Morningstar Quarterly Style Monitor: Q2 2026

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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

- **Global and regional equity markets rebounded strongly in the second quarter of 2026.** The Morningstar Global Target Market Exposure Index returned 14.93%, while the US, developed-markets ex-US, and emerging-markets benchmarks gained 15.69%, 9.93%, and 23.84%, respectively. US performance was driven primarily by technology, while emerging-markets returns were highly concentrated in South Korea and Taiwan. Japan made the largest country-level contribution in developed markets outside the US.
- **Style leadership reversed decisively, with growth outperforming value across every region and US size segment examined.** Growth indexes outperformed their value counterparts by 12.98 percentage points in the US broad market, 6.91 percentage points in developed markets outside the US, and 11.86 percentage points in emerging markets. Within the US, the widest differential occurred among mid-caps, where growth outperformed value by 16.63 percentage points.
- **Growth's stronger returns came with higher volatility and greater portfolio concentration.** Growth indexes were more volatile than their value counterparts across all regions and US size segments during the quarter, although their stronger performance resulted in higher quarterly Sharpe ratios. Growth indexes also generally remained more concentrated than value indexes, particularly in US large caps and emerging markets. However, concentration among the 10 largest holdings declined during the quarter across the US growth indexes.
- **Growth's valuation premium over value widened sharply during the quarter and reached historically elevated levels.** By the end of June, every valuation spread shown in Exhibit 10 ranked above the 80th percentile of its respective historical distribution. Historically, wider valuation spreads have been associated with less favorable subsequent five-year relative returns for growth in US large caps, US mid-caps, and emerging markets. This relationship has been substantially weaker in US small caps and developed markets outside the US, where valuation gaps should be treated as contextual indicators rather than stand-alone signals.

Performance Highlights

Returns

In the second quarter of 2026, global equity markets, as represented by the Morningstar Global Target Market Exposure Index, rebounded strongly, delivering a return of 14.93%. This more than reversed the index's negative 3.21% return in the previous quarter and lifted its year-to-date return to 11.24%. Regionally, emerging markets registered the strongest return, followed by the US and developed markets outside the US. Investor sentiment improved during the quarter amid continued enthusiasm for artificial intelligence-related investment, resilient earnings, and an easing of geopolitical concerns in the Middle East.

The Morningstar US Market Extended Index advanced 15.69% in the second quarter of 2026, reversing its 4.05% decline in the previous quarter and bringing its year-to-date return to 11.00%. The index also delivered a 23.04% return over the trailing one-year period. Technology was by far the largest contributor to the index's return, adding 10.24 percentage points, followed by industrials, financial services, healthcare, and consumer cyclicals, which contributed 1.64, 1.23, 1.00, and 0.95 percentage points, respectively. Energy was the principal detractor, subtracting 0.53 percentage points.

The Morningstar Developed Markets ex-US Target Market Exposure Index delivered a total return of 9.93% in the second quarter of 2026, rebounding from a negative 0.68% return in the previous quarter. Its year-to-date return stood at 9.19%, while its trailing one-year return reached 21.58%. Despite its strong absolute return, the index trailed the US in the second quarter and over the one-, five-, and 10-year periods. Japan was the largest contributor, adding 2.70 percentage points, followed by the Netherlands, Switzerland, Canada, and Germany, which contributed 1.48, 1.00, 0.82, and 0.65 percentage points, respectively. Hong Kong and Norway were the largest detractors, subtracting 0.12 and 0.10 percentage points.

Meanwhile, the Morningstar Emerging Markets Target Market Exposure Index gained 23.84%, making it the strongest-performing regional benchmark in the second quarter of 2026. Its year-to-date return reached 23.23%, while its trailing one-year return was 42.14%. Performance was highly concentrated in South Korea and Taiwan, which contributed 13.39 and 10.55 percentage points, respectively; India added a further 1.45 percentage points. China was the largest detractor, subtracting 1.20 percentage points, followed by Brazil and Indonesia, which detracted 0.34 and 0.27 percentage points.

Globally, our style family is built by applying the Morningstar Broad Style Indexes methodology to our suite of Target Market Exposure indexes, which target large- and mid-cap stocks representing 85% of the investable market. Style dynamics reversed sharply in the second quarter of 2026: Growth stocks outperformed their value counterparts across every region and US size segment shown in Exhibits 1 and 2.

Within the US, growth stocks significantly outperformed value stocks in the second quarter of 2026. The Morningstar US Market Broad Growth Extended Index returned 22.49%, compared with 9.51% for its value counterpart, a difference of 12.98 percentage points. Growth outperformed value by 12.68

percentage points in the large-cap segment, 16.63 percentage points in the mid-cap segment, and 6.19 percentage points in the small-cap segment. Mid-cap growth delivered the strongest return among the US style indexes, at 24.88%. Over longer horizons, however, the picture remained more mixed. Growth led value across all three size segments over the 10-year period, with the widest advantage in large caps. Over the five-year period, growth maintained an advantage in large caps, while value led in the mid- and small-cap segments. Across the full index history, growth retained a slight advantage in large caps, whereas value continued to lead in the mid- and small-cap segments.

Exhibit 1 Performance Characteristics up to June 2026

	1 Qr			YTD			1 Yr			5 Yr			10 Yr			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	15.69	6.93	2.02	11.00	10.14	0.91	23.04	12.85	1.38	12.31	16.16	0.57	15.09	15.86	0.82	9.66	15.78	0.52
Morningstar US Market Broad Growth Extended	22.49	10.35	1.93	13.30	14.47	0.81	22.31	18.60	0.96	12.65	20.04	0.51	17.37	18.15	0.84	9.64	18.35	0.47
Morningstar US Market Broad Value Extended	9.51	4.76	1.75	8.74	7.40	0.93	24.12	9.52	1.93	11.51	14.35	0.58	12.46	15.23	0.69	9.25	14.92	0.52
Value Relative to Growth																		
Morningstar US Large Cap	15.54	7.40	1.88	8.52	10.61	0.66	21.87	14.72	1.16	13.80	16.30	0.65	16.17	15.55	0.89	9.49	15.46	0.52
Morningstar US Large Broad Growth	22.19	11.33	1.75	9.97	15.62	0.57	20.46	21.54	0.78	14.53	21.31	0.57	18.92	18.80	0.89	9.73	18.38	0.48
Morningstar US Large Broad Value	9.51	4.86	1.72	7.05	7.32	0.73	23.79	10.43	1.74	12.36	13.71	0.65	12.97	14.32	0.76	8.76	14.35	0.50
Value Relative to Growth																		
Morningstar US Mid Cap	16.05	6.86	2.09	17.46	10.26	1.46	22.96	11.39	1.54	9.23	17.08	0.39	12.76	17.25	0.64	10.11	17.33	0.51
Morningstar US Mid Cap Broad Growth	24.88	10.06	2.19	23.31	14.11	1.44	23.32	15.77	1.16	8.24	19.40	0.31	13.86	18.28	0.67	9.46	19.63	0.45
Morningstar US Mid Cap Broad Value	8.25	5.17	1.38	12.08	8.22	1.21	22.76	9.25	1.86	9.86	16.26	0.43	11.27	17.57	0.56	10.32	17.02	0.53
Value Relative to Growth																		
Morningstar US Small Cap Extended	16.27	7.57	1.92	16.78	11.75	1.23	31.38	11.67	2.09	6.65	19.63	0.24	10.96	20.50	0.49	9.21	20.06	0.43
Morningstar US Small Broad Growth Extended	19.43	9.17	1.89	18.28	13.76	1.16	32.59	13.04	1.95	5.58	20.13	0.18	11.60	20.07	0.53	8.05	22.10	0.36
Morningstar US Small Broad Value Extended	13.24	6.54	1.79	15.32	10.59	1.23	30.05	11.39	2.04	8.21	19.93	0.31	10.42	21.87	0.45	10.20	19.67	0.48
Value Relative to Growth																		
Global																		
Morningstar Global Target Market Exposure	14.93	6.82	1.95	11.24	9.21	1.01	23.94	13.97	1.33	11.43	14.97	0.55	13.29	14.67	0.76	9.25	16.24	0.54
Morningstar Global Growth Target Market Exposure	21.25	9.76	1.94	12.66	12.84	0.86	21.71	18.71	0.93	10.32	18.02	0.43	14.13	16.18	0.75	9.98	16.80	0.57
Morningstar Global Value Target Market Exposure	9.33	4.86	1.69	9.87	6.91	1.15	26.56	11.22	1.83	12.24	13.56	0.65	12.12	14.65	0.69	8.45	16.39	0.49
Value Relative to Growth																		
Morningstar Developed Markets ex-US Target Market Exposure	9.93	8.24	1.09	9.19	11.19	0.68	21.58	15.06	1.12	9.89	15.36	0.45	10.46	14.99	0.58	6.08	17.26	0.35
Morningstar Developed Markets ex-US Growth Target Market Exposure	13.71	10.40	1.21	8.08	13.51	0.51	15.11	17.34	0.67	6.07	17.13	0.21	9.33	15.34	0.50	5.67	16.75	0.33
Morningstar Developed Markets ex-US Value Target Market Exposure	6.80	6.67	0.89	10.22	9.79	0.86	28.31	13.92	1.59	13.73	14.70	0.70	11.36	15.85	0.61	6.48	18.38	0.36
Value Relative to Growth																		
Morningstar Emerging Markets Target Market Exposure	23.84	13.74	1.56	23.23	18.16	1.14	42.14	24.10	1.43	7.79	18.04	0.30	10.67	17.04	0.54	5.91	20.53	0.32
Morningstar Emerging Markets Growth Target Market Exposure	29.70	14.90	1.76	26.85	19.31	1.23	42.29	26.04	1.34	4.09	19.05	0.11	9.24	17.66	0.45	5.66	20.39	0.30
Morningstar Emerging Markets Value Target Market Exposure	17.84	13.38	1.22	19.27	17.83	0.97	41.57	22.99	1.47	11.36	17.69	0.49	12.01	17.49	0.60	6.48	20.92	0.34
Value Relative to Growth																		

