity markets underperform relative to the third quarter of 2025, although returns were much stronger relative to those delivered in the fourth quarter of 2024. Regionwise, developed markets outside the US registered the highest returns, followed by emerging markets and the US.

The Morningstar US Market Extended Index advanced by 2.42% in the fourth quarter of 2025. The healthcare sector accounted for 43.0% of the index's total return, because of high performance from stocks like Eli Lilly (41.06%), Merck (26.48%), and Intuitive Surgical (26.64%). It was followed by communication services (26%) and financial services (14%) in terms of return contribution. Real estate detracted the most from index return, driven by declines in CoStar Group (negative 20.30%), Alexandria Real Estate Equities (negative 40.41%), and VICI Properties (negative 12.40%).

The Morningstar Developed Markets ex-US Target Market Exposure Index delivered 5.54% in total return, in line with 5.48% registered in the third quarter of 2025 but significantly better than the negative 7.37% delivered in the fourth quarter of 2024. This segment outperformed the US in 2025, with almost double the return to date but remains behind over longer periods. Within this group, the UK, Canada, Switzerland, and Japan together accounted for more than half the total performance.

Meanwhile, the Morningstar Emerging Markets Target Market Exposure Index gained 4.60%, though performance was highly concentrated in a few key markets—South Korea, Taiwan, India, South Africa, and Brazil—which collectively contributed over 90% of the total index returns, with South Korea and Taiwan alone accounting for more than half the total index returns.

Globally, our style family is built by applying the Morningstar Broad Style Indexes methodology to our suite of Target Market Exposure indexes (targeting large- and mid-cap stocks representing 85% of the investable market). The style dynamics remained consistent throughout all the regions, with value stocks outperforming growth stocks and even the corresponding broad-market benchmarks.

Within the US, value stocks significantly outperformed growth. In the large-cap segment, value outperformed growth by 5.42 percentage points in the fourth quarter of 2025. In the mid-cap segment, value's return at 3.11% was the inverse of growth's negative 3.11% return. However, this outperformance weakens or even reverses on a year-to-date and one-year basis because of the strong rebound in growth stocks during the second quarter. Over the longer 10-year horizon, growth outperformed value, most notably in large caps, with the differential gradually narrowing across mid- and small-cap segments. Across the full index history, growth maintains a slight edge in large caps, while value leads in mid- and small-cap segments.

In developed markets outside the US and emerging markets as well, an outperformance of value stocks over growth (5.35% and 1.83%, respectively) was noted. This trend has also persisted over longer

periods. The utilities sector was the largest contributor to value's active return versus the growth index in developed markets outside the US, while basic materials stocks led the gains in emerging markets.

Across all segments, styles, and regions in fourth-quarter 2025, the Morningstar Developed Markets ex-US Value Target Market Exposure Index delivered the highest returns (8.23%), whereas the Morningstar US Mid Cap Broad Growth Index performed the worst (negative 3.11%).

Exhibit 1 Performance Characteristics up to December 2025

	1Qr			YTD			1Yr			5Yr			10Yr			Since Inception*		
US	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe
Morningstar US Market Extended	2.42	6.50	0.25	17.21	19.00	0.71	17.23	11.40	1.09	13.13	15.42	0.67	14.30	15.66	0.79	9.44	15.75	0.51
Morningstar US Market Broad Growth Extended	0.02	8.30	-0.07	16.39	23.42	0.58	16.40	16.50	0.75	12.66	18.89	0.55	15.95	17.66	0.80	9.34	18.22	0.46
Morningstar US Market Broad Value Extended	5.18	5.57	0.75	18.07	16.09	0.85	18.08	9.17	1.41	13.14	14.18	0.71	12.27	15.24	0.69	9.10	14.97	0.51
Value Relative to Growth																		
Morningstar US Large Cap	3.01	6.69	0.33	19.78	19.50	0.81	19.79	12.07	1.21	15.03	15.35	0.78	15.58	15.19	0.89	9.35	15.38	0.51
Morningstar US Large Broad Growth	0.55	9.00	0.00	19.21	25.16	0.66	19.23	18.17	0.83	15.42	19.87	0.66	17.71	18.05	0.88	9.54	18.18	0.47
Morningstar US Large Broad Value	5.97	5.34	0.92	20.41	15.60	1.00	20.42	9.44	1.58	13.90	13.50	0.79	12.95	14.24	0.77	8.66	14.38	0.50
Value Relative to Growth																		
Morningstar US Mid Cap	-0.01	6.39	-0.12	10.12	18.16	0.39	10.13	9.73	0.61	8.91	16.58	0.40	11.53	17.23	0.59	9.68	17.35	0.49
Morningstar US Mid Cap Broad Growth	-3.11	7.13	-0.54	6.78	20.11	0.22	6.78	13.14	0.24	6.07	18.41	0.23	11.88	18.03	0.59	8.82	19.60	0.42
Morningstar US Mid Cap Broad Value	3.11	6.11	0.37	13.39	17.11	0.57	13.40	8.21	1.06	11.45	16.46	0.54	10.79	17.66	0.54	10.07	17.10	0.52
Value Relative to Growth																		
Morningstar US Small Cap Extended	2.93	8.97	0.26	11.86	22.04	0.43	11.87	13.12	0.60	6.95	19.26	0.27	9.67	20.56	0.44	8.78	20.12	0.41
Morningstar US Small Broad Growth Extended	2.51	9.90	0.20	13.12	23.06	0.47	13.13	13.94	0.65	4.22	19.53	0.14	9.92	20.08	0.46	7.56	22.16	0.34
Morningstar US Small Broad Value Extended	3.49	8.53	0.33	10.48	21.77	0.37	10.49	13.33	0.50	10.32	20.14	0.42	9.50	21.97	0.42	9.83	19.76	0.46
Value Relative to Growth																		
Global																		
Morningstar Global Target Market Exposure	3.44	5.07	0.49	22.74	13.86	1.24	22.75	8.78	1.92	11.70	13.86	0.63	12.26	14.40	0.72	8.86	16.16	0.53
Morningstar Global Growth Target Market Exposure	0.98	6.47	0.03	19.74	17.02	0.89	19.76	13.27	1.11	9.96	16.40	0.46	12.84	15.52	0.71	9.53	16.52	0.56
Morningstar Global Value Target Market Exposure	6.15	4.28	1.17	26.01	12.08	1.62	26.03	6.34	3.04	13.15	13.07	0.76	11.35	14.63	0.66	8.11	16.43	0.48
Value Relative to Growth																		
Morningstar Developed Markets ex-US Target Market Exposure	5.54	5.13	0.87	32.67	14.80	1.69	32.69	6.92	3.56	10.10	14.21	0.52	9.21	14.76	0.52	5.73	17.18	0.33
Morningstar Developed Markets ex-US Growth Target Market Exposure	2.88	5.66	0.35	24.45	15.55	1.21	24.47	9.23	1.98	5.90	15.67	0.23	8.39	14.80	0.47	5.36	16.54	0.32
Morningstar Developed Markets ex-US Value Target Market Exposure	8.23	4.87	1.42	41.48	14.48	2.16	41.51	5.72	5.45	14.35	13.92	0.80	9.81	15.86	0.53	6.08	18.39	0.34
Value Relative to Growth																		
Morningstar Emerging Markets Target Market Exposure	4.60	6.81	0.54	32.08	15.47	1.58	32.10	8.98	2.71	4.92	14.77	0.17	9.16	16.16	0.48	4.82	20.06	0.27
Morningstar Emerging Markets Growth Target Market Exposure	3.70	6.60	0.43	26.05	15.46	1.29	26.07	9.17	2.13	0.43	15.39	-0.12	7.26	16.29	0.37	4.40	19.75	0.25
Morningstar Emerging Markets Value Target Market Exposure	5.53	7.38	0.62	38.67	16.22	1.81	38.70	9.72	3.02	9.43	14.96	0.46	11.04	17.07	0.57	5.60	20.58	0.30
Value Relative to Growth																		

Source: Morningstar Direct.

Returns longer than one year annualized.

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

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

Tracking the return differentials between value and growth paints an interesting picture for style investing. In contrast to 2020, value indexes outpaced growth for most of the quarters between 2021 and 2022. The year 2023 moved the needle back in favor of growth stocks, primarily fueled by investors' enthusiasm for the applications of artificial intelligence across businesses, as well as expectations of a soft landing and Federal Reserve rate cuts. Even the year 2024 saw growth stocks dominating over value stocks for three out of the four quarters for most segments.

The past 10 quarters have seen the leadership between value and growth indexes oscillate sharply, with value stocks making a strong comeback in the third and fourth quarters of 2025. The Morningstar US Mid Cap Broad Value Index and the Morningstar Developed Markets ex-US Value Target Market Exposure Index each outperformed their growth counterparts by 6.22 and 5.35 percentage points, respectively, in the fourth quarter of 2025.

