

Morningstar Quarterly Style Monitor: Q3 2024

Value style dominates amid a volatile quarter, with financial services leading the rally across regions.

Morningstar Inc.

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Executive Summary

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

Key Takeaways

- ▶ Across the board, Morningstar regional market indexes, including their style variants, delivered strong positive returns. The quarter saw an end of growth style dominance over value, with value outperforming their growth counterparts in all the regions (US, Developed Markets xUS, and Emerging Markets).
- ▶ The margin of outperformance for US large value versus its growth counterpart was highest of the size segments, as Berkshire Hathaway, The Home Depot, and Walmart emerged as new leaders of the rally. In emerging markets, value delivered strong outperformance over growth on the back of a quarter-end rally in the Morningstar China Index.
- ▶ Volatility was pronounced in growth relative to value over the past year for US large cap, while in general, the markets showed an uptick in short-term volatility.
- ▶ For the latest quarter, across the board, the active sector weights of value over growth indexes increased for interest-rate-sensitive real estate and utilities sectors. Emerging markets experienced a shift, with technology shedding significant weight in the value indexes while moving on to the growth side.
- ▶ The US Large Growth Index continued to be highly concentrated, with the top 10 assets constituting 69% of the portfolio. Microsoft, Nvidia, Amazon.com, and Apple alone constituted a staggering 50% of the Morningstar US Large Cap Growth Index.
- ▶ Valuation spreads between growth and value stocks, measured by P/E (trailing 12 months) increased over the past quarter for US Small and DM ex-US segments. As of September, the growth-value P/E spread continues to be in the top quintile of historical distributions for all size bands and regions. Comparatively higher valuation spreads have historically presaged subpar returns for the more expensive growth style.

Performance Highlights

Returns

Quarter three of 2024, albeit a turbulent one, ended with positive returns across the regions as shown in Exhibit 1. Early August saw weak jobs report, rising unemployment rates in the US economy and Bank of Japan's decision to hike interest rates causing the Morningstar US Markets Index to fall 3.42% between Aug. 1 and 2. The long coming expectations of Fed interest-rate cuts finally materialized in the September FOMC meeting, with the Morningstar US Markets ending the quarter with strong 6.16% returns. Under the hood, this time, we see value redemption, not just in the US but also across global markets. In the US, small-cap value was the best-performing segment, delivering 10.17% returns for the latest quarter. Mid- and large-cap value segments also delivered positive returns of 9.79% and 7.97% respectively, with value outperforming their growth counterparts.

Globally, where our style family is built by applying Morningstar Indexes' Broad Style methodology to our suite of Target Market Exposure indexes (targeting large- and mid-cap stocks representing 85% of the investable market), the dynamics closely mirrored those in the US overall, with value stocks outperforming the broad market benchmark, and growth stocks failing to keep up with their corresponding broad market benchmarks. Outside the US, emerging markets (8.64% return) outperformed the developed markets ex-US (7.79% return).

Toward the end of the quarter, China announced a massive stimulus in an attempt to pull the economy back on a growth track. The Morningstar China Index closed the quarter with 22% returns, with most of the action happening in the last week of September. Emerging-markets value, with 31.9% weight to China compared with growth indexes' 15.5% exposure, was the best-performing segment, returning a solid 10.99% for the latest quarter.

Across longer horizons, the growth style has dominated over the value style, particularly in the US large-cap segment. Value, however, sees some redemption in the mid-cap and small-cap segments of the US market, where we observe pockets of outperformance versus growth over longer time spans. In the cases where value underperformed growth, the differential is not as striking as the large-cap segment.

Outside the US, the Developed Markets Value outperformance has picked momentum for the year to date, while Emerging Markets Value continues to deliver better risk-adjusted returns over one-year, five-year, and 10-year time horizons.

Exhibit 1 Performance Characteristics up to September 2024

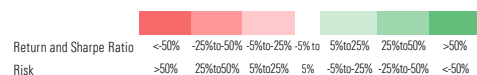
US	1 Qr			YTD			1 Yr			5 Yr			10 Yr			Since Inception*		
	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe	Return	Risk	Sharpe
Morningstar US Market Extended	6.16	8.10	0.62	20.72	11.19	1.37	35.39	12.64	2.06	15.23	18.64	0.73	12.86	15.69	0.74	9.15	15.91	0.50
Morningstar US Market Broad Growth Extended	3.77	11.05	0.27	23.55	15.12	1.20	40.69	14.88	2.03	17.13	20.92	0.75	14.53	17.38	0.77	8.93	18.34	0.44
Morningstar US Market Broad Value Extended	8.49	6.17	1.14	17.45	9.13	1.35	29.44	12.16	1.76	12.56	18.22	0.61	10.77	15.32	0.63	8.90	15.14	0.50
Value Relative to Growth																		
Morningstar US Large Cap	5.12	8.63	0.47	23.87	11.75	1.52	38.36	11.89	2.37	16.77	18.15	0.82	13.88	15.30	0.82	8.94	15.53	0.49
Morningstar US Large Broad Growth	2.17	12.66	0.13	27.63	17.13	1.27	45.55	15.49	2.18	19.42	21.56	0.82	16.00	17.74	0.83	9.00	18.25	0.45
Morningstar US Large Broad Value	7.97	5.85	1.12	19.30	8.51	1.63	30.00	10.54	2.05	13.09	16.96	0.67	11.21	14.42	0.69	8.36	14.54	0.48
Value Relative to Growth																		
Morningstar US Mid Cap	8.83	7.18	1.03	14.54	10.79	0.93	29.25	15.88	1.36	11.84	20.51	0.53	10.83	17.06	0.59	9.73	17.53	0.50
Morningstar US Mid Cap Broad Growth	7.88	8.14	0.81	13.85	12.29	0.78	28.83	17.43	1.24	11.98	21.15	0.53	11.35	17.65	0.60	8.84	19.77	0.42
Morningstar US Mid Cap Broad Value	9.79	6.66	1.23	15.15	10.36	1.02	29.50	15.20	1.43	10.95	21.38	0.48	9.96	17.57	0.53	10.14	17.31	0.52
Value Relative to Growth																		
Morningstar US Small Cap Extended	9.08	10.70	0.74	10.45	15.73	0.45	26.33	20.88	0.97	9.66	24.07	0.40	8.72	20.35	0.43	8.72	20.29	0.41
Morningstar US Small Broad Growth Extended	7.97	10.83	0.64	11.98	15.94	0.53	27.39	20.31	1.03	8.81	23.08	0.38	9.08	19.82	0.45	7.38	22.38	0.34
Morningstar US Small Broad Value Extended	10.17	10.83	0.82	8.95	16.12	0.36	25.20	21.97	0.89	10.82	26.19	0.43	8.45	21.76	0.40	9.89	19.92	0.47
Value Relative to Growth																		
Global																		
Morningstar Global Target Market Exposure	6.65	6.95	0.78	18.99	9.30	1.47	32.18	11.60	2.02	12.70	17.32	0.64	9.95	14.71	0.60	8.27	16.57	0.50
Morningstar Global Growth	4.59	8.86	0.40	20.55	11.88	1.28	35.87	13.13	2.01	13.41	18.56	0.64	10.97	15.53	0.64	9.00	16.80	0.53
Morningstar Global Value	8.78	5.71	1.27	17.07	8.02	1.49	28.10	11.41	1.77	11.35	17.72	0.56	8.58	15.04	0.51	7.45	16.89	0.45
Value Relative to Growth																		
Morningstar Developed Markets ex-US	7.79	7.51	0.85	13.59	10.46	0.88	25.51	12.76	1.43	9.07	17.72	0.44	6.29	15.15	0.37	4.85	17.61	0.29
Morningstar Developed Markets ex-US Growth	6.47	7.92	0.66	12.98	10.86	0.80	26.75	13.84	1.40	8.30	17.83	0.40	6.69	15.00	0.39	4.91	16.90	0.30
Morningstar Developed Markets ex-US Value	9.18	7.50	1.02	14.01	10.66	0.91	24.39	12.59	1.38	9.45	19.03	0.44	5.71	16.34	0.32	4.75	18.87	0.28
Value Relative to Growth																		
Morningstar Emerging Markets	8.64	7.95	0.91	16.91	11.53	1.05	26.02	12.92	1.45	6.71	18.30	0.31	5.02	16.75	0.27	3.95	20.59	0.24
Morningstar Emerging Markets Growth	6.73	8.29	0.66	14.91	11.60	0.90	22.99	12.60	1.28	4.64	18.62	0.20	4.18	16.64	0.23	3.74	20.29	0.23
Morningstar Emerging Markets Value	10.99	7.98	1.18	19.40	11.97	1.20	29.64	13.38	1.62	8.59	19.22	0.40	5.77	17.95	0.31	4.54	21.08	0.26
Value Relative to Growth																		