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

Growth also outperformed value in developed markets outside the US and emerging markets during the second quarter. The Morningstar Developed Markets ex-US Growth Target Market Exposure Index returned 13.71%, compared with 6.80% for its value counterpart, resulting in growth outperformance of 6.91 percentage points. In emerging markets, the growth index returned 29.70%, compared with 17.84% for the value index, a difference of 11.86 percentage points. Longer-term outcomes were less uniform. Over the trailing one-year period, value retained a substantial advantage in developed markets outside the US, returning 28.31% compared with 15.11% for growth. In emerging markets, by contrast, the one-year returns of the two styles were much closer, with growth returning 42.29% and value returning 41.57%. As discussed in the Performance Attribution section, the reversal in style leadership reflected pronounced differences in sector exposures and performance between the growth and value indexes, with technology-related holdings playing a particularly important role in the quarter's growth-led results.

Across all segments, styles, and regions in the second quarter of 2026, the Morningstar Emerging Markets Growth Target Market Exposure Index delivered the highest return, at 29.70%, while the

Morningstar Developed Markets ex-US Value Target Market Exposure Index recorded the lowest return, at 6.80%. Nevertheless, every style index shown in Exhibit 1 generated a positive return in the quarter.

Tracking the return differentials between value and growth paints an interesting picture for style investing. 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 several quarters have seen leadership between value and growth oscillate sharply. Value made a strong comeback in the third quarter of 2025 and maintained its lead through the first quarter of 2026. That trend reversed decisively in the second quarter of 2026, when growth indexes outperformed their value counterparts across every region and US size segment shown in Exhibit 2. The reversal was most pronounced among US mid-caps, where growth outperformed value by 16.63 percentage points, followed by the US broad market and US large caps, where growth led by 12.98 and 12.68 percentage points, respectively.

We shed more light on the drivers of second-quarter 2026 returns in the Performance Attribution section.

Exhibit 2 Quarterly Value Minus Growth Performance Differential (%)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2
US Broad	-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	6.79	-12.98
US Large	-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	7.76	-12.68
US Mid	-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	4.80	-16.63
US Small	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	2.80	-6.19
Global	-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	7.58	-11.92
Developed Ex US	-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	8.15	-6.91
Emerging	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	3.42	-11.86

Source: Morningstar Direct.

Risk

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

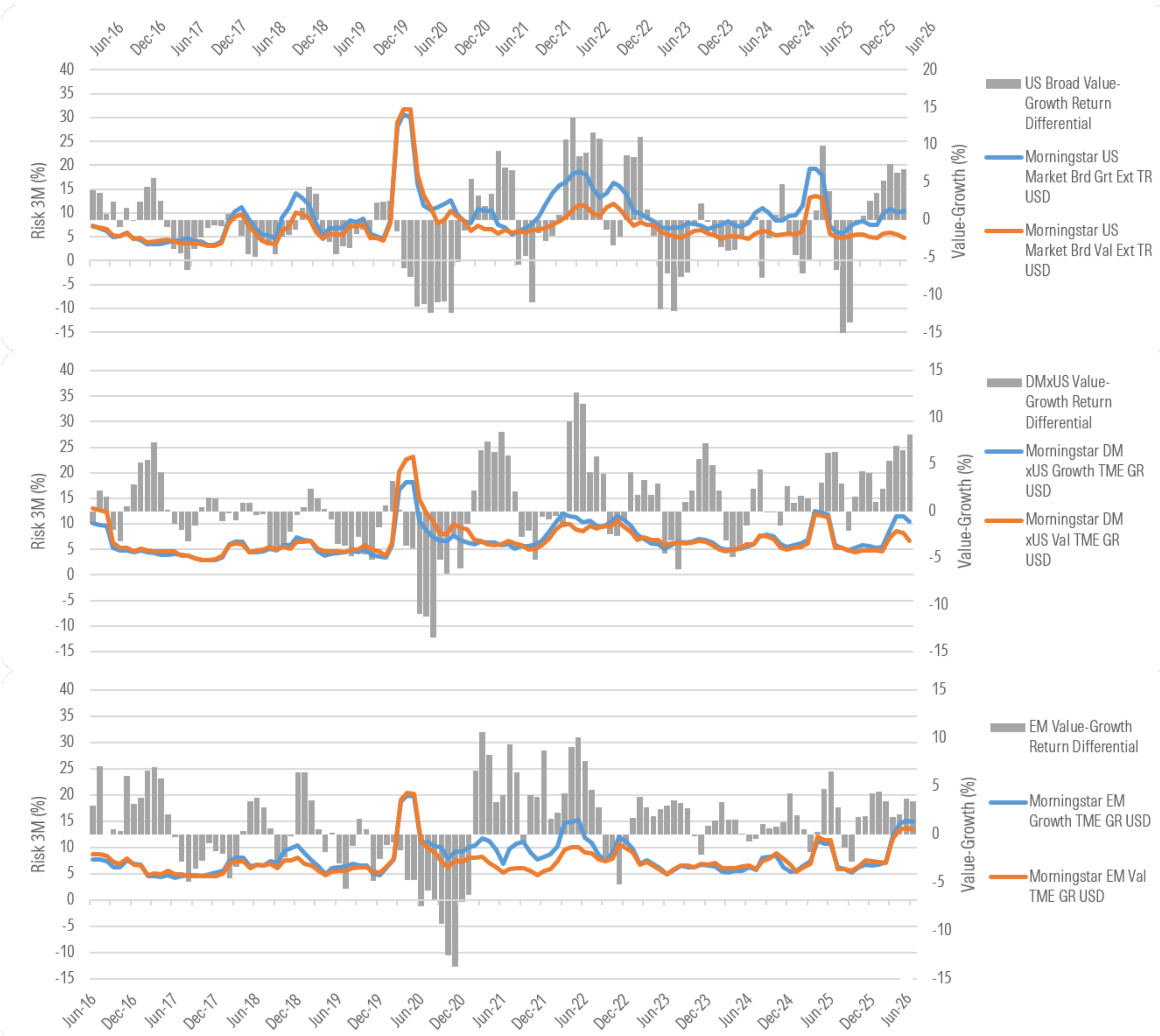
In the second quarter of 2026, growth indexes exhibited higher volatility than their value counterparts across all regions and US size segments. The difference was most pronounced in the US broad-market and large-cap segments: Risk for the Morningstar US Market Broad Growth Extended Index was 10.35%, compared with 4.76% for its value counterpart, while the Morningstar US Large Cap Broad Growth and Value indexes registered volatility of 11.33% and 4.86%, respectively. Growth also exhibited higher volatility in the US mid- and small-cap segments, although the value-growth gap narrowed as market capitalization decreased. Outside the US, the Morningstar Global Growth and Developed Markets ex-US Growth Target Market Exposure indexes were also notably more volatile than their value counterparts. The gap was much narrower in emerging markets, where volatility was elevated across both styles.

As the investment horizon lengthens, value strategies have generally maintained lower volatility than growth strategies across most segments. Over the five-year period, each value index shown in Exhibit 1 was less volatile than its corresponding growth index, although the difference was marginal within US small caps. Over the 10-year period, growth remained more volatile across the US broad-market, large-cap, and mid-cap segments. The principal exceptions were US small caps and developed markets outside the US, where the value indexes exhibited higher volatility than their growth counterparts. In emerging markets, 10-year volatility was broadly comparable across the two styles.

In the second quarter of 2026, growth outperformed value on a risk-adjusted basis, as measured by the Sharpe ratio, across all regions and US size segments. Within the US, the difference was most pronounced in the mid-cap segment, where the growth and value indexes recorded Sharpe ratios of 2.19 and 1.38, respectively. Growth's risk-adjusted advantage was also notable in emerging markets and developed markets outside the US, where the growth indexes posted Sharpe ratios of 1.76 and 1.21, compared with 1.22 and 0.89 for their respective value counterparts.