Exhibit 2 Quarterly Value Minus Growth Performance Differential (%)

US Broad	9.16	-6.04	-1.81	0.62	8.46	10.82	-2.23	11.06	-11.90	-7.59	2.17	-3.67	-2.26	-7.69	4.72	-7.16	9.87	-16.05	0.60	5.16
US Large	7.43	-7.51	-2.26	-0.26	6.88	12.72	-2.18	13.48	-13.97	-9.43	2.18	-5.07	-2.26	-10.83	5.80	-8.27	11.87	-18.93	0.19	5.42
US Mid	13.04	-4.65	-1.05	1.69	13.71	5.61	-2.02	4.37	-6.67	-2.92	1.99	-0.69	-2.12	1.28	1.92	-6.04	5.60	-9.51	3.00	6.22
US Small	14.10	1.26	1.92	4.25	10.15	5.95	-3.33	5.99	-7.47	-2.60	3.14	1.15	-2.31	-2.47	2.20	-0.96	2.84	-6.47	-0.38	0.98
	2021				2022				2023				2024				2025			
Global	8.14	-4.97	-0.07	0.00	9.59	7.83	-1.56	7.97	-8.54	-4.27	3.49	-3.29	-1.67	-5.47	4.19	-4.57	9.27	-11.93	1.52	5.17
Developed Ex US	8.46	-2.74	-0.63	-1.75	11.43	3.94	-0.85	3.35	-4.52	0.99	7.20	-3.09	-1.58	-0.11	2.71	1.35	6.16	-2.08	4.03	5.35
Emerging	4.09	-1.02	8.73	4.27	7.60	-2.37	-1.10	2.82	3.01	2.74	0.92	1.55	-0.69	0.62	4.27	-1.86	6.57	-2.85	4.31	1.83
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Source: Morningstar Direct

We shed more light on the drivers of fourth-quarter 2025 returns in the Performance Attribution section.

Risk

Exhibit 1 illustrates that, over longer-term periods, US small-cap equities consistently demonstrated greater volatility and sensitivity to market cycles relative to their large-cap counterparts. This dynamic stems from more exposure to niche market risks, less predictable earnings profiles, and a lower propensity to exhibit long-term durable competitive advantages.

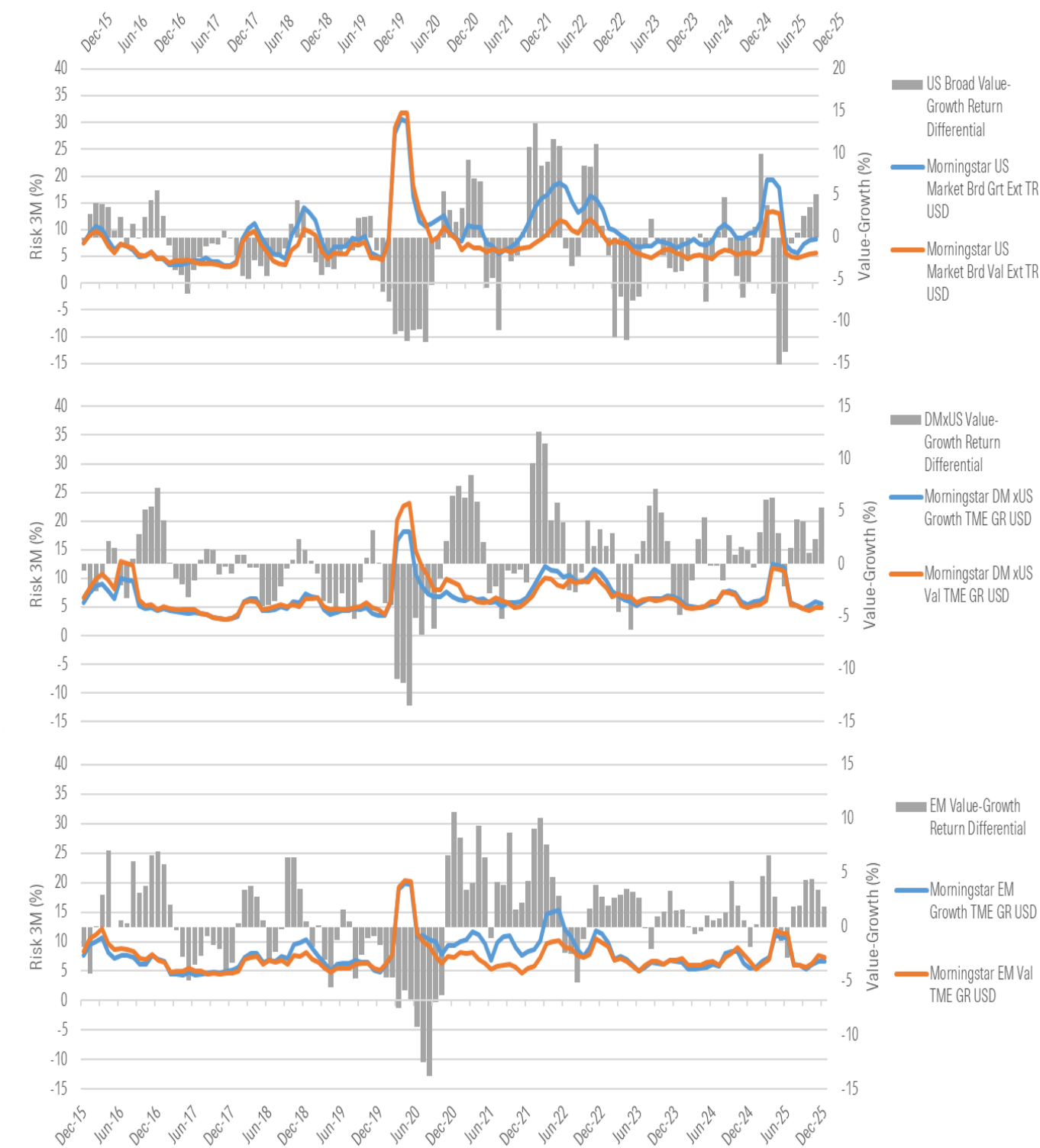
In the fourth quarter of 2025, the Morningstar US Market Broad Growth Extended and US Large Cap Broad Growth Indexes exhibited higher volatility than their value counterparts. The same trend is noted for the Morningstar US Mid Cap Broad Growth and the Morningstar US Small Cap Broad Growth Indexes, although the value-growth volatility gap narrows in these size segments. In regions such as developed markets ex-US and emerging markets, volatility levels were largely comparable across the two styles. The Morningstar Global Growth Target Market Exposure Index also exhibited slightly higher volatility than the value index, primarily because of the US market's heavy weight (approximately 64%) in the global index.

As we move toward longer investment horizons, value strategies consistently maintained lower volatility relative to growth strategies for all segments, except for the US small-cap segment and the developed-markets ex-US and emerging-markets regions, for which volatilities between the two styles remained quite close to each other.

In the fourth quarter of 2025, value outperformed growth on a risk-adjusted basis, as measured by the Sharpe ratio, across all regions and segments. The difference was the most pronounced within the US large-cap and global segments.

Within the US, value has dominated growth in terms of the Sharpe ratio across most size segments and periods, except for the 10-year horizon. Across both developed markets outside the US and emerging markets, value has consistently maintained higher Sharpe ratios over all observed periods.

Exhibit 3.1 Rolling Three-Month Risk Versus Value-Growth Differential for US, Developed Markets ex-US, and Emerging Markets



Source: Morningstar Direct. Data from December 2015 to December 2025.

Exhibit 3.2 Rolling Three-Month Risk Versus Value-Growth Differential for US Size Segments

Source: Morningstar Direct. Data from December 2015 to December 2025.