Source: Morningstar Direct.

Returns longer than 1 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 U.S. indexes and June 2008 for Global indexes.



Tracking the return differentials between value and growth paints an interesting picture for style investing. The year 2020 saw growth indexes dominating across the board, with substantial differentials over value indexes. However, 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 in the applications of artificial intelligence across businesses as well as expectations of a soft landing and Fed rate cuts. Emerging markets, on the other hand, have bucked this trend, with the value style outperforming growth for 12 out of 16 quarters since the end of 2020.

Exhibit 2 Quarterly Value Minus Growth Performance Differential (%)

	2019			2020				2021				2022				2023				2024		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
US Broad	-1.85	2.27	-1.61	-11.57	-11.02	-5.68	3.22	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
US Large	-1.45	1.83	-1.77	-11.09	-11.82	-6.82	4.00	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
US Mid	-3.14	3.75	-1.57	-12.72	-10.25	-3.04	0.57	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
US Small	-2.08	2.13	-0.57	-12.27	-5.13	-2.67	3.69	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
Global	-1.50	0.22	-0.90	-11.21	-8.44	-6.44	6.02	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
Developed Ex US	-2.79	-1.73	0.12	-10.96	-5.14	-6.12	6.53	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
Emerging	1.59	-2.58	-1.64	-7.47	-9.28	-7.00	10.63	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

Source: Morningstar Direct.

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

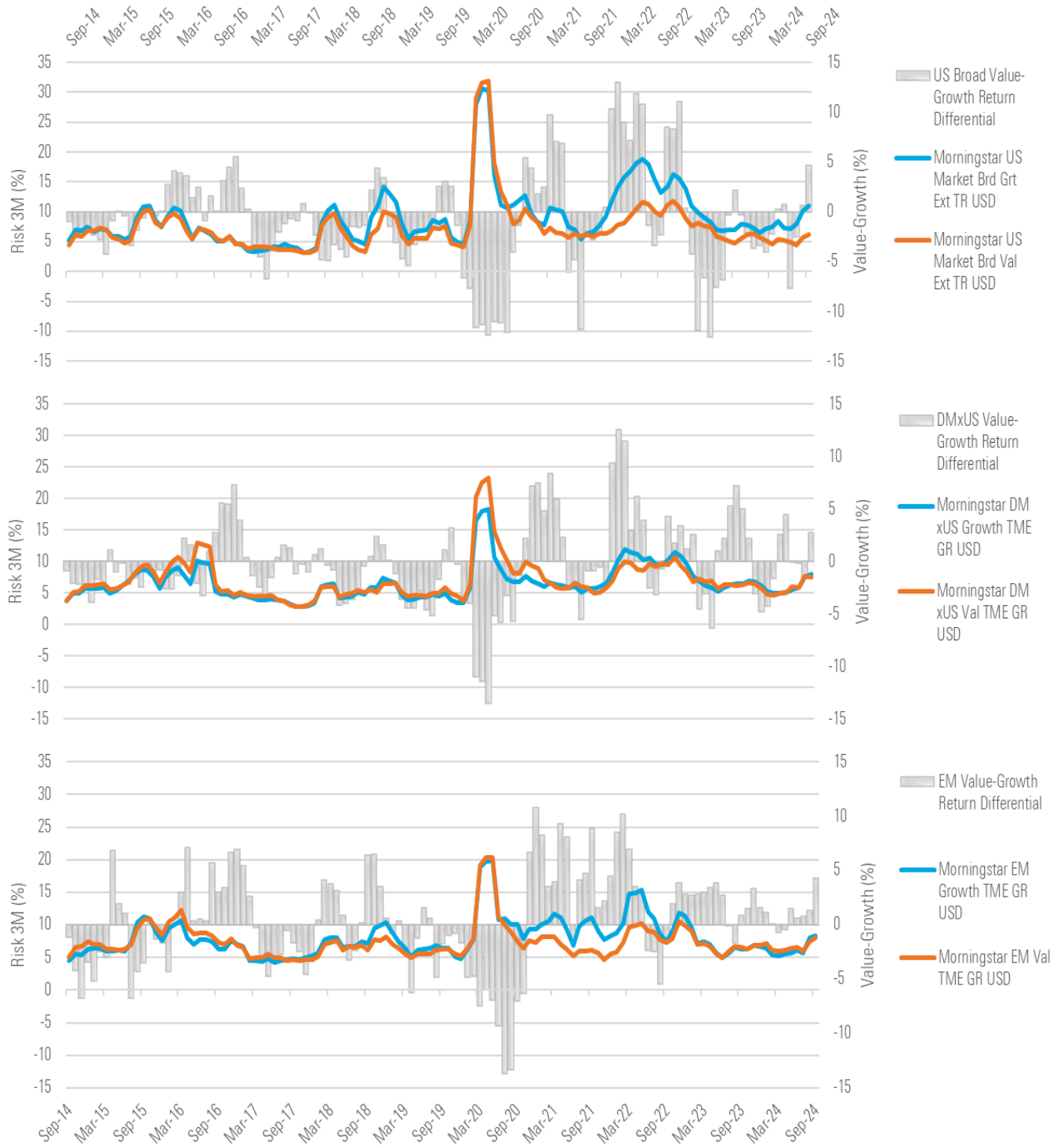
Risk

Not surprisingly, over long-term time horizons, smaller-cap stocks in the US have tended to exhibit greater volatility and sensitivity to market fluctuations than their larger counterparts, as Exhibit 1 shows. Such companies tend to have more-volatile earnings as they are more leveraged to the vagaries of niche markets and have a lower likelihood of enjoying durable competitive advantages relative to larger stocks.