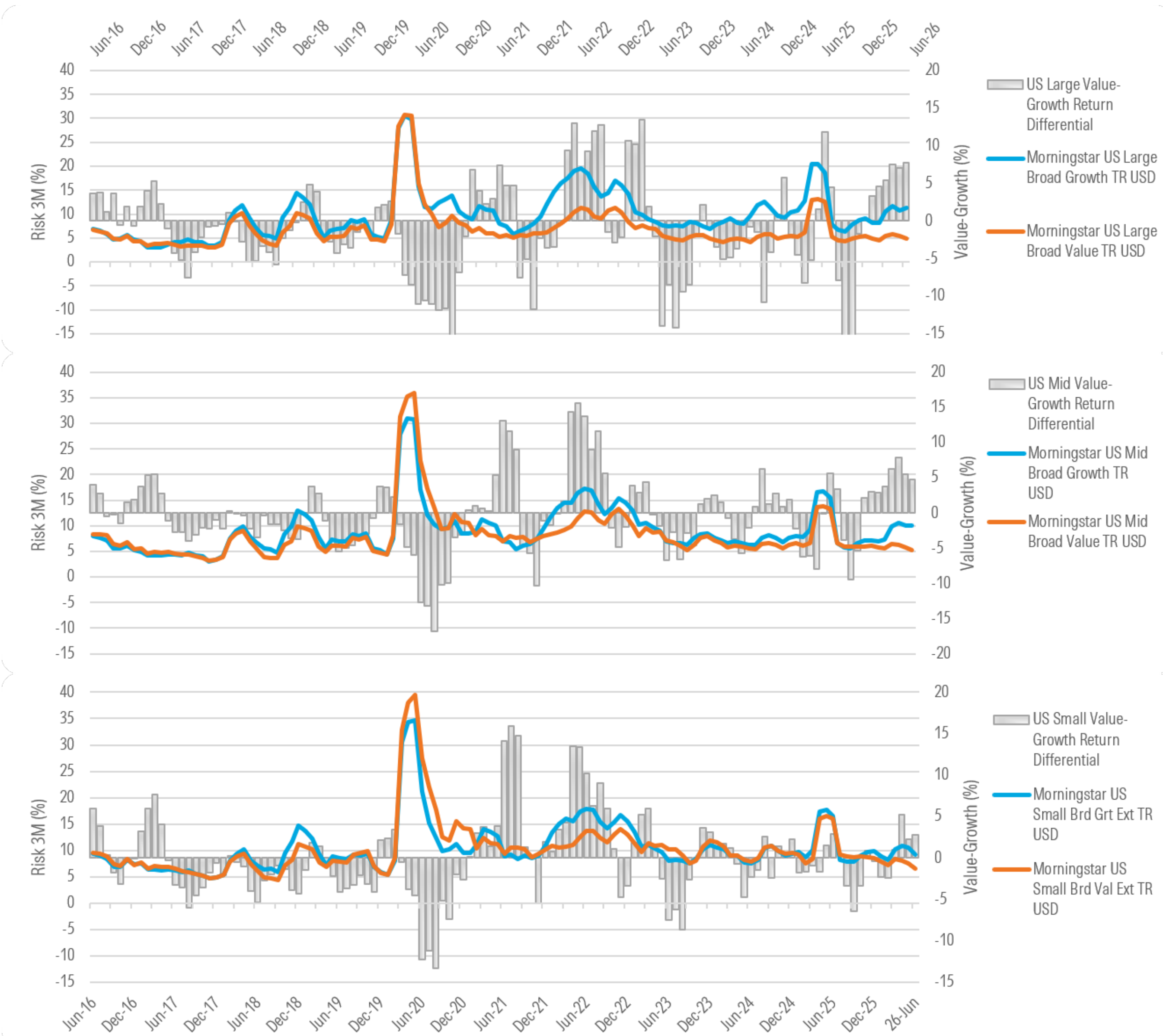
Over longer horizons, the risk-adjusted comparison between value and growth was more nuanced. Value recorded the higher Sharpe ratio across every region and US size segment over the five-year period, with the greatest differences occurring in developed markets outside the US and emerging markets. Over the 10-year period, however, growth held the advantage across the US broad-market, large-cap, mid-cap, and small-cap segments, as well as globally. Value retained higher 10-year Sharpe ratios in developed markets outside the US and emerging markets. Across the full index history, results were mixed: Value led in each US size segment and in developed and emerging markets, while growth maintained an advantage globally.

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



Source: Morningstar Direct. Data from June 2016 to June 2026.

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



Source: Morningstar Direct. Data from June 2016 to June 2026.

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, sector leadership continued to differ across regions as of June 2026. Technology remained the dominant sector in the US and emerging-markets growth indexes, reflecting their exposure to large internet, artificial intelligence, semiconductor, and electronics companies. In developed markets outside the US, by contrast, industrials remained the largest sector in the growth index, consistent with the region's greater representation of engineering, automation, aerospace, and specialty-manufacturing companies. In the Morningstar US Market Extended Index, technology, financial services, and consumer cyclical remained the three largest sectors and together represented approximately 56% of the index at the end of June. Financial services and industrials were the two largest sectors in the Morningstar Developed Markets ex-US Target Market Exposure Index, while technology and financial services together accounted for roughly half the Morningstar Emerging Markets Target Market Exposure Index.

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 Morningstar 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 June 2021 to June 2026. (Each bar displays the quarterly sector weight for the respective sector from June 2021 to June 2026.)

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 Morningstar 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 June 2021 to June 2026. (Each bar displays the quarterly sector weight for the respective sector from June 2021 to June 2026.)

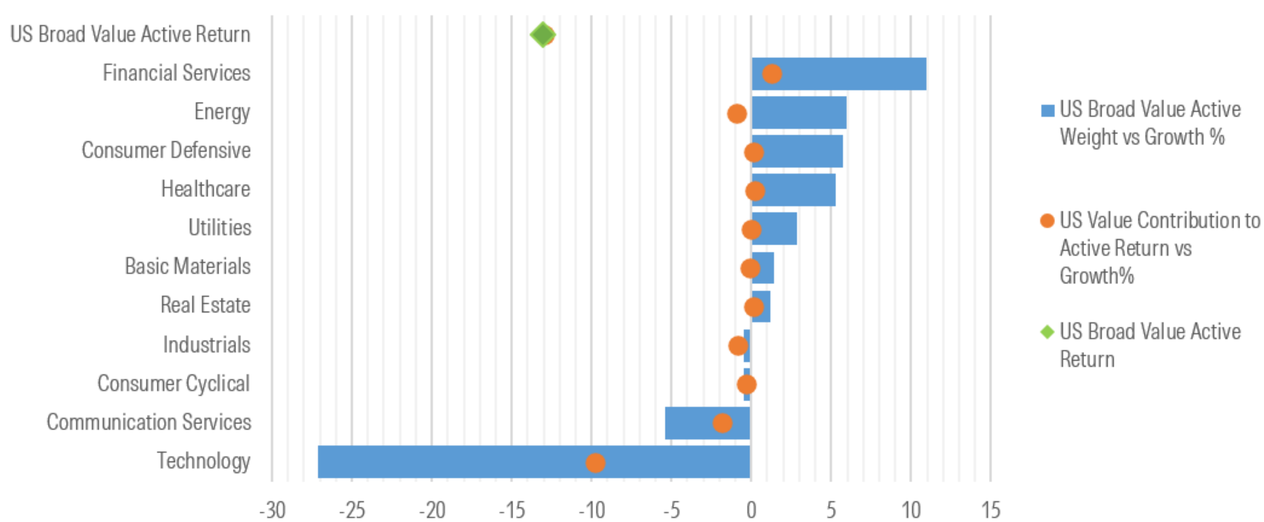
Performance Attribution

US

The Morningstar US Market Broad Value Extended Index underperformed the Morningstar US Market Broad Growth Extended Index by 12.98 percentage points in the second quarter of 2026. The value index returned 9.51%, compared with 22.49% for its growth counterpart, as the previous quarter's value-led style environment reversed decisively.

Technology was by far the largest sector-level driver of value's underperformance relative to growth, reducing active return by 9.81 percentage points. Communication services was the next-largest detractor, subtracting 1.84 percentage points, while energy and industrials reduced relative return by a further 0.89 and 0.87 percentage points, respectively. Consumer cyclical, basic materials, and utilities also detracted modestly. These effects were partly offset by financial services, which contributed 1.26 percentage points to value's active return, while healthcare, consumer defensive, and real estate made smaller positive contributions.

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 June 30, 2026.

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. At the stock level, underweight positions in several strongly performing technology companies accounted for the largest detractors from value's active return. Underweighting Advanced Micro Devices, Nvidia, Broadcom, Lam Research, and SanDisk detracted 2.07, 2.05, 1.08, 0.93, and 0.77 percentage points, respectively. Underweight positions in Eli Lilly, KLA, Micron Technology, Marvell Technology, and Alphabet Class A also weighed on relative performance. On the positive side, overweighting Intel, Caterpillar, Cisco Systems, UnitedHealth Group, and Texas Instruments contributed positively, as did the value index's underweight position in Palantir Technologies.

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
Intel Corp	1.06	216.41	1.27	Advanced Micro Devices Inc	-1.70	185.56	-2.07
Caterpillar Inc	1.12	50.60	0.51	NVIDIA Corp	-13.70	14.86	-2.05
Cisco Systems Inc	1.10	52.19	0.49	Broadcom Inc	-5.42	22.25	-1.08
UnitedHealth Group Inc	0.89	54.47	0.41	Lam Research Corp	-0.98	102.95	-0.93
Texas Instruments Inc	0.68	54.31	0.29	SanDisk Corp Ordinary Shares	-0.47	257.88	-0.77
JPMorgan Chase & Co	2.37	11.84	0.29	Eli Lilly and Co	-2.35	30.63	-0.76
Applied Materials Inc	0.27	111.80	0.25	KLA Corp	-0.67	105.18	-0.68
Palantir Technologies Inc Ordinary Shar	-0.98	-20.24	0.22	Micron Technology Inc	-0.34	241.67	-0.63
AbbVie Inc	1.11	16.66	0.19	Marvell Technology Inc	-0.40	200.89	-0.58
Qualcomm Inc	0.57	44.04	0.19	Alphabet Inc Class A	-2.37	24.35	-0.56
US Value Active Return			**-12.98**			Overweight and +ve 3M return	
						Underweight and +ve 3M return	

Source: Morningstar Direct. Data as of June 30, 2026.