Portfolio Highlights

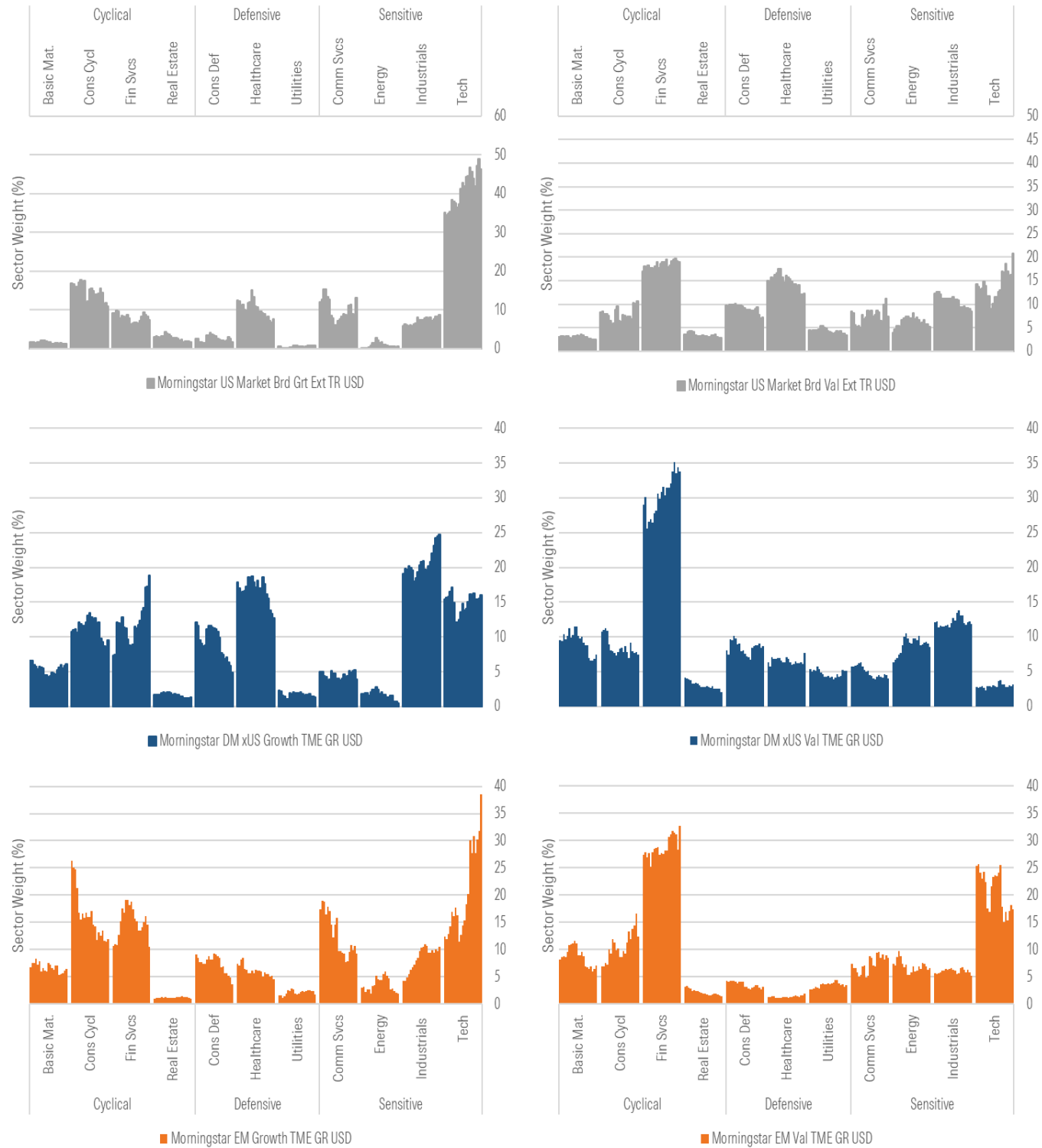
Sectors

Persistent differences in growth prospects and valuations across sectors lead to varying sector exposures between value and growth indexes, often driving divergence in performance outcomes.

Within growth indexes, the sector leadership differs among regions. The technology sector dominates the US and emerging-markets regions, given the high market capitalization of many internet, AI, and semiconductor manufacturing companies. In contrast, in developed markets outside the US region, the industrials sector is the leader, which is consistent with the region's structural tilt toward heavy engineering, automation, and specialty manufacturing business. In the fourth quarter of 2025, the weight allocation across various sectors was more balanced in developed markets outside the US region, compared with the US and emerging-markets regions.

On the value side, financial services is the leading sector across all three regions. The US has more balanced exposure in all the sectors, whereas the Developed Markets ex-US Value Target Market Exposure Index exhibits balanced sector weights outside of an outsize allocation to the financial-services sector. The emerging-markets region showed more concentration toward financial-services and technology sectors.

Exhibit 4.1 Historical Sector Weights Distribution for the US, Developed Markets ex-US, and Emerging Markets



Source: Morningstar Direct. Data from December 2020 to December 2025. (Each bar displays the quarterly sector weight for the respective sector from December 2020 to December 2025.)

Interestingly, sector tilts sometimes move in opposite directions across regions. For example, in developed markets outside the US, healthcare, consumer defensive, and industrials sectors have higher weights in growth indexes than those of the same sectors in the US growth index.

The Morningstar Emerging Markets Value Target Market Exposure Index has high exposure to the technology sector, which is contrary to what we observe in the US and developed markets ex-US. However, it should be noted that the technology sector's weight in the US Market Broad Value Extended Index has been higher than its long-term average for the past few quarters, whereas for the emerging-markets region, it is lower.

In the US, there are also notable sector differences along the market-cap spectrum. In the Morningstar US Large Cap Broad Value Index, stocks are found predominantly in financial services, healthcare, technology, and industrials, while the Morningstar US Mid Cap Broad Value Index has a balanced exposure across multiple cyclical and defensive industries. The Morningstar Small Cap Broad Value Extended Index follows the mid-cap suite, with a high concentration in financial services, industrials, and consumer cyclicals. Large-cap growth stocks are found in technology and consumer cyclicals, whereas mid- and small-cap growth stocks are found in technology, industrials, and healthcare.

Exhibit 4.2 Historical Sector Weights Distribution for US Size Segments



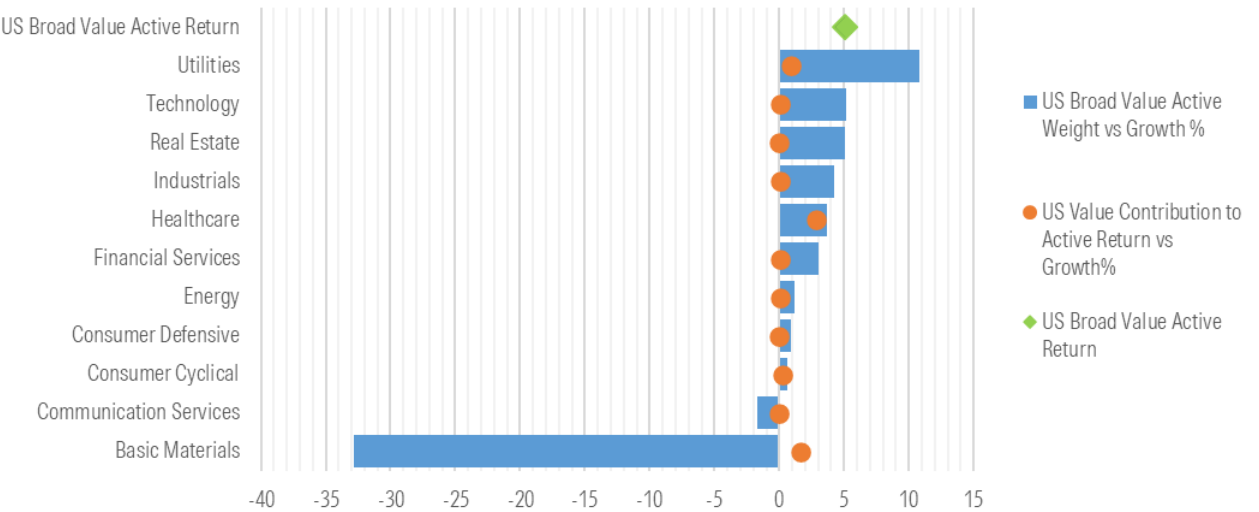
Source: Morningstar Direct. Data from December 2020 to December 2025. (Each bar displays the quarterly sector weight for the respective sector from December 2020 to December 2025.)

Performance Attribution

US

The Morningstar US Market Broad Value Extended Index outperformed the Morningstar US Market Broad Growth Extended Index by 5.16 percentage points. Overweighting utilities and healthcare helped the value index to significantly outperform its growth counterpart.

Exhibit 5.1 Active Sector Weights and Their Respective Contribution to Active Returns for the US Broad Value Versus Growth Index



Source: Morningstar Direct. Data as of Dec. 31, 2025.

From the perspective of the value index, even though it was overweight healthcare at the sector level, underweighting some high-performing healthcare stocks, like Eli Lilly (41.06%), Advanced Micro Devices (32.37%), and Intuitive Surgical (26.64%), detracted from its return relative to its growth counterpart. On the positive active exposure side, overweighting Alphabet Inc Class A (28.84%), Alphabet Inc Class C (28.93%) in the communication-services sector, and Micron Technology (70.75%) in the technology sector helped the value index in gaining some positive performance.

Exhibit 5.2 shows the top and bottom contributors to the active return of the Morningstar US Market Broad Value Extended Index over the Morningstar US Market Broad Growth Extended Index.

Exhibit 5.2 Top and Bottom Contributors to the Active Return for the US Broad Value Versus Growth Index