The expected pattern is observed across the one-year and greater time horizon ended in the third quarter of 2024, where the risk behavior with respect to the company size is on track, compared with the period from 2022 to the first half of 2023, or the recent year-to-date period, which had large cap growth segment being more volatile than small caps over short-term time horizons. Such deviations from academic expectations can occur during turbulent markets such as in 2022-23, but they rarely hold over the long term. The five-year, 10-year, and since-inception data in Exhibit 1 confirms this hypothesis. In addition to structural characteristics of the larger-cap growth indexes (including higher concentration and larger stocks being more prone to frequent news flow that can drive short-term trading activity), fluctuations in sector weightings also play a role in driving short-term volatility.

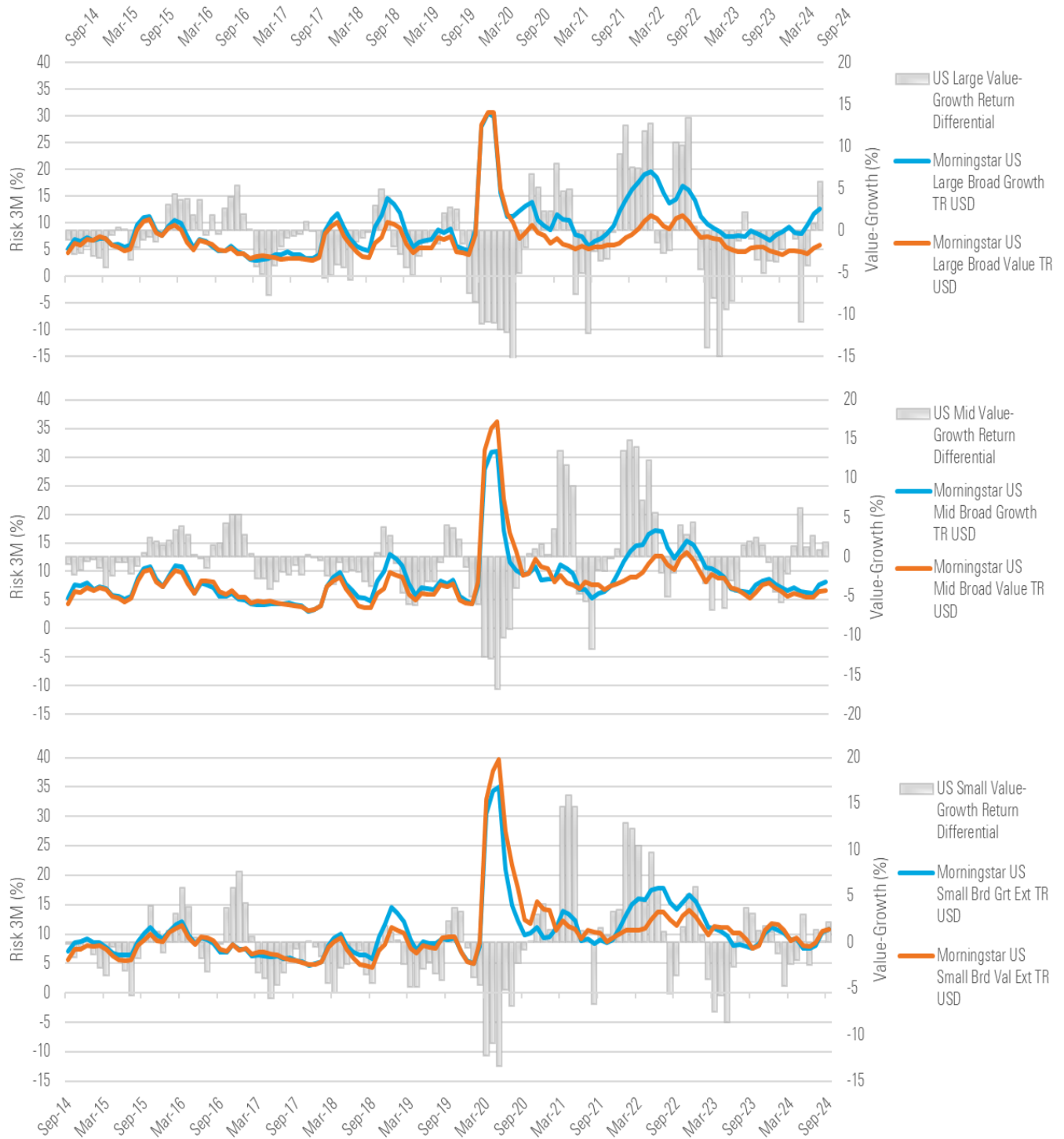
In US, growth segment has tended to be more volatile than value for large and small-caps stocks, while for mid-caps, value and growth stocks have demonstrated similar risk characteristics. Specific periods have influenced this pattern though. For example, growth stocks were a bit more volatile over the longest look-back period from July 1997 through March 2024, partly attributable to the dot-com bubble and subsequent correction during the early 2000s and to the 2008 financial crisis. More recently, we observe the divergence postpandemic in the years 2021 to 2023. Interestingly, in the US, the period of positive value minus growth return differential fairly overlaps with periods when the growth and value stocks experienced an increase in their risk spread.

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



Source: Morningstar Direct. Data from September 2014 to September 2024.

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



Source: Morningstar Direct. Data from September 2014 to September 2024.