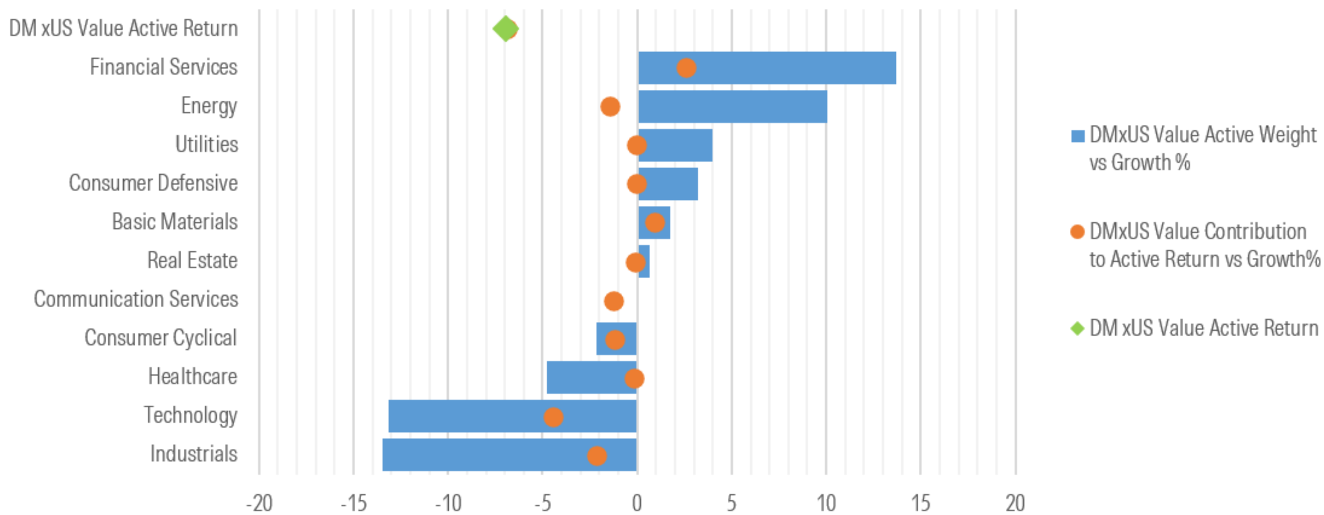
Developed Markets Ex-US

The Morningstar Developed Markets ex-US Value Target Market Exposure Index underperformed its growth counterpart by 6.91 percentage points in the second quarter of 2026. The value index returned 6.80%, compared with 13.71% for the growth index, reversing the strong value-led result recorded in the previous quarter.

Technology was the largest sector-level driver of value's underperformance relative to growth, reducing active return by 4.49 percentage points. Industrials was the next-largest detractor, subtracting 2.18 percentage points, followed by energy, communication services, and consumer cyclical, which detracted 1.47, 1.26, and 1.21 percentage points, respectively. Financial services provided the largest offset, contributing 2.55 percentage points to value's active return, while basic materials added 0.89 percentage points. Healthcare, real estate, utilities, and consumer defensive made comparatively small negative contributions.

At the stock level, underweight positions in several strongly performing technology and technology-related companies accounted for the largest detractors from value's active return. Underweighting ASML, Tokyo Electron, Kioxia Holdings, SoftBank Group, and Advantest detracted 2.62, 1.06, 0.62, 0.53, and 0.49 percentage points, respectively. Underweight positions in ABB, Recruit Holdings, UBS Group, and Schneider Electric also weighed on relative performance, while value's overweight position in Shell detracted as the stock declined during the quarter. On the positive side, overweight positions in Murata Manufacturing, HSBC Holdings, Toronto-Dominion Bank, BHP, and Allianz made the largest positive contributions. Underweight positions in Rheinmetall and Agnico Eagle Mines also contributed positively as both stocks declined.

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 June 30, 2026.

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
Murata Manufacturing Co Ltd	0.54	227.20	0.73
HSBC Holdings PLC	2.42	18.53	0.43
The Toronto-Dominion Bank	1.40	31.58	0.41
BHP Group Ltd	1.51	19.24	0.27
Allianz SE	1.32	19.66	0.25
Rheinmetall AG	-0.67	-31.26	0.23
Agnico Eagle Mines Ltd	-0.89	-23.04	0.23
Nokia Oyj	0.46	69.44	0.23
BNP Paribas Act. Cat.A	0.82	28.79	0.22
Banco Bilbao Vizcaya Argentaria SA	1.00	22.56	0.22
DMxUS Value Active Return			**-6.91**

Name	Active Weight	3M Return	Contr. to Active Return
ASML Holding NV	-5.17	52.95	-2.62
Tokyo Electron Ltd	-1.15	102.85	-1.06
Kioxia Holdings Corp Ordinary Shares	-0.34	360.09	-0.62
SoftBank Group Corp	-1.17	64.19	-0.53
Advantest Corp	-1.00	55.71	-0.49
ABB Ltd	-1.38	37.96	-0.46
Recruit Holdings Co Ltd	-0.66	69.94	-0.40
UBS Group AG Registered Shares	-1.23	33.19	-0.38
Shell PLC	2.02	-16.87	-0.37
Schneider Electric SE	-1.49	25.50	-0.36

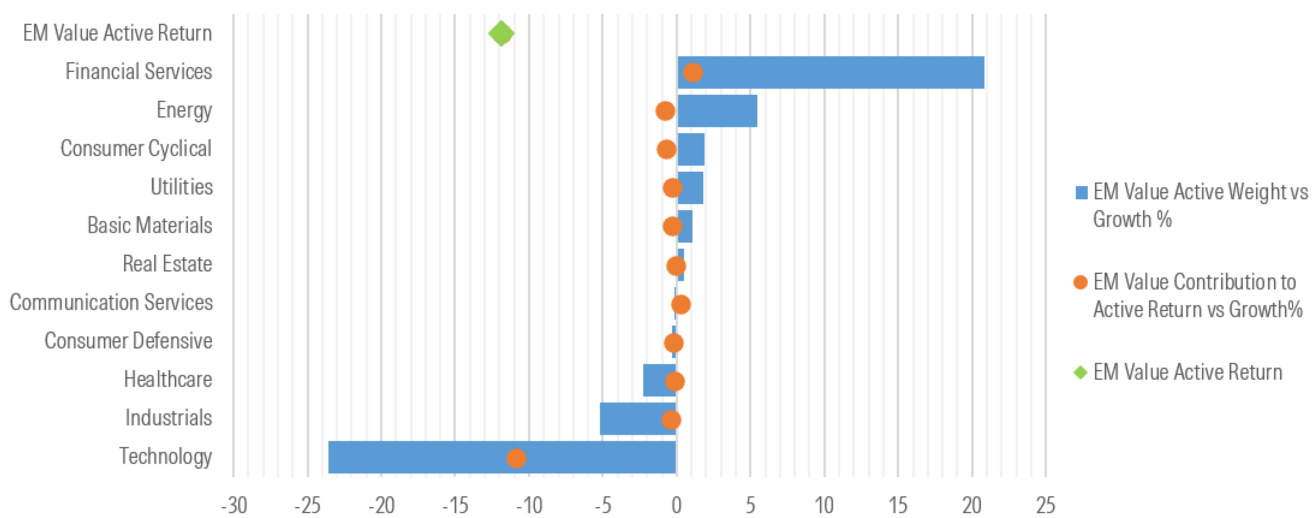
Overweight and +ve 3M return
Underweight and +ve 3M return

Source: Morningstar Direct. Data as of June 30, 2026.

Emerging Markets

In emerging markets, the Morningstar Emerging Markets Value Target Market Exposure Index returned 17.84% in the second quarter of 2026, compared with 29.70% for its growth counterpart. Consequently, value underperformed growth by 11.86 percentage points, reversing the value-led outcome recorded in the previous quarter.

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



Source: Morningstar Direct. Data as of June 30, 2026.

Technology was by far the largest sector-level driver of value's underperformance relative to growth, reducing active return by 10.88 percentage points. The sector contributed 18.23 percentage points to the value index's return, compared with 29.11 percentage points in the growth index, reflecting value's substantially smaller technology exposure despite stronger returns from its technology holdings. Energy and consumer cyclical detracted a further 0.82 and 0.69 percentage points, respectively, while utilities, basic materials, consumer defensive, healthcare, and real estate also made smaller negative contributions. Industrials provided the largest positive offset, contributing 1.37 percentage points to value's active return, while communication services added 0.29 percentage points.