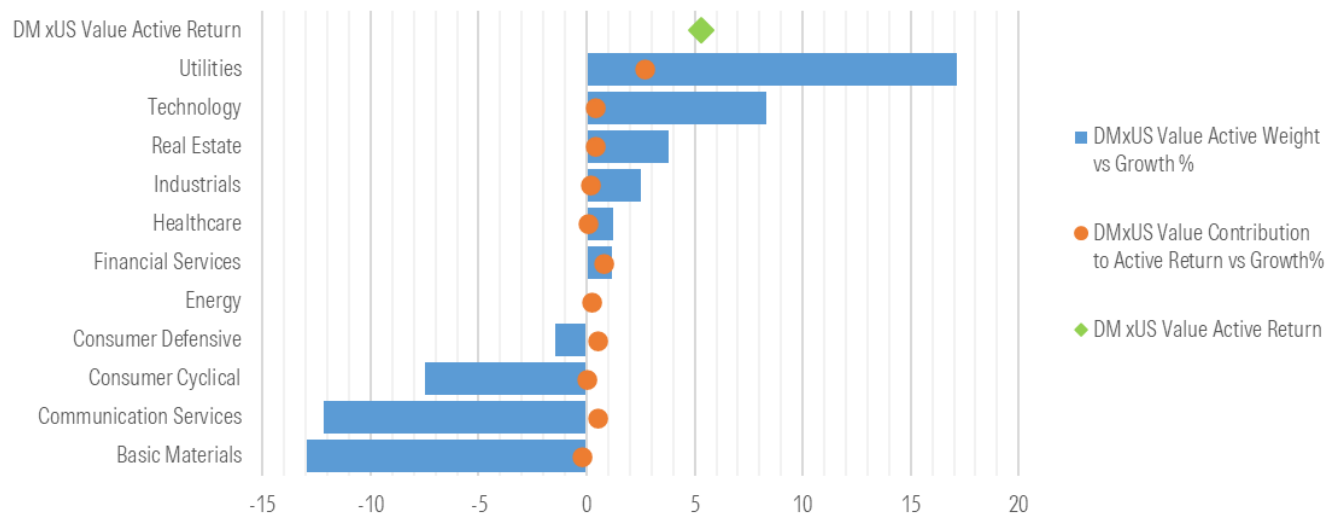
Name	Active Weight	3M Return	Contr. to Active Return	Name	Active Weight	3M Return	Contr. to Active Return
Alphabet Inc Class A	5.35	28.84	1.36	Eli Lilly and Co	-2.10	41.06	-0.74
Microsoft Corp	-11.03	-6.45	0.73	Advanced Micro Devices Inc	-1.00	32.37	-0.25
Alphabet Inc Class C	2.26	28.93	0.58	Broadcom Inc	-4.94	5.11	-0.23
Meta Platforms Inc Class A	-4.29	-10.04	0.47	The Home Depot Inc	1.24	-14.52	-0.20
Micron Technology Inc	0.76	70.75	0.44	Strategy Inc Class A	0.22	-52.84	-0.15
Netflix Inc	-1.40	-21.80	0.33	Intuitive Surgical Inc	-0.54	26.64	-0.12
Johnson & Johnson	1.53	12.31	0.18	AT&T Inc	0.62	-11.10	-0.08
Merck & Co Inc	0.73	26.48	0.18	Procter & Gamble Co	1.16	-6.08	-0.07
Oracle Corp	-0.44	-30.58	0.15	KLA Corp	-0.44	12.84	-0.05
Exxon Mobil Corp	1.60	7.65	0.12	Visa Inc Class A	-1.68	2.94	-0.05
US Value Active Return			5.16				
						Overweight and +ve 3M return	
						Underweight and +ve 3M return	

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Developed Markets ex-US

Value stocks in developed markets outside the US outperformed their growth counterparts by 5.35 percentage points in the fourth quarter. This magnitude of outperformance was comparable to that observed in the US.

Overweighting the utilities and financial-services sectors explained most of the outperformance. Specifically, underweighting some stocks like AstraZeneca (23.21%), ASML (11.41%), and Hitachi (17.52%) led to the underperformance of the value index, whereas overweighting HSBC (13.00%), Banco Bilbao Vizcaya Argentaria (24.87%), and The Toronto-Dominion Bank (19.13%) led to its outperformance.

Exhibit 6.1 Active Sector Weights and Their Respective Contribution to Active Returns for the Developed Markets ex-US Value Versus Growth Index

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 6.2 Top and Bottom Contributors to the Active Return of Developed Markets Ex-US broad Value Versus Growth Index

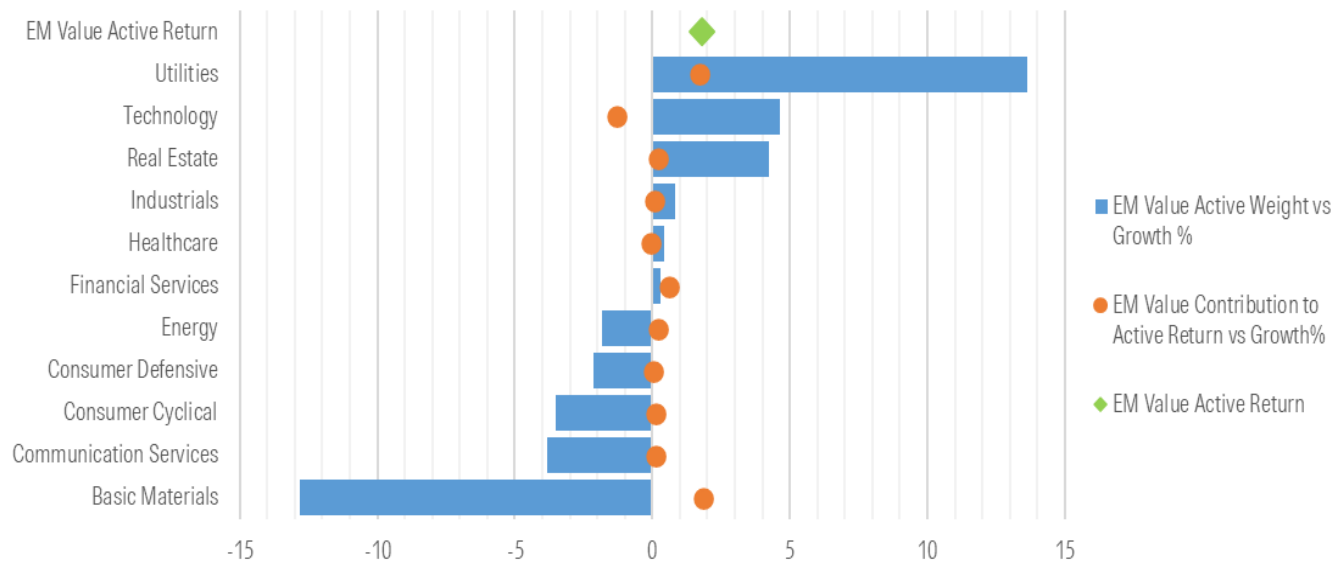
Name	Active Weight	3M Return	Contr. to Active Return	Name	Active Weight	3M Return	Contr. to Active Return
HSBC Holdings PLC	2.25	13.00	0.30	AstraZeneca PLC	-2.36	23.21	-0.50
Banco Bilbao Vizcaya Argentaria SA	1.07	24.87	0.25	ASML Holding NV	-3.70	11.41	-0.40
The Toronto-Dominion Bank	1.30	19.13	0.24	Hitachi Ltd	-1.29	17.52	-0.20
Toyota Motor Corp	2.10	10.97	0.23	Advantest Corp	-0.85	26.28	-0.18
SAP SE	-2.41	-8.62	0.22	Tokyo Electron Ltd	-0.81	22.67	-0.16
Banco Santander SA	1.43	14.91	0.21	UBS Group AG Registered Shares	-1.02	14.18	-0.15
Rheinmetall AG	-0.82	-21.38	0.20	Siemens Energy AG Ordinary Shares	-0.77	21.05	-0.15
Barclays PLC	0.70	25.27	0.17	Shopify Inc Registered Shs -A- Subord Vtg	-1.78	8.32	-0.14
Rio Tinto PLC Ordinary Shares	0.69	22.53	0.15	Compagnie Financiere Richemont SA Class A	-0.98	13.98	-0.13
GSK PLC	0.85	16.80	0.13	Industria De Diseno Textil SA Share From Split	-0.56	22.00	-0.12
DMxUS Value Active Return			5.35				
						Overweight and +ve 3M return	
						Underweight and +ve 3M return	

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Emerging Markets

In emerging markets, the value index returned 5.53%, while the growth index posted 3.70%, resulting in a value outperformance of 1.83%. The primary drivers of value's outperformance were its overweight exposure to the utilities and underweight exposure to the basic materials sectors. Overweight exposure to technology detracted significantly from value's performance relative to growth.

Exhibit 7.1 Active Sector Weights and Their Respective Contribution to Active Returns for the Emerging Value Versus Growth Index



Source: Morningstar Direct. Data as of Dec. 31, 2025.

Notably, the underweighting of Taiwan Semiconductor Manufacturing (15.60%) and the overweighting in Alibaba Group (negative 19.47%) in the value index weighed on value's relative performance. On the positive side, overweight positions in some stocks like Samsung (39.19%) and SK Hynix (82.59%) contributed positively to the value index.