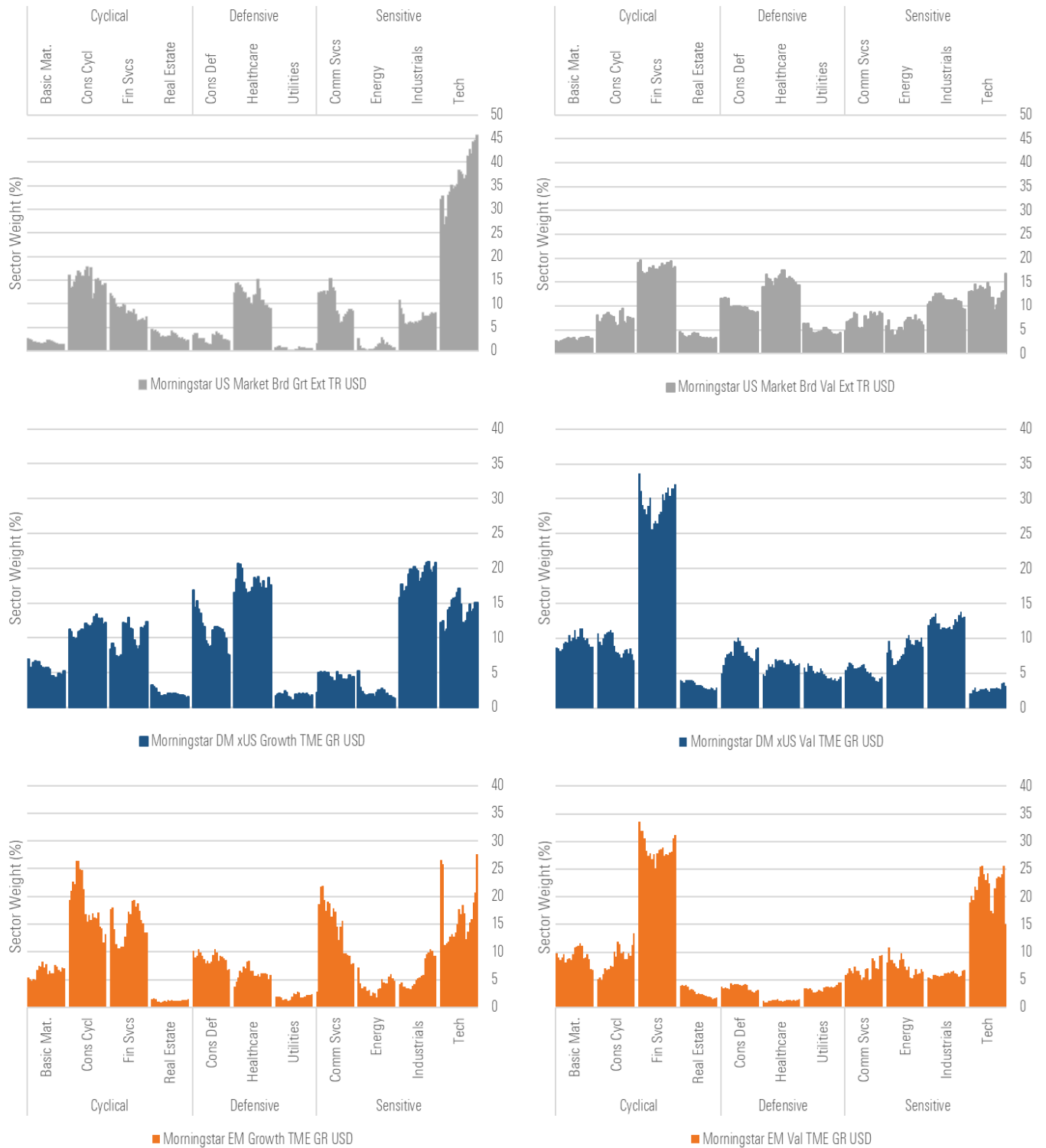
Portfolio Highlights**September Rebalance**

With no reconstitutions taking place across the Morningstar Broad Style Index family during the September quarter (the next reconstitution will be in December), price fluctuations explain most of the changes to the composition of the indexes relative to the second quarter of 2024.

Sectors

There are persistent differences in growth rates and valuations across sectors, leading to diverging sector weightings across the value and growth indexes, which can affect performance. Within the US, the Morningstar US Market Large Broad Growth Index is highly skewed toward the technology sector, which commands 45% of the index weight as of Sept. 30, 2024. The value index, on the other hand, has a balanced exposure to financial services, healthcare, consumer defensive, and industrials.

Exhibit 5.1 Historical Sector Weights Distribution for US, Developed Markets ex-US, and Emerging Markets



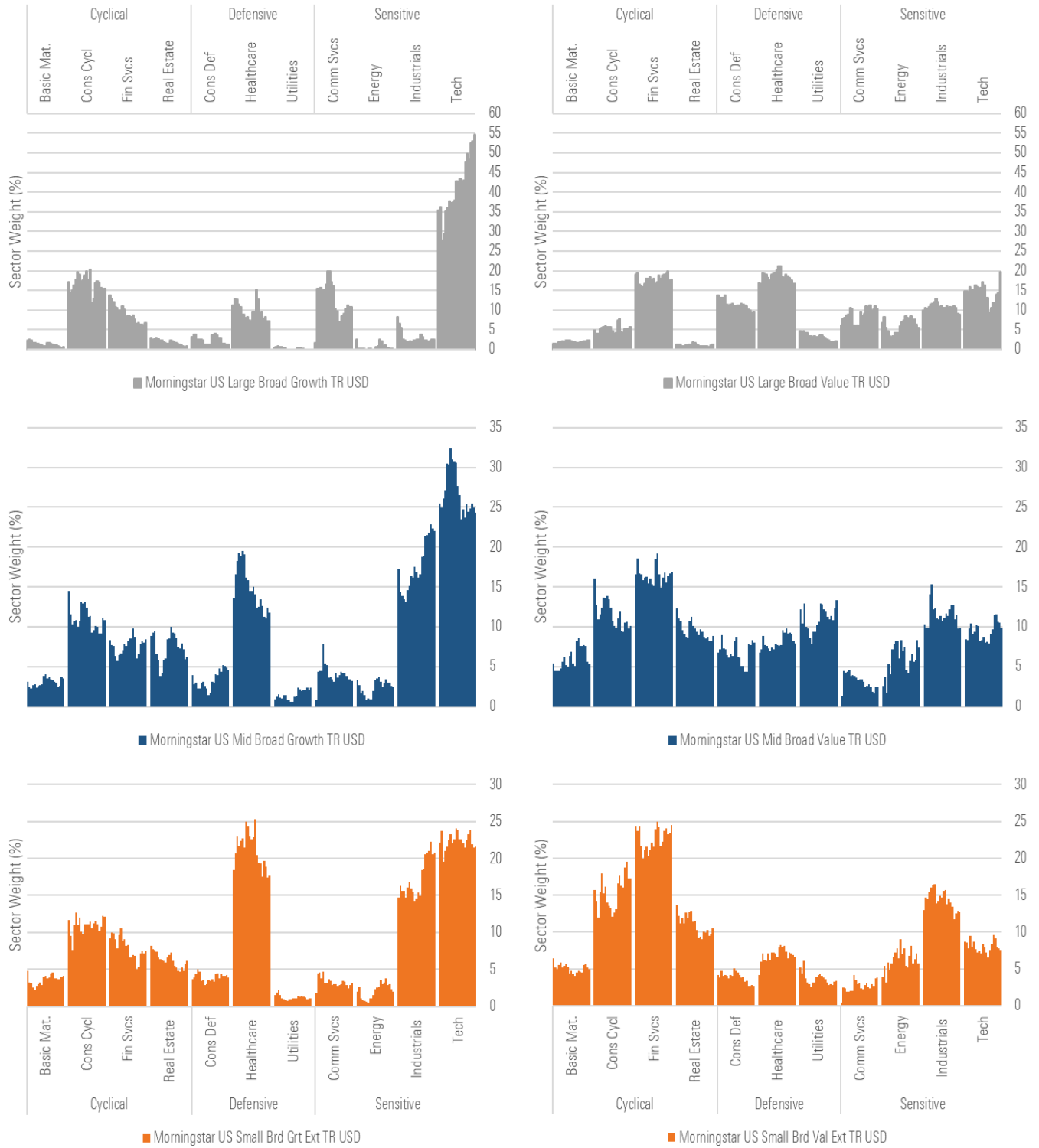
Source: Morningstar Direct. Data September 2019 to September 2024. (Each bar further displays the quarterly sector weight for the respective sector from September 2019 to September 2024.)

Interestingly, these sector tilts become less nuanced globally. For example, in developed markets outside the US, healthcare, consumer defensive, and industrials are overweight in growth indexes, while the same are underweight in the US growth index. Morningstar Emerging Markets Value Index is skewed to the technology sector, which is contrary to what we observe in the US and developed markets ex-US.