At the stock level, underweight positions in SK Hynix and Taiwan Semiconductor Manufacturing were the largest detractors from value's active return, subtracting 12.34 and 9.65 percentage points, respectively. Underweight positions in Delta Electronics, Elite Material, Unimicron Technology, and Accton Technology also weighed on relative performance. These effects were partly offset by value's overweight position in Samsung Electronics, which contributed 10.17 percentage points, while overweight positions in Samsung Electro-Mechanics, Samsung Electronics' preferred shares, and United

Microelectronics also contributed positively. Value's underweight position in Xiaomi made a smaller positive contribution as the stock declined during the quarter.

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
Samsung Electronics Co Ltd	13.28	97.49	10.17
Samsung Electro-Mechanics Co Ltd	0.69	429.85	1.22
Samsung Electronics Co Ltd Participating Preferred	1.48	83.85	0.98
United Microelectronics Corp	0.61	192.19	0.80
Xiaomi Corp Class B	-1.07	-31.88	0.42
MediaTek Inc	0.31	185.91	0.28
Fubon Financial Holdings Co Ltd	0.52	51.12	0.27
SK Inc	0.19	173.92	0.24
Samsung Life Insurance Co Ltd	0.32	88.33	0.23
CTBC Financial Holding Co Ltd	0.58	38.89	0.23
EM Value Active Return			**-11.86**

Name	Active Weight	3M Return	Contr. to Active Return
SK Hynix Inc	-8.52	224.69	-12.34
Taiwan Semiconductor Manufacturing Co Ltd	-26.31	37.79	-9.65
Delta Electronics Inc	-1.98	42.57	-0.68
Elite Material Co Ltd	-0.68	108.05	-0.55
Unimicron Technology Corp	-0.55	141.58	-0.51
Accton Technology Corp	-0.55	65.82	-0.30
Alibaba Group Holding Ltd Ordinary Shares	1.28	-21.29	-0.28
King Slide Works Co Ltd	-0.16	132.64	-0.19
Nanya Technology Corp	-0.16	128.77	-0.18
Delta Electronics (Thailand) PCL	-0.70	24.57	-0.17

Overweight and +ve 3M return
Underweight and +ve 3M return

Source: Morningstar Direct. Data as of June 30, 2026.

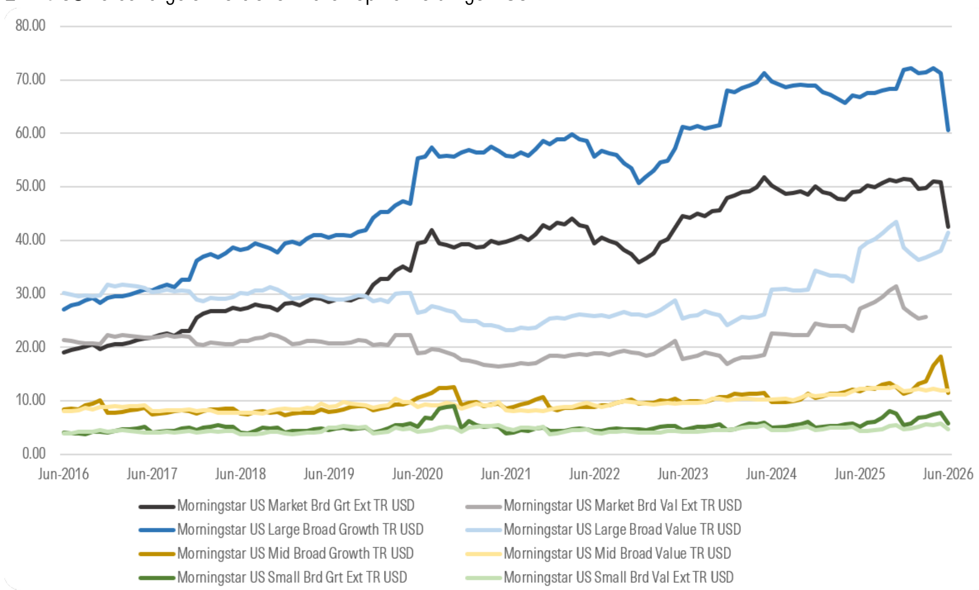
Concentration

Growth indexes generally remained more concentrated than their value counterparts at the end of the second quarter of 2026, reflecting the greater influence of a relatively small number of large companies within growth-oriented market segments. The difference was especially pronounced in US large caps and emerging markets. Value indexes were generally more diversified across their constituent holdings, although concentration increased during the quarter in several value segments.

Within the US, concentration continued to increase with market capitalization. The 10 largest constituents represented 60.61% of the Morningstar US Large Cap Broad Growth Index at the end of June, compared with 11.48% for the Morningstar US Mid Cap Broad Growth Index and 5.71% for the Morningstar US Small Cap Broad Growth Extended Index. The corresponding value-index figures were 41.44%, 12.00%, and 4.62%. Thus, the concentration differential between growth and value remained substantial among large caps but was limited in the mid- and small-cap segments.

Concentration declined during the quarter in the US growth indexes. The share represented by the 10 largest holdings fell from 49.79% in March to 42.51% in June for the broad growth index, from 71.33% to 60.61% for large-cap growth, from 13.65% to 11.48% for mid-cap growth, and from 6.92% to 5.71% for small-cap growth. By contrast, concentration increased in the broad and large-cap value indexes, rising from 25.69% to 29.89% and from 36.77% to 41.44%, respectively. Mid-cap value concentration was broadly stable, while small-cap value concentration declined.

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



Source: Morningstar Direct. Data as of June 30, 2026.

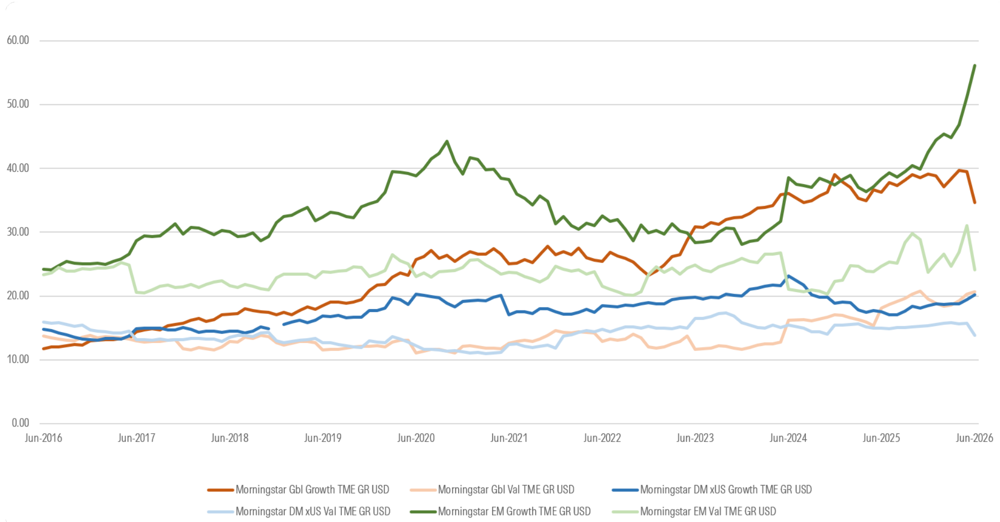
Exhibit 9 shows concentration trends for the style indexes across emerging markets and ex-US developed markets, along with the corresponding parent indexes.

At the global level, the growth index also remained more concentrated than the value index. The 10 largest holdings represented 34.61% of the Morningstar Global Growth Target Market Exposure Index at the end of June, compared with 20.67% of the Morningstar Global Value Target Market Exposure Index. The corresponding figure for the Morningstar Global Target Market Exposure Index was 23.57%.

Concentration was lower in developed markets outside the US than in the corresponding global and US growth indexes. At the end of June, the 10 largest constituents accounted for 20.20% of the Morningstar Developed Markets ex-US Growth Target Market Exposure Index and 13.82% of the corresponding value index. The 10 largest holdings represented 13.11% of the Morningstar Developed Markets ex-US Target Market Exposure Index.

Emerging markets displayed the widest concentration difference between the two styles. The 10 largest holdings accounted for 56.14% of the Morningstar Emerging Markets Growth Target Market Exposure Index at the end of June, compared with 24.09% of the Morningstar Emerging Markets Value Target Market Exposure Index. The corresponding figure for the Morningstar Emerging Markets Target Market Exposure Index was 37.42%. The emerging-markets result highlights that concentration can vary substantially across regional opportunity sets, even among indexes sharing the same style orientation.