Exhibit 7.2 Top and Bottom Contributors to the Active Return of Emerging Markets Value Versus Growth Index

Name	Active Weight	3M Return	Contr. to Active Return	Name	Active Weight	3M Return	Contr. to Active Return
Samsung Electronics Co Ltd	6.37	39.19	2.25	Taiwan Semiconductor Manufacturing Co Ltd	-21.71	15.60	-3.22
SK Hynix Inc	3.51	82.59	2.21	Alibaba Group Holding Ltd Ordinary Shares	7.51	-19.47	-1.61
Xiaomi Corp Class B	-1.96	-27.44	0.64	JD.com Inc Ordinary Shares - Class A	0.82	-19.60	-0.18
Samsung Electronics Co Ltd Participating Preferred	0.84	30.84	0.24	Bharti Airtel Ltd	-1.26	10.74	-0.13
Vale SA	0.84	27.80	0.22	Asia Vital Components Co Ltd	-0.27	49.31	-0.11
Ping An Insurance (Group) Co. of China Ltd Class H	0.86	23.04	0.19	Capitec Bank Holdings Ltd	-0.41	25.36	-0.10
Tencent Holdings Ltd	-1.81	-9.69	0.18	Nanya Technology Corp	-0.09	156.45	-0.09
Hyundai Motor Co	0.51	35.60	0.16	Sociedad Quimica Y Minera De Chile SA Pfd Registered Shs Series -B-	-0.15	64.02	-0.08
Pop Mart International Group Ltd Ordinary Shares	-0.39	-29.08	0.13	Elite Material Co Ltd	-0.27	30.26	-0.08
Industrial And Commercial Bank Of China Ltd Class H	1.15	11.39	0.13	NIO Inc Class A	0.23	-28.70	-0.07
EM Value Active Return			1.83				
						Overweight and +ve 3M return	
						Underweight and +ve 3M return	

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Concentration

The broad style indexes 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 the most pronounced in the large-cap indexes (as shown in Exhibit 8), particularly in the Morningstar US Large Cap Broad Growth Index, where the percentage of assets in the top 10 constituents grew from 56% at the end of December 2020 to roughly 72% five years later. The market became more concentrated as the largest growth stocks 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 effective number of stocks in the portfolio. Today, the Morningstar US Large Cap Broad Growth Index holds 83 stocks, down from 114 five years ago. Moreover, the largest constituent in the index as of December 2025 (Nvidia) comprises over 19.0% of the portfolio, followed by Apple at 8.77%, whereas five years ago, the equivalent weight for Nvidia was just over 2.52%. The Morningstar US Large Value Index is relatively diversified, with the top 10 holdings constituting 39% of the total portfolio and the medium-term trend holding around 28% 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.

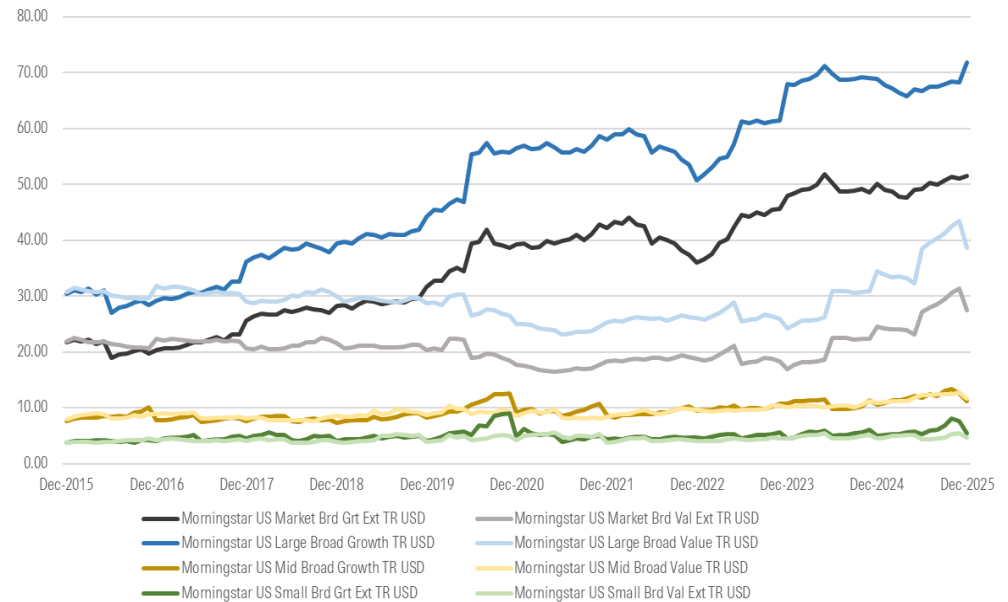
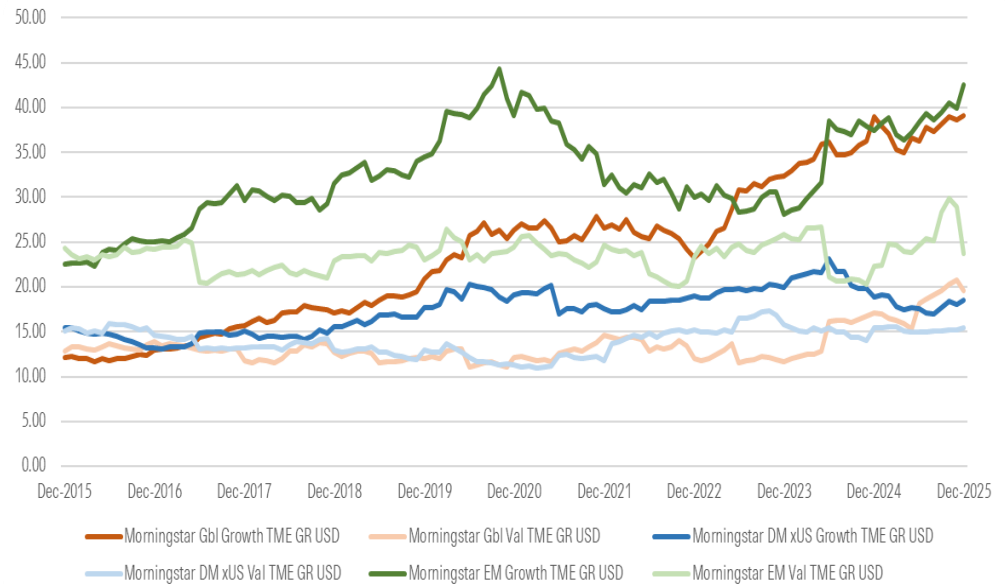
Exhibit 8 Percentage of Portfolio in the Top 10 Holdings—US

Exhibit 9 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 a 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 Target Market Exposure Index is interesting, with concentration falling precipitously from October 2020 until the end of 2023. 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.

The Morningstar Developed Markets ex-US Growth Target Market Exposure Index has also consistently decreased its concentration in the top 10 holdings in the past 1.5 years.

Exhibit 9 Percentage of Portfolio in the Top 10 Holdings—Global

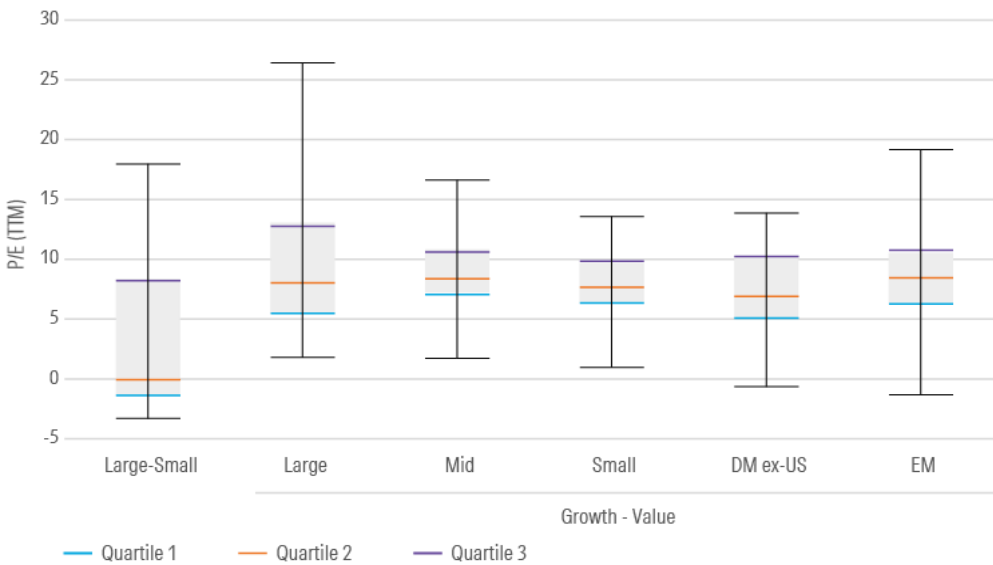
Source: Morningstar Direct. Data as of Dec. 31, 2025.

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 10 through 16. 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.

In the US, the small-cap segment saw the growth-value P/E spread decrease significantly as compared with large- and mid-cap segments. Developed markets outside the US also witnessed a significant decrease in the spread, followed by emerging markets.

Exhibit 10 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	11.63	15.21	13.35	8.62	9.03	11.06
Percent Rank (%) December 2025	96.94%	84.35%	92.97%	63.52%	63.33%	80.00%
Percent Rank (%) September 2025	92.88%	93.25%	90.35%	70.49%	70.19%	36.06%

Source: Morningstar Direct. Data as of Dec. 31, 2025.