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

Looking at the historical changes in sector weights, except for US large-cap growth index, industrials are gaining weight in the growth indexes across board.

Exhibit 5.2 Historical Sector Weights Distribution for US Size Segments



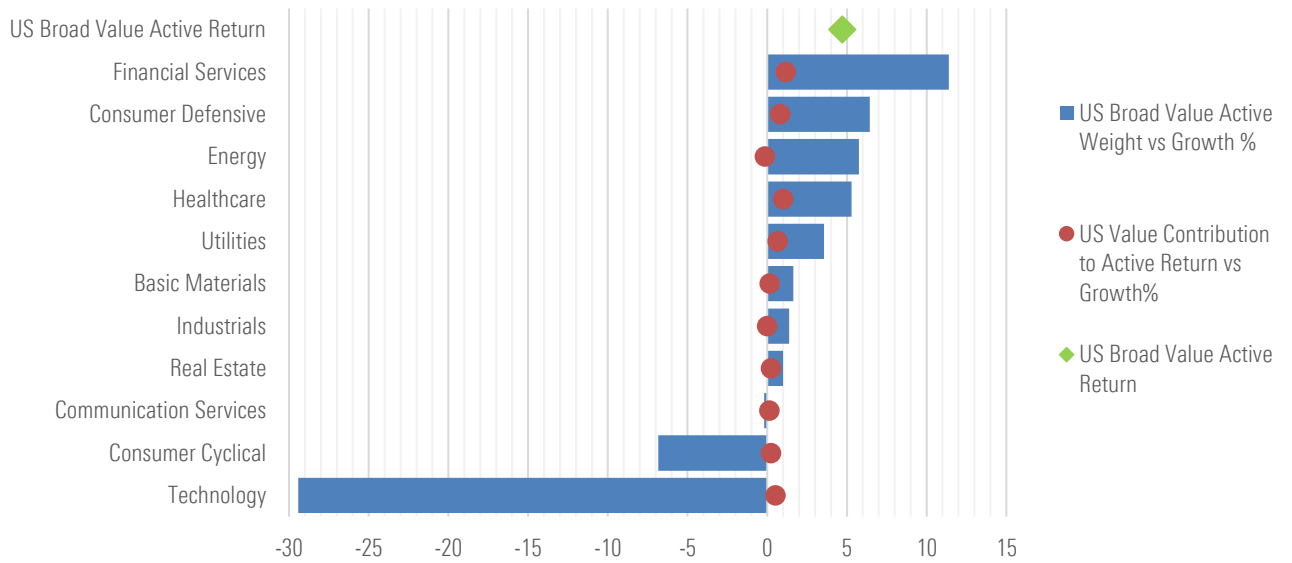
Source: Morningstar Direct. Data September 2019 to September 2024. (Each bar displays the quarterly sector weight for the respective sector from September 2019 to September 2024.)

Performance Attribution

US

The Morningstar US Market Broad Value Index outperformed the Broad Growth Index by 4.72%. Financial services and healthcare were the key drivers accounting for half of the outperformance, followed by consumer defensive and utilities contributing 14% and 17% of the value-growth delta.

Exhibit 6.1 Active Sector Weights and Their Respective Contribution to Active Returns for the US Broad Value vs. Growth Index



Source: Morningstar Direct. Data as of Sept. 30, 2024.

From the perspective of the value index, excluding Microsoft (negative 3.55% return) contributed 0.46 points to the positive 4.72% active returns. Underexposure to Tesla (32% return) relative to growth worked against the value index. On the positive active exposure side, overweighting Berkshire Hathaway (13% return), The Home Depot (18% return), Walmart (19% return), and AbbVie (16% return) helped the value index outperform the growth index.

Exhibit 6.2 shows the top and bottom contributors to the active return of the US Broad Value Index over Broad Growth Index.

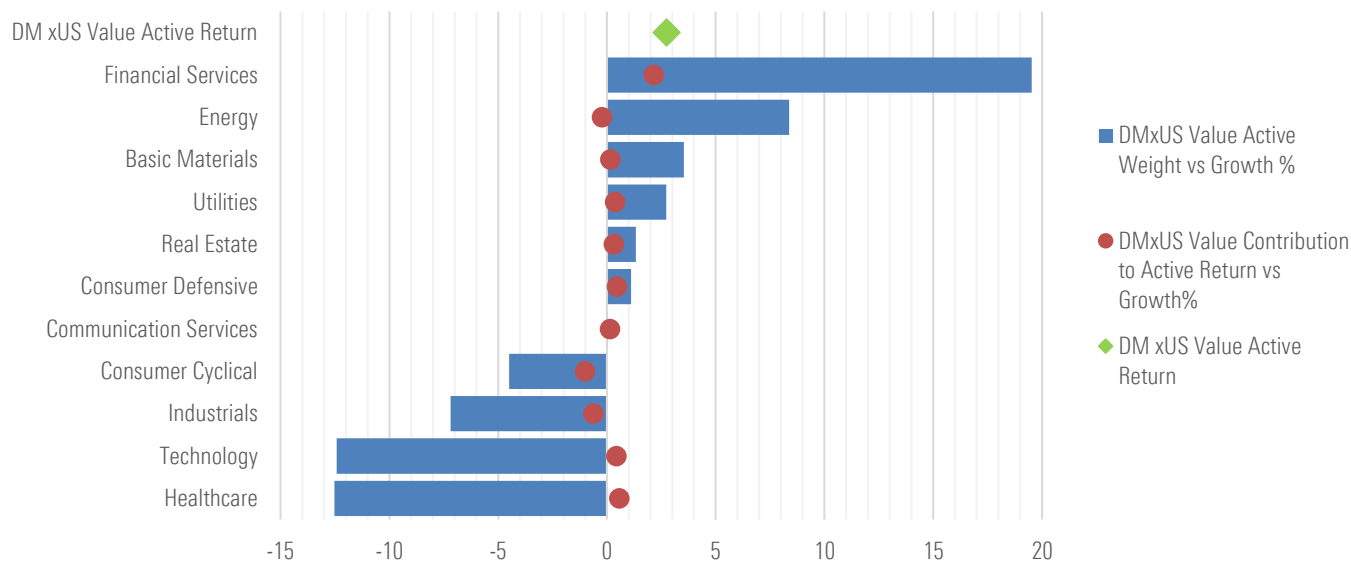
Exhibit 6.2 Top and Bottom Contributors to the Active Return for the US Broad Value vs. Growth Index

Name	Active Weight	3M Return	Contr. to Active Return	Name	Active Weight	3M Return	Contr. to Active Return
Microsoft Corp	-12.30	-3.55	0.46	Tesla Inc	-2.31	32.22	-0.68
Berkshire Hathaway Inc Class B	2.89	13.14	0.36	Mastercard Inc Class A	-1.48	12.10	-0.17
Amazon.com Inc	-6.78	-3.58	0.25	Intel Corp	0.44	-23.75	-0.12
The Home Depot Inc	1.30	18.43	0.24	Micron Technology Inc	0.46	-21.08	-0.12
Walmart Inc	1.13	19.60	0.22	Qualcomm Inc	0.76	-14.18	-0.12
AbbVie Inc	1.19	16.20	0.19	Palantir Technologies Inc	-0.21	46.86	-0.09
NVIDIA Corp	-11.06	-1.69	0.19	ServiceNow Inc	-0.65	13.69	-0.09
UnitedHealth Group Inc	1.34	15.22	0.19	MercadoLibre Inc	-0.34	24.86	-0.08
International Business Machines Corp	0.63	28.94	0.17	Meta Platforms Inc Class A	-0.67	13.64	-0.08
Johnson & Johnson	1.38	11.72	0.16	Visa Inc Class A	-1.63	4.96	-0.08
US Value Active Return			4.72				
							Overweight and +ve 3M return
							Underweight and +ve 3M return