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



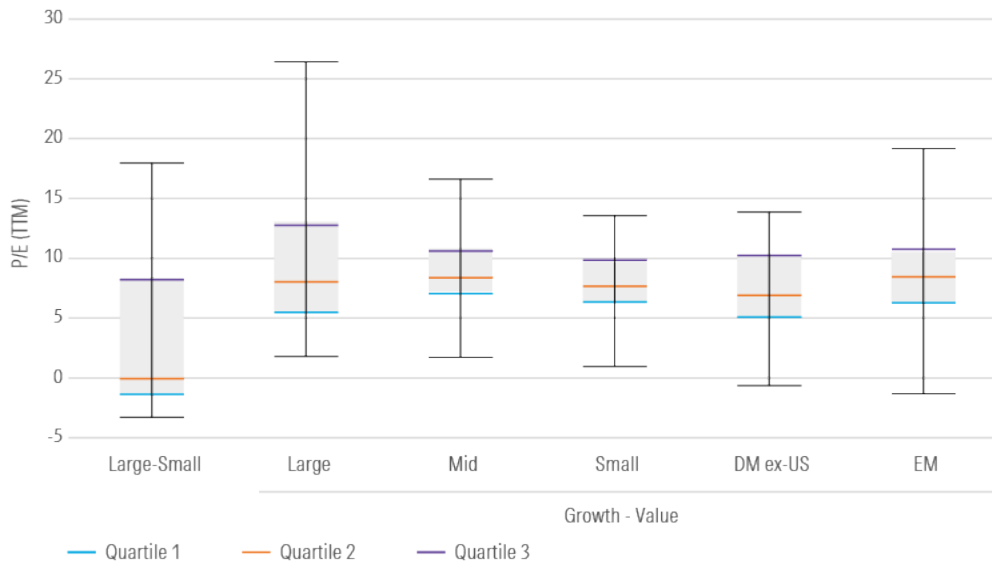
Source: Morningstar Direct. Data as of June 30, 2026.

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 Market Index and the Morningstar US Small Cap Extended Index, along with historical distributions for all the spreads.

Valuation spreads widened sharply during the second quarter of 2026. The growth-value P/E spread rose across the US large-, mid-, and small-cap segments, as well as in developed markets outside the US and emerging markets. The most pronounced increase occurred in US large caps, where the spread rose from a historical percentile rank of 57.5% at the end of March to 95.6% at the end of June. By June, the spreads for every universe shown in Exhibit 10 ranked above the 80th percentile of their respective historical distributions, indicating that growth valuations were elevated relative to value by historical standards.

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	9.48	19.03	14.08	11.39	11.31	11.59
Percent Rank (%) June 2026	85.90%	95.60%	96.50%	94.50%	83.70%	87.90%
Percent Rank (%) March 2026	80.30%	57.50%	84.80%	68.00%	50.20%	64.70%

Source: Morningstar Direct. Data as of June 30, 2026.

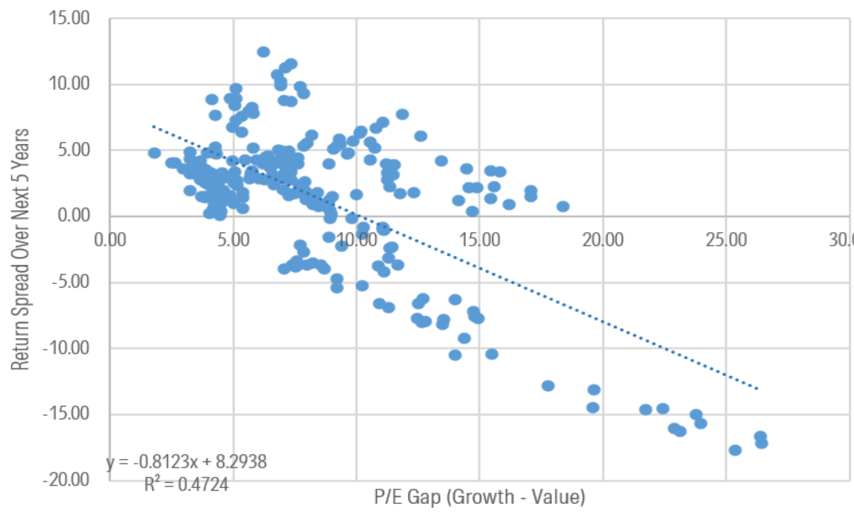
Unusually wide valuation spreads may signal lower expected relative returns for the more expensive index. Historically, wider growth-value P/E gaps have been associated with lower subsequent five-year returns for growth relative to value in the US large- and mid-cap segments, as shown in Exhibits 11 and 12. A similar negative relationship is evident between the US large-cap and small-cap indexes in Exhibit 14 and between emerging-markets growth and value in Exhibit 16. These relationships do not imply that a reversal must occur immediately, but they indicate that investors have historically received less favorable subsequent relative returns when beginning valuation spreads were unusually wide.

The relationship was substantially weaker in the US small-cap segment. For US small caps, Exhibit 13 shows only a limited association between the growth-value valuation spread and the subsequent five-year return differential.

The developed-markets ex-US relationship has also changed over time. Earlier observations produced a mildly positive association between valuation spreads and subsequent five-year growth-value returns, an outcome that ran counter to the more intuitive negative relationship observed in several other markets. With the addition of more recent observations, the fitted relationship has turned negative, but its very low R^2 suggests that neither the earlier positive slope nor the current negative slope should be treated as structurally reliable. The historical link between relative valuations and subsequent style returns in developed markets outside the US appears to have been weak and sensitive to the sample period.

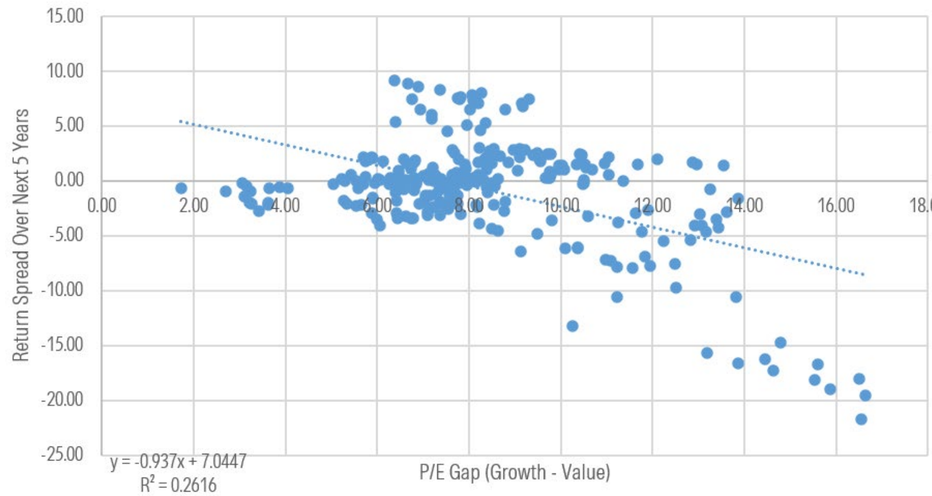
Accordingly, valuation spreads may be a useful contextual indicator in developed markets outside the US, but they should be considered alongside other fundamental, macroeconomic, and market-specific factors rather than used as a stand-alone signal.

Exhibit 11 Relationship Between Valuations and Future Returns: November 1999 to June 2026 (Morningstar US Large Broad Growth Index—Morningstar US Large Broad Value Index)



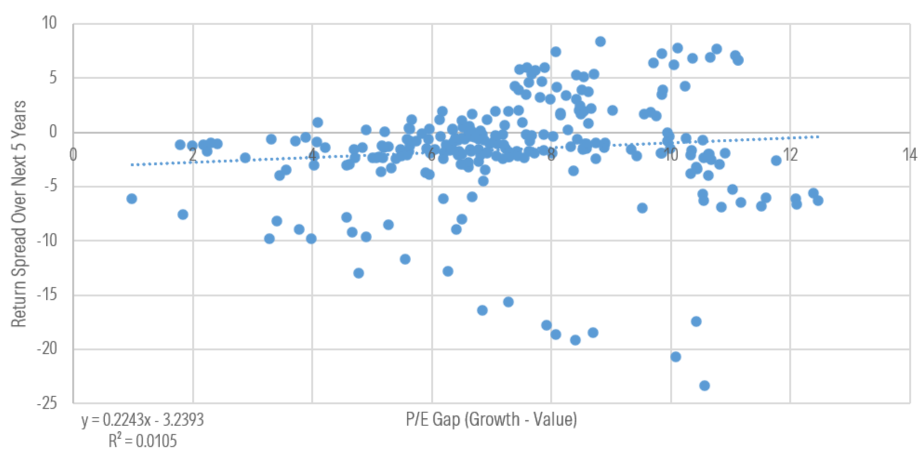
Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 12 Relationship Between Valuations and Future Returns: November 1999 to June 2026 (Morningstar US Mid Broad Growth Index—Morningstar US Mid Broad Value Index)



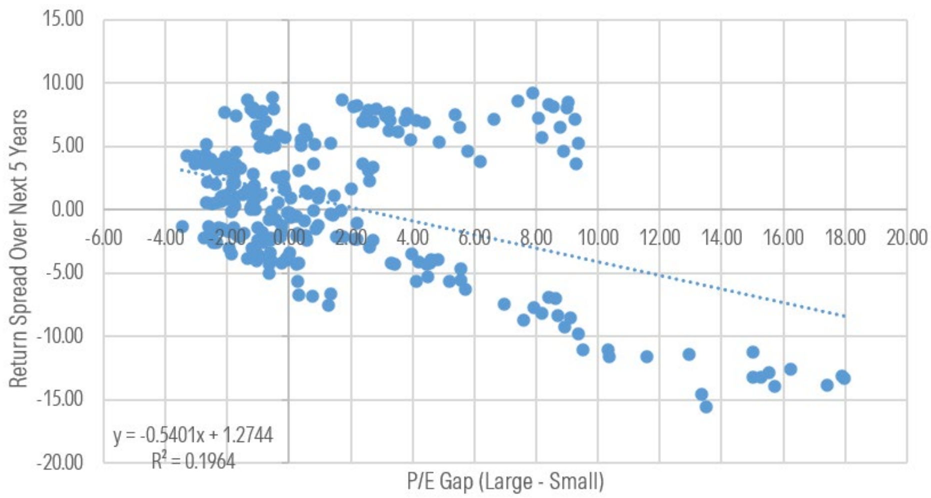
Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 13 Relationship Between Valuations and Future Returns: November 1999 to June 2026 (Morningstar US Small Cap Broad Growth Extended Index—Morningstar US Small Cap Broad Value Extended Index)