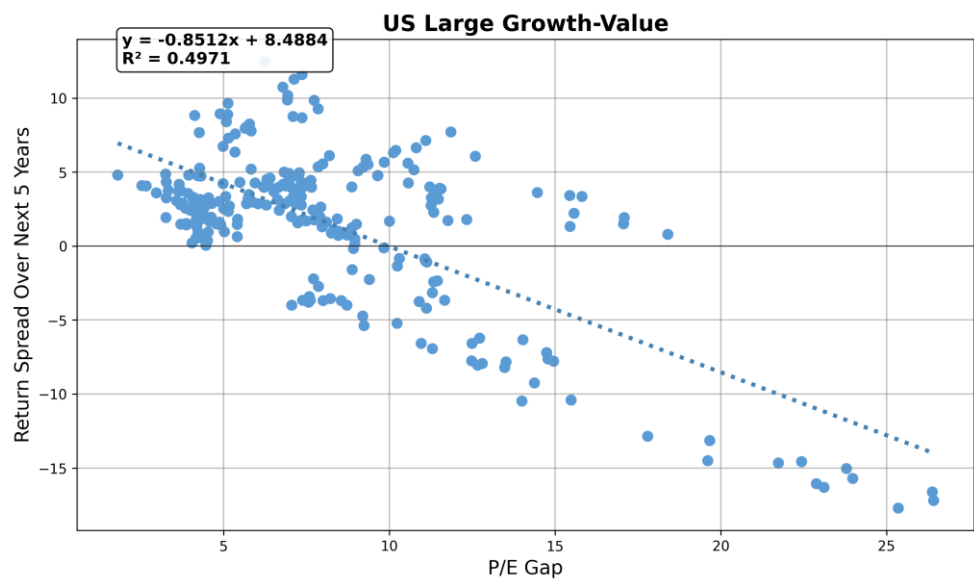
Unusually wide valuation spreads may portend lower expected returns for the pricier index. Historically, in the US, wider valuation spreads have been associated with lower returns over the next five years for the large- and mid-cap growth indexes relative to their value counterparts, as Exhibits 11 and 12 show. The same is true of the large-cap index relative to the small-cap extended index, as shown in Exhibit 14. Even emerging markets displayed this phenomenon, as shown in Exhibit 16.

There wasn't a strong relationship between valuation spreads and future returns for the US small-cap growth and value indexes, shown in Exhibit 13. The same is true of the large-mid universe in developed markets outside the US, displayed in Exhibit 15.

A previously notable and counterintuitive phenomenon in developed markets outside the US (Exhibit 15) appears to have faded. Historically, there was a mildly positive relationship between valuation spreads and subsequent five-year return spreads—suggesting that wider valuation gaps favored growth outperformance. However, as of the third and fourth quarters of 2025, this relationship has reversed, with the regression line now showing a negative slope with a lower R-squared value.

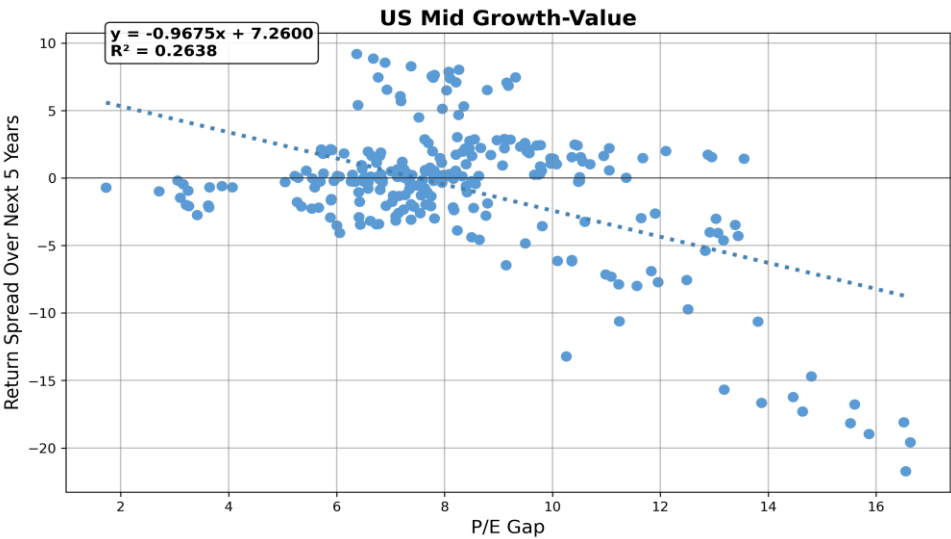
This shift reinforces the idea that any past relationship may have been more circumstantial than structural—likely influenced by exogenous economic factors disproportionately benefiting growth stocks over certain periods. It is also worth noting that the historical distribution of valuation spreads has been the tightest in these ex-US developed markets.

Exhibit 11 Relationship Between Valuations and Future Returns: November 1999 to December 2025 (Morningstar US Large Broad Growth Index - Morningstar US Large Broad Value Index)



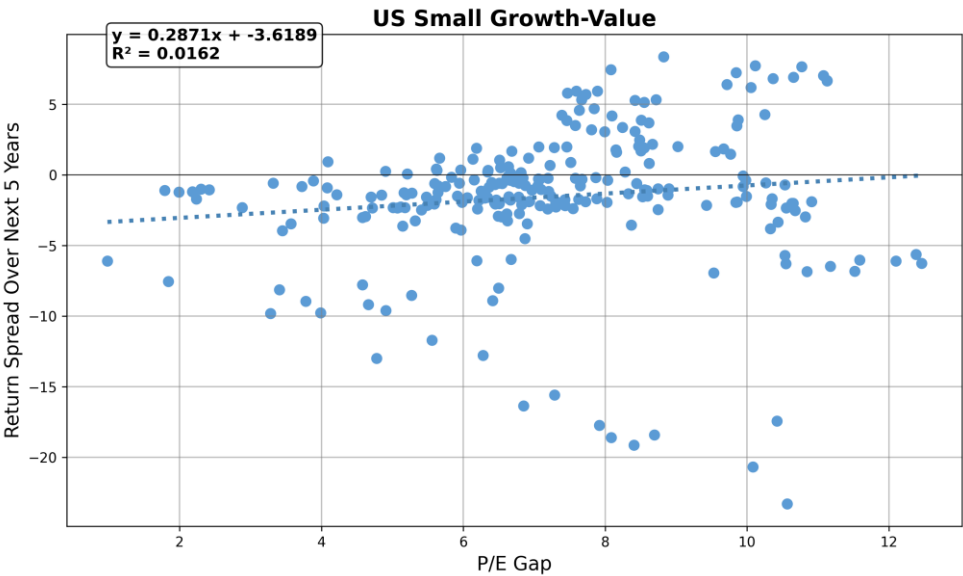
Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 12 Relationship Between Valuations and Future Returns: November 1999 to December 2025 (Morningstar US Mid Broad Growth Index - Morningstar US Mid Broad Value Index)



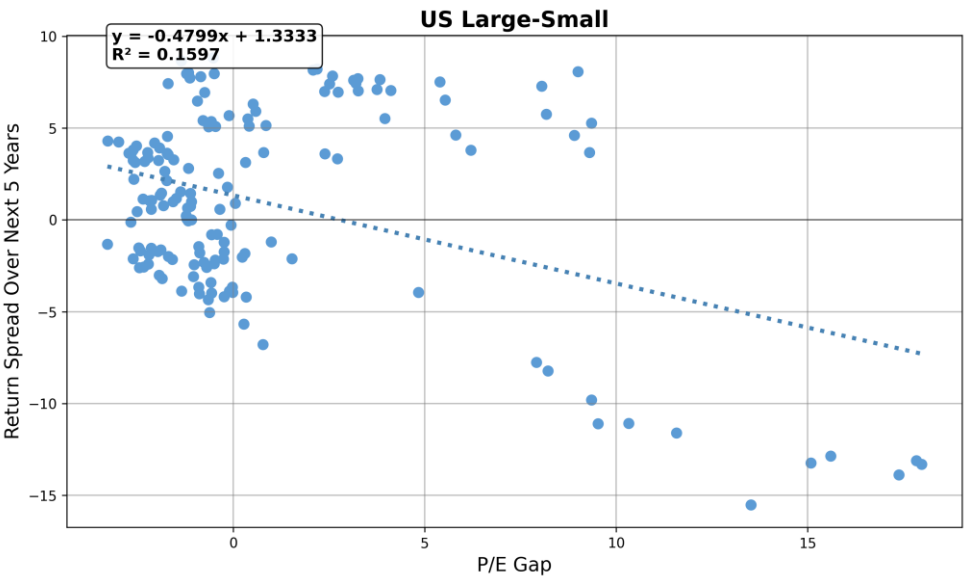
Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 13 Relationship Between Valuations and Future Returns: November 1999 to December 2025 (Morningstar US Small Cap Broad Growth Extended Index - Morningstar US Small Cap Broad Value Extended Index)



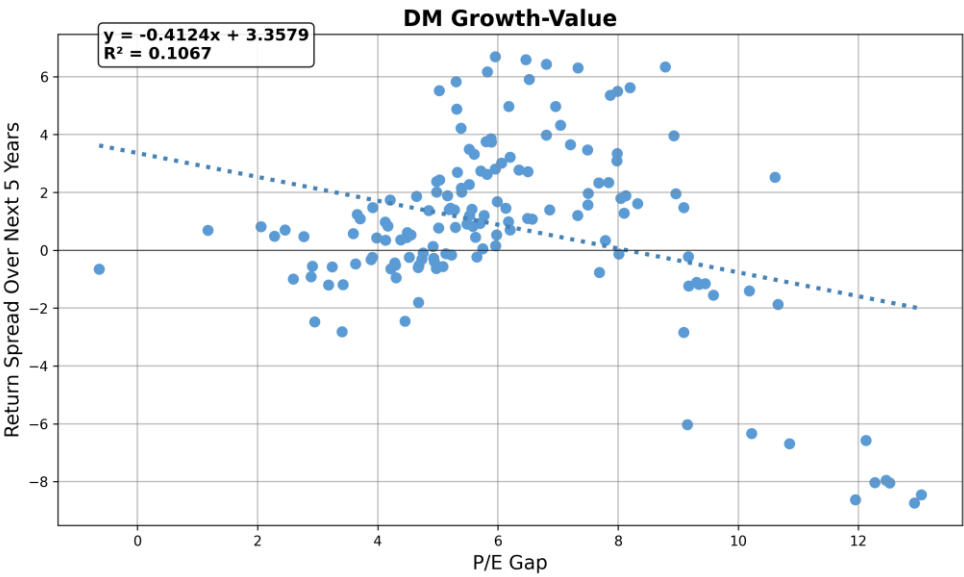
Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 14 Relationship Between Valuations and Future Returns: November 1999 to December 2025 (Morningstar US Large Index - Morningstar US Small Cap Extended Index)