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Developed Markets ex-US

The value and growth style segments for the Morningstar Developed Markets ex-US Market Index ended the quarter on a positive note, returning 9.18% and 6.47%, respectively. For value versus growth, overallocation to financial services worked in favor of the value index, with some of the notable positive contributors including AIA Group (33.18% return), The Toronto-Dominion Bank (16.73%), and Brookfield (28.07%). Consumer cyclicals contributed most to the underperformance. Specifically, underweighting Fast Retailing (32.11%) and overweighting Stellantis (negative 30.04%) proved to be the leading detractors for the value index.

Exhibit 7.1 Active Sector Weights and Their Respective Contribution to Active Returns for the Developed Markets ex-US Value vs. Growth Index

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Predominantly, avoiding Novo Nordisk and ASML Holding contributed to 0.71%, or 22% of the 2.75% outperformance of value over growth for Developed Markets outside of US.

Exhibit 7.2 Top and Bottom Contributors to the Active Return of Developed Markets ex-US broad Value vs. Growth Index

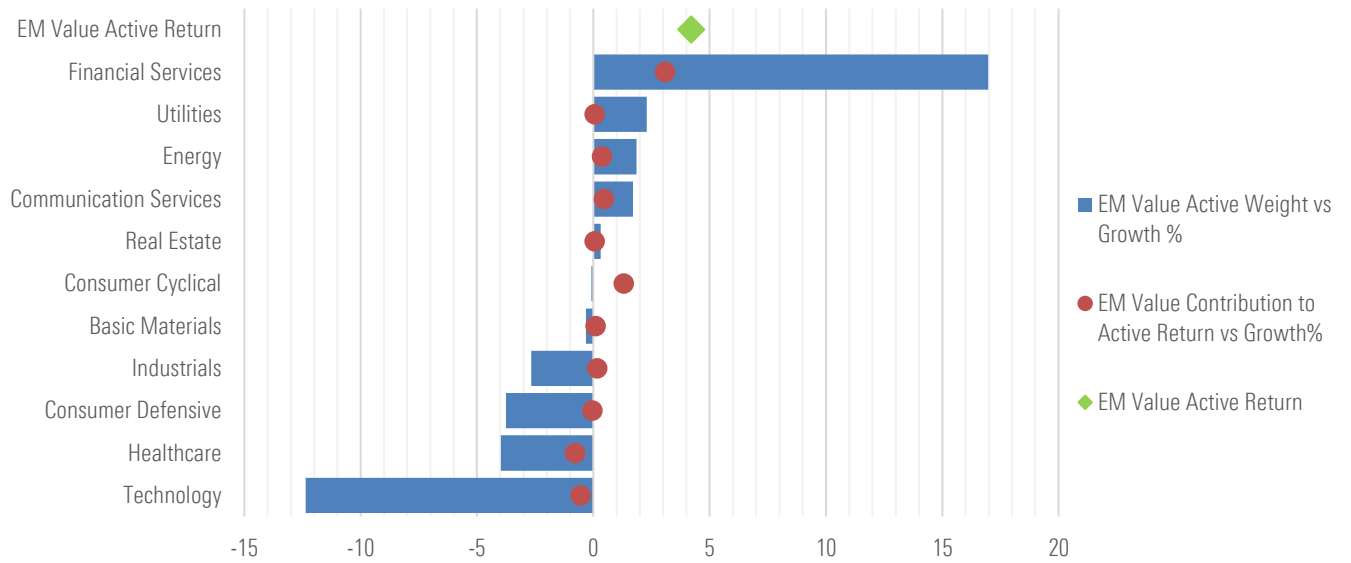
Name	Active Weight	3M Return	Contr. to Active Return	Name	Active Weight	3M Return	Contr. to Active Return
Novo Nordisk AS Class B	-4.97	-18.19	0.34	SAP SE	-2.38	12.31	-0.60
ASML Holding NV	-3.96	-19.32	0.27	Shell PLC	2.43	-8.36	-0.34
AIA Group Ltd	0.82	33.18	0.24	Hitachi Ltd	-1.12	18.08	-0.30
BHP Group Ltd	1.51	15.06	0.22	Shopify Inc	-0.85	21.39	-0.17
Tokyo Electron Ltd	-0.95	-17.81	0.16	Fast Retailing Co Ltd	-0.52	32.11	-0.16
The Toronto-Dominion Bank	1.09	16.73	0.14	Hong Kong Exchanges and Clearing Ltd	-0.39	33.50	-0.15
Brookfield Corp	0.63	28.07	0.13	Stellantis NV	0.40	-30.04	-0.10
British American Tobacco PLC	0.73	21.49	0.13	BP PLC	1.05	-11.31	-0.10
Canadian Imperial Bank of Commerce	0.53	30.58	0.12	Adyen NV	-0.42	31.20	-0.10
Roche Holding AG	1.07	15.53	0.10	Recruit Holdings Co Ltd	-0.94	13.89	-0.09
DMxUS Value Active Return			2.75				
							Overweight and +ve 3M return
							Underweight and +ve 3M return

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Emerging Markets

The emerging markets, on the back of China's significant stimulus package, delivered positive returns for both value (10.99%) and growth (6.73%) style, with value significantly outperforming growth by 4.26%. Financial services and consumer cyclicals, particularly in China, positively contributed toward the outperformance of value.

Exhibit 8.1 Active Sector Weights and Their Respective Contribution to Active Returns for the Emerging Value vs. Growth Index



Source: Morningstar Direct. Data as of Sept. 30, 2024.

Predominantly, Alibaba Group (56% return), JD.com (62.59%) and Ping An Insurance (46%) delivered 75% of the outperformance of EM Value over EM Growth index. On the other hand, the value index gave up some of the gains relative to growth by underweighting India.