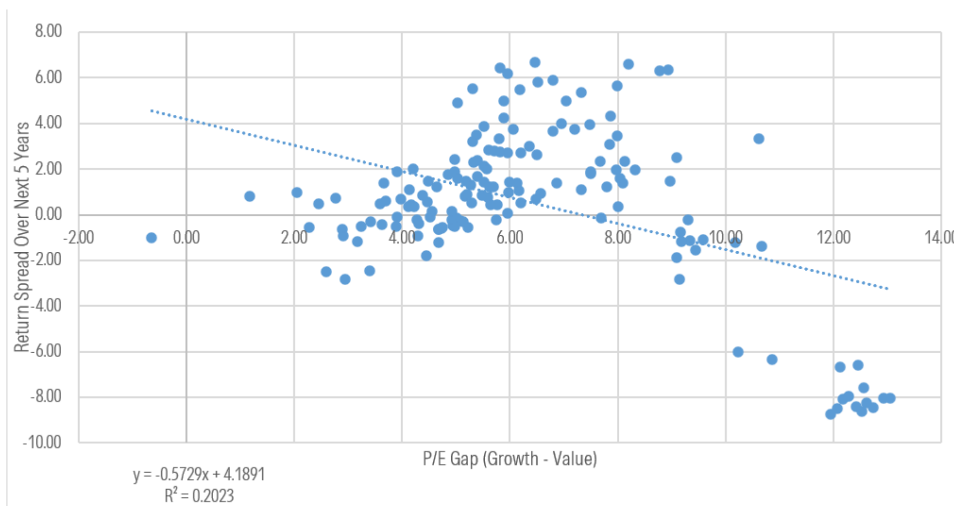
Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 14 Relationship Between Valuations and Future Returns: November 1999 to June 2026 (Morningstar US Large Index—Morningstar US Small Cap Extended Index)



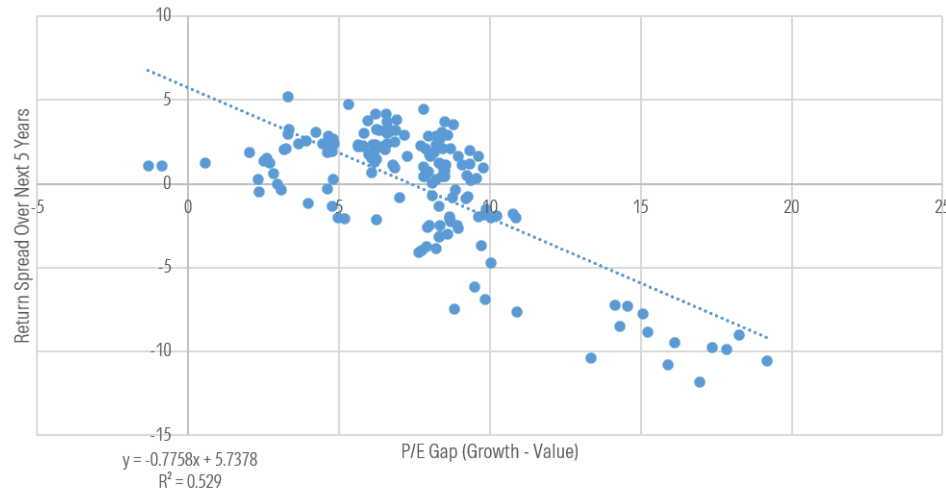
Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 15 Relationship Between Valuations and Future Returns: June 2008 to June 2026 (Morningstar DM ex-US Growth Target Market Exposure Index—Morningstar DM ex-US Value Target Market Exposure Index)



Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 16 Relationship Between Valuations and Future Returns: June 2008 to June 2026 (Morningstar Emerging Markets Growth Target Market Exposure Index—Morningstar Emerging Markets Value Target Market Exposure Index)



Source: Morningstar Direct. Data as of June 30, 2026.

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 in 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 cyclicality (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	57.52	22.79	9.73
Morningstar US Market Broad Growth Extended	60.61	18.17	9.81
Morningstar US Market Broad Value Extended	54.53	27.47	9.67
Morningstar US Large Cap	73.43	19.27	6.89
Morningstar US Large Broad Growth	75.94	14.87	8.57
Morningstar US Large Broad Value	70.97	23.59	5.24
Morningstar US Mid Cap	25.34	40.27	18.51
Morningstar US Mid Cap Broad Growth	33.76	32.24	13.95
Morningstar US Mid Cap Broad Value	16.07	49.12	23.52
Morningstar US Small Cap Extended	3.12	11.64	12.66
Morningstar US Small Broad Growth Extended	3.33	11.20	9.89
Morningstar US Small Broad Value Extended	2.97	11.92	15.87

Global			
Morningstar Global Target Market Exposure	51.04	22.68	15.47
Morningstar Global Growth	57.91	18.15	13.56
Morningstar Global Value	44.02	27.37	17.47
Morningstar Developed Markets ex-US	33.71	25.58	26.43
Morningstar Developed Markets ex-US Growth	47.23	23.81	16.82
Morningstar Developed Markets ex-US Value	19.53	27.48	36.48
Morningstar Emerging Markets	18.50	10.93	24.89
Morningstar Emerging Markets Growth	28.36	8.08	25.60
Morningstar Emerging Markets Value	8.46	14.43	25.87

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 18 Revenue Generated in the US

US	% of Revenue From the US
Morningstar US Market Extended	59.58
Morningstar US Market Broad Growth Extended	54.97
Morningstar US Market Broad Value Extended	64.29
Morningstar US Large Cap	54.59
Morningstar US Large Broad Growth	49.50
Morningstar US Large Broad Value	59.58
Morningstar US Mid Cap	70.65
Morningstar US Mid Cap Broad Growth	65.95
Morningstar US Mid Cap Broad Value	75.69
Morningstar US Small Cap Extended	74.68
Morningstar US Small Broad Growth Extended	72.11
Morningstar US Small Broad Value Extended	78.19
Global	
Morningstar Global Target Market Exposure	44.68
Morningstar Global Growth	42.74
Morningstar Global Value	46.82
Morningstar Developed Markets ex-US	21.18
Morningstar Developed Markets ex-US Growth	22.58
Morningstar Developed Markets ex-US Value	19.67
Morningstar Emerging Markets	21.85
Morningstar Emerging Markets Growth	33.05
Morningstar Emerging Markets Value	9.71

Source: Morningstar Direct. Data as of June 30, 2026.

Large-value stocks tend to be more mature. These include slow-growth giants like Berkshire Hathaway and JPMorgan Chase 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 companies generally have more runway for expansion than their larger peers and often operate at earlier stages of their corporate lifecycles. The Morningstar US Mid Cap Broad Growth Index's leading holdings as of June 2026 included companies such as Robinhood Markets, Roblox, Snowflake, Marvell Technology, and Coinbase. These holdings illustrate the segment's exposure to rapidly evolving areas including digital financial services, interactive entertainment, cloud data platforms, semiconductors, and digital assets.

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, Credo Technology, and Ciena—among the leading holdings of the Morningstar US Small Broad Growth Extended Index as of June 2026—illustrate the segment's exposure to companies participating in the development of computing, connectivity, and communications infrastructure. However, like many small-cap growth firms, they also face 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. These segments can include cyclical companies, mature businesses with limited expected growth, and firms whose valuations reflect company-specific challenges. EOG Resources, a leading holding in the Morningstar US Mid Cap Broad Value Index, provides an example of exposure to commodity-price and economic cycles. In small-cap value, holdings such as Toll Brothers, Annaly Capital Management, and Host Hotels & Resorts illustrate the segment's sensitivity to housing, interest rate, and property-market conditions.

Smaller US companies continued to generate a larger share of their revenue domestically, particularly on the value side. As of June 2026, constituents of the Morningstar US Small Broad Value Extended Index generated 78.19% of their revenue in the US, the highest proportion among the US indexes shown in Exhibit 18. This compared with 75.69% for US mid-cap value and 59.58% for US large-cap value.