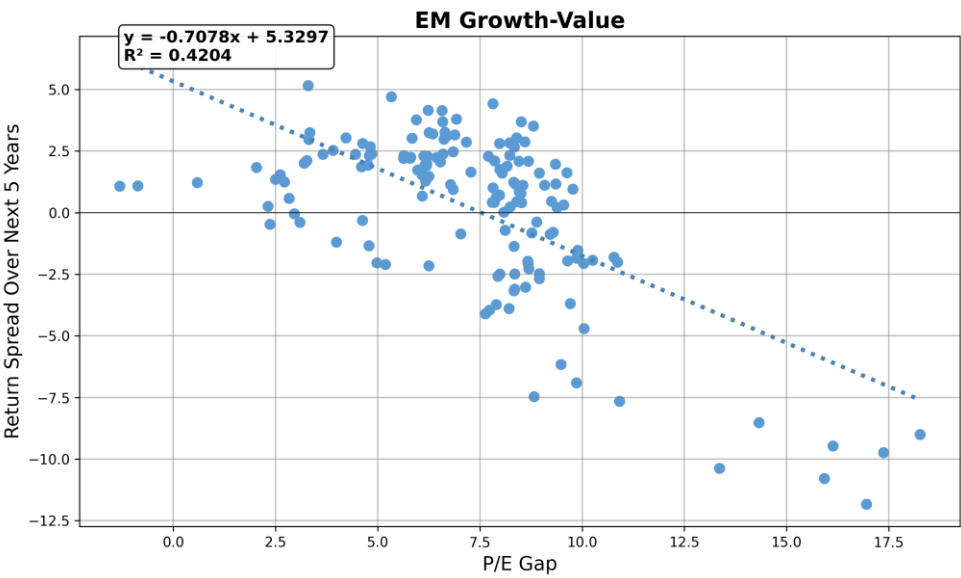
Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 15 Relationship Between Valuations and Future Returns: June 2008 to December 2025 (Morningstar DM ex-US Growth Target Market Exposure Index - Morningstar DM ex-US Value Target Market Exposure Index)



Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 16 Relationship Between Valuations and Future Returns: June 2008 to December 2025 (Morningstar Emerging Markets Growth Target Market Exposure Index - Morningstar Emerging Markets Value Target Market Exposure Index)



Source: Morningstar Direct. Data as of Dec. 31, 2025.

Forever in Style

Regardless of the 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 laureates Eugene Fama and Kenneth French demonstrated that the differences in these two variables can explain much of the variation of stock returns. That was the same year the style box was 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 17 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 18.

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 cyclicalities (which detracts from our equity analysts' confidence in the durability of their profits).

Exhibit 17 Economic Moat Exposure (%)

US	Wide Moat	Narrow Moat	None
Morningstar US Market Extended	61.51	22.06	6.75
Morningstar US Market Broad Growth Extended	69.22	15.22	4.81
Morningstar US Market Broad Value Extended	54.10	28.67	8.64
Morningstar US Large Cap	78.92	18.07	2.37
Morningstar US Large Broad Growth	87.32	10.17	1.68
Morningstar US Large Broad Value	70.73	25.78	3.05
Morningstar US Mid Cap	24.80	40.37	19.77
Morningstar US Mid Cap Broad Growth	31.81	35.06	14.75
Morningstar US Mid Cap Broad Value	18.34	45.33	24.43
Morningstar US Small Cap Extended	2.78	12.59	12.76
Morningstar US Small Broad Growth Extended	3.77	12.23	8.24
Morningstar US Small Broad Value Extended	1.84	13.01	17.19
Global			
Morningstar Global Target Market Exposure	54.39	21.44	12.84
Morningstar Global Growth	64.93	16.53	7.40
Morningstar Global Value	44.35	26.14	18.04
Morningstar Developed Markets ex-US	34.46	22.37	28.12
Morningstar Developed Markets ex-US Growth	50.52	21.25	13.76
Morningstar Developed Markets ex-US Value	19.90	23.37	41.14
Morningstar Emerging Markets	21.73	11.16	18.16
Morningstar Emerging Markets Growth	31.59	10.16	12.31
Morningstar Emerging Markets Value	11.61	12.22	24.26

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 18 Revenue Generated in the US

US	% of Revenue From the US
Morningstar US Market Extended	59.86
Morningstar US Market Broad Growth Extended	54.79
Morningstar US Market Broad Value Extended	64.78
Morningstar US Large Cap	54.89
Morningstar US Large Broad Growth	49.13
Morningstar US Large Broad Value	60.51
Morningstar US Mid Cap	70.79
Morningstar US Mid Cap Broad Growth	66.96
Morningstar US Mid Cap Broad Value	74.41
Morningstar US Small Cap Extended	75.49
Morningstar US Small Broad Growth Extended	74.20
Morningstar US Small Broad Value Extended	77.06
Global	
Morningstar Global Target Market Exposure	44.60
Morningstar Global Growth	42.22
Morningstar Global Value	46.89
Morningstar Developed Markets ex-US	22.31
Morningstar Developed Markets ex-US Growth	24.78
Morningstar Developed Markets ex-US Value	20.07
Morningstar Emerging Markets	16.00
Morningstar Emerging Markets Growth	23.15
Morningstar Emerging Markets Value	8.72

Source: Morningstar Direct. Data as of Dec. 31, 2025.

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 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 Amazon.com, are found in both the Morningstar US Large Broad Value and Growth indexes. This 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 spectrum tends to increase both risk and return potential. Mid-cap growth stocks generally have more runway for expansion than their larger peers, often operating at earlier stages of their lifecycle while actively pursuing new growth avenues. For instance, Snowflake and Autodesk—leaders in cloud data and design software, respectively—are leveraging structural trends such as cloud computing, digital transformation, and automation. Both featured among the top holdings in the Morningstar US Mid Cap Broad Growth Index as of December 2025.

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. Astera Labs, a top holding in the Morningstar US Small Cap Broad Growth Extended Index, exemplifies this profile. As a semiconductor connectivity solutions provider serving the data center and AI infrastructure markets, the company is positioned to benefit from long-term structural trends in cloud computing and AI. However, like many small-cap growth firms, it also faces challenges related to scale, profitability, and sensitivity to economic cycles.

Mid- and small-cap value stocks also carry greater risk and upside potential than their larger counterparts. This includes a mix of stocks lacking sales growth, as well as names that have fallen out of favor, often for good reason. EOG Resources, an energy producer facing cyclical headwinds and fluctuating commodity prices, is a good example of the former, while Stanley Black & Decker, an industrial tools manufacturer contending with soft demand, margin pressures, and cyclical sensitivity, exemplifies 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 18.

Exhibits 19 to 33 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 19 Top Holdings: Morningstar US Large Cap Index

Constituent	Ticker	Sector	Weighting (%)
Nvidia	NVDA	Technology	9.41
Apple	AAPL	Technology	8.66
Microsoft	MSFT	Technology	7.72
Amazon.com	AMZN	Consumer Cyclical	4.83
Alphabet Inc Class A	GOOGL	Communication Services	3.91
Broadcom	AVGO	Technology	3.43
Alphabet Inc Class C	GOOG	Communication Services	3.41
Meta Platforms Inc Class A	META	Communication Services	3.08
Tesla	TSLA	Consumer Cyclical	2.7
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	1.98

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 20 Top Holdings: Morningstar US Large Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
Nvidia	NVDA	Technology	19.05
Apple	AAPL	Technology	8.77
Microsoft	MSFT	Technology	7.17
Broadcom	AVGO	Technology	6.94
Amazon.com	AMZN	Consumer Cyclical	6.64
Meta Platforms Inc Class A	META	Communication Services	6.23
Alphabet Inc Class A	GOOGL	Communication Services	5.46
Alphabet Inc Class C	GOOG	Communication Services	4.76
Eli Lilly	LLY	Healthcare	3.73
Tesla	TSLA	Consumer Cyclical	3.07

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 21 Top Holdings: Morningstar US Large Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Apple	AAPL	Technology	8.56
Microsoft	MSFT	Technology	8.25
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	3.92
JPMorgan Chase	JPM	Financial Services	3.75
Amazon.com	AMZN	Consumer Cyclical	3.06
Alphabet Inc Class A	GOOGL	Communication Services	2.39
Tesla	TSLA	Consumer Cyclical	2.34
ExxonMobil	XOM	Energy	2.15
Johnson & Johnson	JNJ	Healthcare	2.11
Alphabet Inc Class C	GOOG	Communication Services	2.09

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 22 Top Holdings: Morningstar US Mid Cap Index