Exhibit 8.2 Top and Bottom Contributors to the Active Return of Emerging Markets Value vs. Growth Index

Name	Active		Contr. to Active Return	Name	Active		Contr. to Active Return
	Weight	3M Return			Weight	3M Return	
Alibaba Group Holding Ltd Ordinary Shares	4.34	56.83	2.31	Meituan Class B	-1.83	55.61	-1.01
JD.com Inc Ordinary Shares - Class A	0.88	62.59	0.55	Taiwan Semiconductor Manufacturing Co Ltd	-16.71	1.99	-0.34
Ping An Insurance (Group) Co. of China Ltd Class H	0.76	46.53	0.36	Bharti Airtel Ltd	-1.13	18.45	-0.20
Samsung Electronics Co Ltd	-1.32	-20.57	0.27	Hon Hai Precision Industry Co Ltd	1.96	-7.81	-0.16
Naspers Ltd Class N	0.93	24.61	0.23	SK Hynix Inc	0.60	-22.29	-0.16
Reliance Industries Ltd	-3.53	-5.82	0.21	BYD Co Ltd Class H	-0.71	22.96	-0.16
Tencent Holdings Ltd	0.87	20.00	0.19	KE Holdings Inc Class A	-0.25	55.20	-0.14
China Construction Bank Corp Class H	1.85	10.54	0.19	Sun Pharmaceuticals Industries Ltd	-0.55	26.46	-0.13
Fubon Financial Holdings Co Ltd	0.62	26.27	0.15	Zomato Ltd	-0.40	35.74	-0.13
CIMB Group Holdings Bhd	0.36	39.92	0.13	ACWA Power Co	-0.33	39.65	-0.12
EM Value Active Return			4.22				
						Overweight and +ve 3M return	
						Underweight and +ve 3M return	

Source: Morningstar Direct. Data as of Sept. 30, 2024.

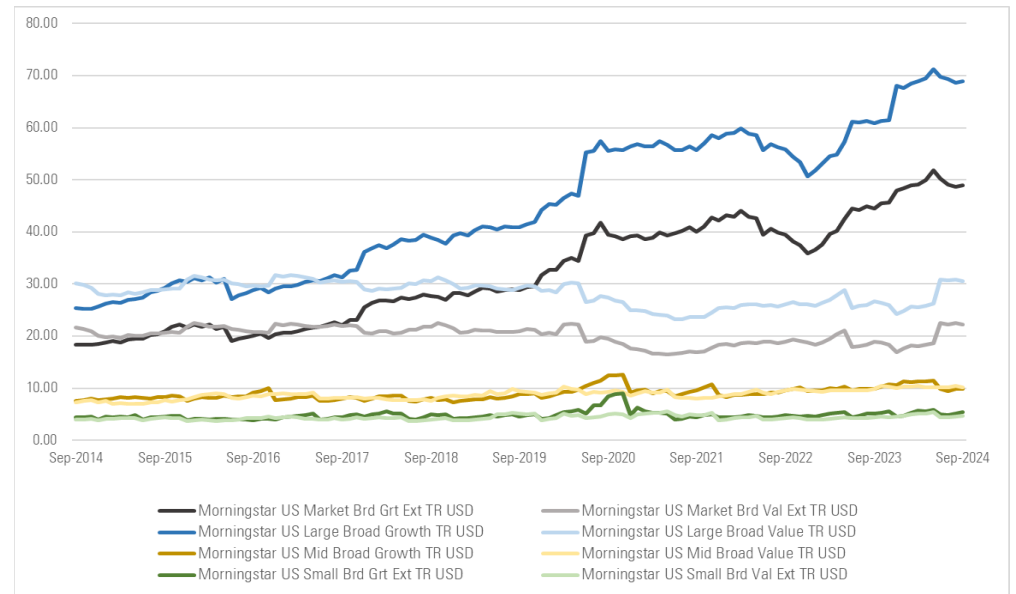
Concentration

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 most pronounced in the large-cap indexes (as shown in Exhibit 9, particularly in the Morningstar US Large Broad Growth Index, where the percentage of assets in the top 10 constituents has grown from 44% at the end of December 2019 to roughly 69% five years later. The market has become more concentrated as the largest growth stocks have outperformed. This not only increased their market-cap weightings but also reduced the number of large-growth stocks required to reach 50% coverage of the large-cap market, reducing the number of stocks in the portfolio. Today, the Morningstar US Large Broad Growth Index holds 88 stocks, down from 164 five years ago. Moreover, the largest constituent in the index today (Microsoft) comprises over 16% of the portfolio, with Nvidia following closely at a little under 16%, whereas six years ago, the equivalent weight for the largest holding (Microsoft) was less than half of today's number, just over 9%. The Morningstar US Large Value Index is relatively diversified, with top 10 holdings constituting 31% of the total portfolio and the medium-term trend holding around 20% 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.

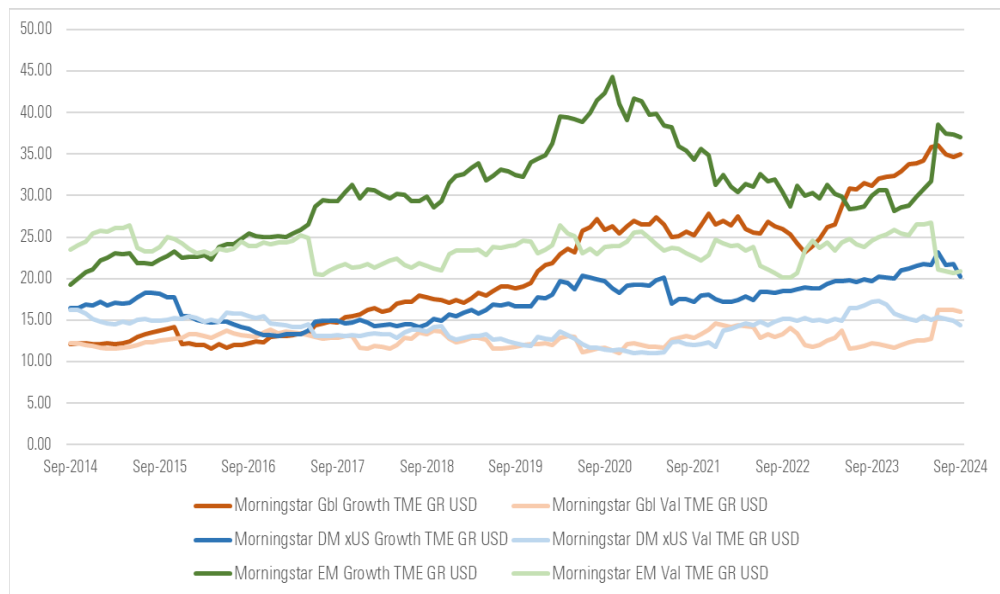
Exhibit 9 Percentage of Portfolio in Top 10 Holdings—US



Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 10 shows concentration trends for the style indexes across emerging markets and ex-US developed markets, along with the corresponding parent indexes. Concentration has been perennially higher in emerging markets, particularly in the growth index, which implies that there are factors endemic to these markets that facilitate greater concentration of capital. Additionally, while the portfolios largely seem to be getting more concentrated over time, the recent trend in the Morningstar Emerging Markets Growth Index is interesting, with concentration falling precipitously since October 2020 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.