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 Corp	NVDA	Technology	9.39
Microsoft Corp	MSFT	Technology	8.24
Apple Inc	AAPL	Technology	8.09
Amazon.com Inc	AMZN	Consumer Cyclical	4.58
Meta Platforms Inc Class A	META	Communication Services	3.41
Broadcom Inc	AVGO	Technology	3.26
Alphabet Inc Class A	GOOGL	Communication Services	3.03
Tesla Inc	TSLA	Consumer Cyclical	2.67
Alphabet Inc Class C	GOOG	Communication Services	2.64
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	1.98

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 20 Top Holdings: Morningstar US Large Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
Nvidia Corp	NVDA	Technology	17.29
Microsoft Corp	MSFT	Technology	15.18
Apple Inc	AAPL	Technology	7.42
Meta Platforms Inc Class A	META	Communication Services	6.28
Broadcom Inc	AVGO	Technology	6
Tesla Inc	TSLA	Consumer Cyclical	4.92
Amazon.com Inc	AMZN	Consumer Cyclical	4.22
Eli Lilly and Co	LLY	Healthcare	2.4
Visa Inc Class A	V	Financial Services	2.29
Netflix Inc	NFLX	Communication Services	2.01

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 21 Top Holdings: Morningstar US Large Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Apple Inc	AAPL	Technology	8.89
Alphabet Inc Class A	GOOGL	Communication Services	6.63
Amazon.com Inc	AMZN	Consumer Cyclical	5.01
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	4.34
Alphabet Inc Class C	GOOG	Communication Services	4.20
JPMorgan Chase & Co	JPM	Financial Services	4.06
Exxon Mobil Corp	XOM	Energy	2.25
Johnson & Johnson	JNJ	Healthcare	2.09
AbbVie Inc	ABBV	Healthcare	1.92
The Home Depot Inc	HD	Consumer Cyclical	1.89

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 22 Top Holdings: Morningstar US Mid Cap Index

Constituent	Ticker	Sector	Weighting (%)
Capital One Financial Corp	COF	Financial Services	1.14
Robinhood Markets Inc Class A	HOOD	Financial Services	0.88
Newmont Corp	NEM	Basic Materials	0.78
Roblox Corp Ordinary Shares - Class A	RBLX	Communication Services	0.72
Royal Caribbean Group	RCL	Consumer Cyclical	0.69
Howmet Aerospace Inc	HWM	Industrials	0.64
U.S. Bancorp	USB	Financial Services	0.63
Bank of New York Mellon Corp	BK	Financial Services	0.62
Emerson Electric Co	EMR	Industrials	0.62
Snowflake Inc Ordinary Shares	SNOW	Technology	0.62

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Robinhood Markets Inc Class A	HOOD	Financial Services	1.77
Roblox Corp Ordinary Shares - Class A	RBLX	Communication Services	1.44
Royal Caribbean Group	RCL	Consumer Cyclical	1.38
Howmet Aerospace Inc	HWM	Industrials	1.28
Snowflake Inc Ordinary Shares	SNOW	Technology	1.24
Marvell Technology Inc	MRVL	Technology	1.22
AutoZone Inc	AZO	Consumer Cyclical	1.21
Coinbase Global Inc Ordinary Shares - Class A	COIN	Financial Services	1.19
Autodesk Inc	ADSK	Technology	1.14
Vistra Corp	VST	Utilities	1.11

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Capital One Financial Corp	COF	Financial Services	2.29
Newmont Corp	NEM	Basic Materials	1.56
U.S. Bancorp	USB	Financial Services	1.27
CSX Corp	CSX	Industrials	1.12
The Travelers Companies Inc	TRV	Financial Services	1.06
EOG Resources Inc	EOG	Energy	1.03
Simon Property Group Inc	SPG	Real Estate	1.03
Air Products and Chemicals Inc	APD	Basic Materials	1.02
Truist Financial Corp	TFC	Financial Services	0.99
Sempra	SRE	Utilities	0.99

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 25 Top Holdings: Morningstar US Small Cap Extended Index

Constituent	Ticker	Sector	Weighting (%)
Astera Labs Inc	ALAB	Technology	0.47
Credo Technology Group Holding Ltd	CRDO	Technology	0.39
Ciena Corp	CIEN	Technology	0.38
Rocket Lab Corp	RKLB	Industrials	0.37
Talen Energy Corp Ordinary Shares New	TLN	Utilities	0.33
IonQ Inc Class A	IONQ	Technology	0.32
Bloom Energy Corp Class A	BE	Industrials	0.31
FTAI Aviation Ltd	FTAI	Industrials	0.31
BWX Technologies Inc	BWXT	Industrials	0.31
Coherent Corp	COHR	Technology	0.31

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Astera Labs Inc	ALAB	Technology	0.94
Credo Technology Group Holding Ltd	CRDO	Technology	0.78
Ciena Corp	CIEN	Technology	0.75
Rocket Lab Corp	RKLB	Industrials	0.74
IonQ Inc Class A	IONQ	Technology	0.63
Bloom Energy Corp Class A	BE	Industrials	0.62
FTAI Aviation Ltd	FTAI	Industrials	0.62
BWX Technologies Inc	BWXT	Industrials	0.62
Coherent Corp	COHR	Technology	0.61
Kratos Defense & Security Solutions Inc	KTOS	Industrials	0.55

Source: Morningstar Direct. Data as of June 30, 2026.

Exhibit 27 Top Holdings: Morningstar US Small Broad Value Extended Index

Constituent	Ticker	Sector	Weighting (%)
Toll Brothers Inc	TOL	Consumer Cyclical	0.52
SanDisk Corp Ordinary Shares	SNDK	Technology	0.49
Annaly Capital Management Inc	NLY	Real Estate	0.49
TD Synnex Corp	SNX	Technology	0.46
Skyworks Solutions Inc	SWKS	Technology	0.45
Host Hotels & Resorts Inc	HST	Real Estate	0.45
Viatris Inc	VTRS	Healthcare	0.45
Coeur Mining Inc	CDE	Basic Materials	0.44
Stanley Black & Decker Inc	SWK	Industrials	0.43
Bunge Global SA	BG	Consumer Defensive	0.43

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
ASML Holding NV	ASML	Technology	1.77
SAP SE	SAP	Technology	1.27
HSBC Holdings PLC	HSBA	Financial Services	1.13
Nestle SA	NESN	Consumer Defensive	1.09
AstraZeneca PLC	AZN	Healthcare	1.08
Novartis AG Registered Shares	NOVN	Healthcare	1.08
Roche Holding AG	ROG	Healthcare	1.04
Toyota Motor Corp	7203	Consumer Cyclical	1.02
Shell PLC	SHEL	Energy	0.97
Royal Bank of Canada	RY	Financial Services	0.96

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
ASML Holding NV	ASML	Technology	3.52
SAP SE	SAP	Technology	2.53
AstraZeneca PLC	AZN	Healthcare	2.15
Shopify Inc Registered Shs -A- Subord Vtg	SHOP	Technology	1.66
Novo Nordisk AS Class B	NOVO B	Healthcare	1.59
Schneider Electric SE	SU	Industrials	1.39
Airbus SE	AIR	Industrials	1.25
Rolls-Royce Holdings PLC	RR.	Industrials	1.23
Siemens AG	SIE	Industrials	1.22
Safran SA	SAF	Industrials	1.13

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
HSBC Holdings PLC	HSBA	Financial Services	2.28
Toyota Motor Corp	7203	Consumer Cyclical	2.06
Shell PLC	SHEL	Energy	1.94
Banco Santander SA	SAN	Financial Services	1.44
The Toronto-Dominion Bank	TD	Financial Services	1.28
BHP Group Ltd	BHP	Basic Materials	1.27
Novartis AG Registered Shares	NOVN	Healthcare	1.22
Roche Holding AG	ROG	Healthcare	1.21
Nestle SA	NESN	Consumer Defensive	1.2
TotalEnergies SE	TTE	Energy	1.15

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	10.31
Tencent Holdings Ltd	00700	Communication Services	5.15
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	4.11
Samsung Electronics Co Ltd	005930	Technology	2.87
SK Hynix Inc	000660	Technology	1.34
HDFC Bank Ltd	HDFCBANK	Financial Services	1.21
Xiaomi Corp Class B	01810	Technology	1.16
Reliance Industries Ltd	RELIANCE	Energy	1.11
PDD Holdings Inc ADR	PDD	Consumer Cyclical	1
China Construction Bank Corp Class H	00939	Financial Services	0.94

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	20.59
Tencent Holdings Ltd	00700	Communication Services	6.1
HDFC Bank Ltd	HDFCBANK	Financial Services	2.41
Xiaomi Corp Class B	01810	Technology	2.32
International Holdings Co PJSC	IHC	Industrials	1.6
ICICI Bank Ltd	ICICIBANK	Financial Services	1.59
MediaTek Inc	2454	Technology	1.33
Reliance Industries Ltd	RELIANCE	Energy	1.22
Bharti Airtel Ltd	BHARTIARTL	Communication Services	1.2
Naspers Ltd Class N	NPN	Consumer Cyclical	1.13

Source: Morningstar Direct. Data as of June 30, 2026.

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

Constituent	Ticker	Sector	Weighting (%)
Alibaba Group Holding Ltd Ordinary Shares	09988	Consumer Cyclical	8.24
Samsung Electronics Co Ltd	005930	Technology	5.75
Tencent Holdings Ltd	00700	Communication Services	4.2
SK Hynix Inc	000660	Technology	2.68
China Construction Bank Corp Class H	00939	Financial Services	1.88
Hon Hai Precision Industry Co Ltd	2317	Technology	1.71
Industrial And Commercial Bank Of China Ltd Class H	01398	Financial Services	1.11
Reliance Industries Ltd	RELIANCE	Energy	1
JD.com Inc Ordinary Shares - Class A	09618	Consumer Cyclical	0.91
PDD Holdings Inc ADR	PDD	Consumer Cyclical	0.88

Source: Morningstar Direct. Data as of June 30, 2026.

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 June 30, 2026.

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