Constituent	Ticker	Sector	Weighting (%)
Newmont	NEM	Basic Materials	0.84
CRH	CRH	Basic Materials	0.64
U.S. Bancorp	USB	Financial Services	0.63
PNC Financial Services Group	PNC	Financial Services	0.63
Howmet Aerospace	HWM	Industrials	0.61
Bank of New York Mellon	BK	Financial Services	0.60
Elevance Health	ELV	Healthcare	0.59
Regeneron Pharmaceuticals	REGN	Healthcare	0.59
Aon PLC Class A	AON	Financial Services	0.58
General Motors	GM	Consumer Cyclical	0.58

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 23 Top Holdings: Morningstar US Mid Cap Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
Howmet Aerospace	HWM	Industrials	1.27
Aon PLC Class A	AON	Financial Services	1.21
Johnson Controls International PLC Registered Shares	JCI	Industrials	1.16
Marvell Technology	MRVL	Technology	1.16
TransDigm Group	TDG	Industrials	1.13
Royal Caribbean Group	RCL	Consumer Cyclical	1.12
Ecolab	ECL	Basic Materials	1.06
Corning	GLW	Technology	1.05
Arthur J. Gallagher & Co	AIG	Financial Services	1.05
Cintas	CTAS	Industrials	1.04

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 24 Top Holdings: Morningstar US Mid Cap Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Newmont	NEM	Basic Materials	1.61
U.S. Bancorp	USB	Financial Services	1.22
PNC Financial Services Group	PNC	Financial Services	1.21
Elevance Health	ELV	Healthcare	1.15
Regeneron Pharmaceuticals	REGN	Healthcare	1.15
General Motors	GM	Consumer Cyclical	1.12
United Parcel Service Inc Class B	UPS	Industrials	1.08
Williams Companies	WMB	Energy	1.08
Illinois Tool Works	ITW	Industrials	1.05
The Cigna Group	CI	Healthcare	1.05

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 25 Top Holdings: Morningstar US Small Cap Extended Index

Constituent	Ticker	Sector	Weighting (%)
Lumentum Holdings	LITE	Technology	0.45
Exact Sciences	EXAS	Healthcare	0.33
Albemarle	ALB	Basic Materials	0.29
Jones Lang LaSalle	JLL	Real Estate	0.28
Deckers Outdoor	DECK	Consumer Cyclical	0.28
East West Bancorp	EWBC	Financial Services	0.28
ATI	ATI	Industrials	0.27
Annaly Capital Management	NLY	Real Estate	0.27
ITT	ITT	Industrials	0.27
Viatis	VTRS	Healthcare	0.26

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 26 Top Holdings: Morningstar US Small Broad Growth Extended Index

Constituent	Ticker	Sector	Weighting (%)
Lumentum Holdings	LITE	Technology	0.92
ATI	ATI	Industrials	0.56
ITT	ITT	Industrials	0.54
Neurocrine Biosciences	NBIX	Healthcare	0.51
Roku Inc Class A	ROKU	Communication Services	0.5
RBC Bearings	RBC	Industrials	0.5
Lincoln Electric Holdings	LECO	Industrials	0.48
Domino's Pizza	DPZ	Consumer Cyclical	0.48
Evercore Inc Class A	EVR	Financial Services	0.46
Mueller Industries	MLI	Industrials	0.46

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 27 Top Holdings: Morningstar US Small Value Extended Index

Constituent	Ticker	Sector	Weighting (%)
Annaly Capital Management	NLY	Real Estate	0.53
Viatis	VTRS	Healthcare	0.52
Everest Group	EG	Financial Services	0.5
Alcoa	AA	Basic Materials	0.48
Reinsurance Group of America	RGA	Financial Services	0.47
Ally Financial	ALLY	Financial Services	0.44
Unum Group	UNM	Financial Services	0.43
Host Hotels & Resorts	HST	Real Estate	0.43
RenaissanceRe Holdings	RNR	Financial Services	0.43
Assurant	AIZ	Financial Services	0.43

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 28 Top Holdings: Morningstar Developed Markets ex-US Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
ASML	ASML	Technology	1.85
AstraZeneca	AZN	Healthcare	1.27
Roche	ROG	Healthcare	1.26
HSBC	HSBA	Financial Services	1.2
Novartis AG Registered Shares	NOVN	Healthcare	1.13
Nestle	NESN	Consumer Defensive	1.13
SAP	SAP	Technology	1.11
Toyota Motor	7203	Consumer Cyclical	1.08
Royal Bank of Canada	RY	Financial Services	1.06
Shell	SHEL	Energy	0.94

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 29 Top Holdings: Morningstar Developed Markets ex-US Growth Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
ASML	ASML	Technology	3.90
AstraZeneca	AZN	Healthcare	2.67
SAP	SAP	Technology	2.34
Shopify Inc Registered Shs -A - Subord Vtg	SHOP	Technology	1.81
Schneider Electric	SU	Industrials	1.39
UBS Group AG Registered Shares	UBSG	Financial Services	1.35
Hitachi	6501	Industrials	1.33
Airbus	AIR	Industrials	1.27
Siemens	SIE	Industrials	1.23
Novartis AG Registered Shares	NOVN	Healthcare	1.22

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 30 Top Holdings: Morningstar Developed Markets ex-US Value Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
HSBC	HSBA	Financial Services	2.28
Toyota Motor	7203	Consumer Cyclical	2.06
Shell	SHEL	Energy	1.78
Roche	ROG	Healthcare	1.52
Allianz	ALV	Financial Services	1.49
Nestle	NESN	Consumer Defensive	1.42
The Toronto-Dominion Bank	TD	Financial Services	1.37
BHP Group	BHP	Basic Materials	1.23
Banco Bilbao Vizcaya Argentaria	BBVA	Financial Services	1.14
TotalEnergies	TTE	Energy	1.09

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 31 Top Holdings: Morningstar Emerging Markets Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing	2330	Technology	11.32
Tencent	00700	Communication Services	4.48
Samsung Electronics	005930	Technology	3.88
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	3.16
SK Hynix	000660	Technology	2.32
Reliance Industries	RELIANCE	Energy	1.2
HDFC Bank	HDFCBANK	Financial Services	1.18
China Construction Bank Corp Class H	00939	Financial Services	0.92
Hon Hai Precision Industry	2317	Technology	0.84
PDD Holdings Inc ADR	PDD	Consumer Cyclical	0.82

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 32 Top Holdings: Morningstar Emerging Markets Growth Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing	2330	Technology	22.32
Tencent Holdings	00700	Communication Services	5.40
SK Hynix	000660	Technology	4.58
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	2.37
Xiaomi Corp Class B	01810	Technology	1.59
International Holdings Co PJSC	IHC	Industrials	1.50
HDFC Bank	HDFCBANK	Financial Services	1.27
Bharti Airtel	BHARTIARTL	Communication Services	1.25
Reliance Industries	RELIANCE	Energy	1.18
Delta Electronics	2308	Technology	1.10

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Exhibit 33 Top Holdings: Morningstar Emerging Markets Value Target Market Exposure Index

Constituent	Ticker	Sector	Weighting (%)
Samsung Electronics	005930	Technology	7.90
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	3.98
Tencent Holdings	00700	Communication Services	3.54
China Construction Bank Corp Class H	00939	Financial Services	1.86
Reliance Industries	RELIANCE	Energy	1.23
ICBC Ltd Class H	01398	Financial Services	1.18
HDFC Bank	HDFCBANK	Financial Services	1.10
Hon Hai Precision Industry	2317	Technology	1.02
Ping An Insurance (Group) Co. Ltd Class H	02318	Financial Services	1.00
Samsung Electronics Co Ltd Participating Preferred	005935	Technology	0.97

Source: Morningstar Direct. Data as of Dec. 31, 2025.

Appendix 3: Funds That Track Morningstar Broad Style Indexes**Exhibit 34** Funds That Track Morningstar Broad Style Indexes

Name	SecId	Ticker	Domicile	Primary Prospectus Benchmark
BNY Mellon US Large Cap Core Equity ETF	F0000149CO	BKLC	US	Morningstar US Large Cap TR USD
iShares Morningstar Growth ETF	FEUSA04ACO	ILCG	US	Morningstar US Large Mid Brd Grt TR USD
iShares Morningstar Value ETF	FEUSA04ACP	ILCV	US	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	US	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	US	Morningstar US Mid Cap Brd Grt TR USD
iShares Morningstar Mid-Cap Value ETF	FEUSA04ACS	IMCV	US	Morningstar US Mid Cap Brd Val TR USD
BNY Mellon US Mid Cap Core Equity ETF	F0000149CP	BKMC	US	Morningstar US Mid Cap TR USD
iShares Morningstar Mid-Cap ETF	FEUSA04ACQ	IMCB	US	Morningstar US Mid Cap TR USD
iShares Morningstar Small-Cap Growth ETF	FEUSA04ACU	ISCG	US	Morningstar US Small Brd Grt Ext TR USD
iShares Morningstar Small-Cap Value ETF	FEUSA04ACV	ISCV	US	Morningstar US Small Brd Val Ext TR USD
iShares Morningstar Small-Cap ETF	FEUSA04ACT	ISCB	US	Morningstar US Small Cap Ext TR USD

Source: Morningstar Direct. Data as of Dec. 31, 2025.

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