Exhibit 10 Percentage of Portfolio in Top 10 Holdings — Global



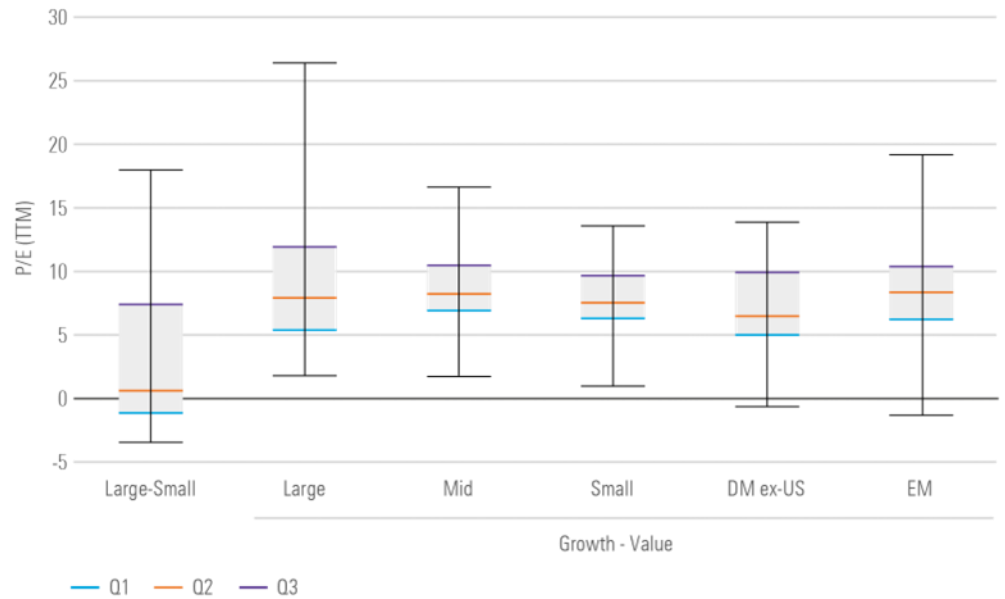
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Valuations

By definition, growth stocks trade at higher valuations than value stocks. After years of stronger performance, growth stocks have become more expensive relative to value stocks. This trend holds true both in the US and globally, as illustrated in Exhibits 11 through 17. These figures show the spread between the trailing 12-month P/E ratios of the growth and value indexes in the Morningstar Broad Style family for each of the three market-cap segments, as well as for the ex-US developed-markets and emerging-markets regions of the Global Style family. It also includes this spread data for the Morningstar US Large Cap Index and the Morningstar US Small Cap Extended Index, along with historical distributions for all the spreads.

After a volatile 2022, which saw a broad selloff in the first three quarters followed by a recovery since the fourth quarter, relative valuations for growth stocks increased noticeably compared with the end of 2022 across all size segments and regions. As of September, the growth-value P/E spread was in the top quintile of historical distributions for all size bands and regions, with some of them above the 90th percentile, approaching unprecedented levels. Compared with the second quarter of 2024, growth-value P/E spread has eased a bit for US Large-Small, US Large, US Mid, and EM, while they have widened marginally for US Small and DM ex-US.

Exhibit 11 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	11.04	16.82	12.16	11.54	11.69	11.99
Percent Rank (%) Sept 2024	94.5%	90.9%	87.9%	96.2%	86.1%	90.7%
Percent Rank (%) June 2024	95.8%	96.9%	89.4%	95.1%	82.2%	94.2%

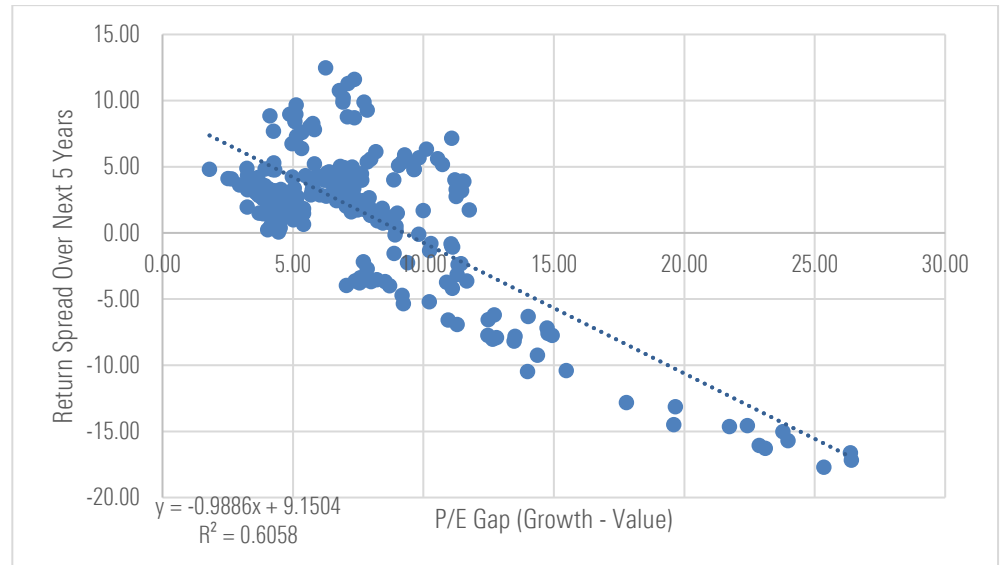
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Unusually wide valuation spreads may portend lower expected returns for the pricier index. Historically in the US, wider valuation spreads have been associated with lower returns over the next five years for the large- and mid-cap growth indexes relative to their value counterparts, as Exhibits 12 and 13 show. The same is true of the large-cap index relative to the small-cap extended index, as show in Exhibit 15.

There wasn't a strong relationship between valuation spreads and future returns for the US small-cap growth and value indexes shown in Exhibit 14. The same is true of the large-mid universe in emerging markets, displayed in Exhibit 17.

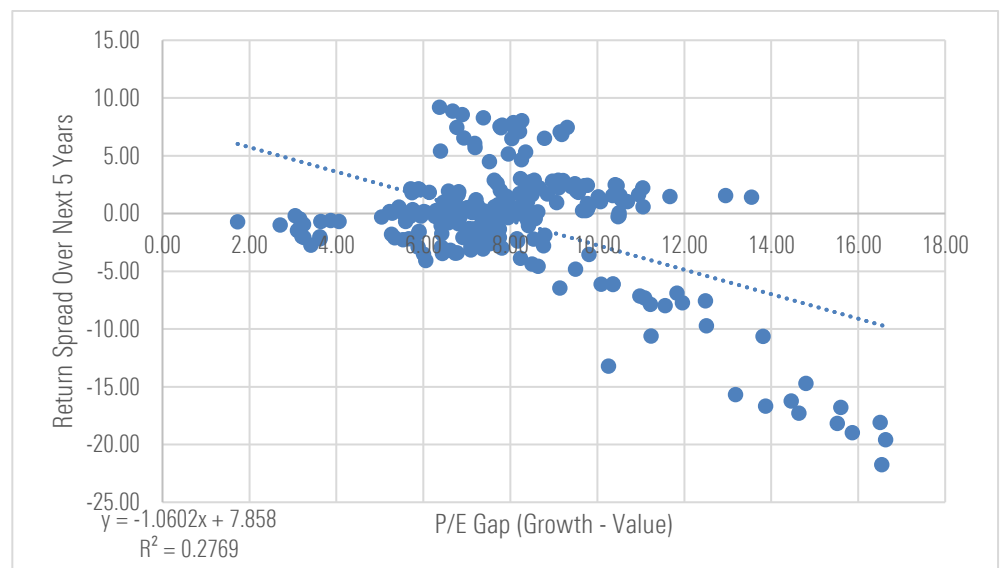
A startling and counterintuitive phenomenon can be observed in developed markets outside the US (Exhibit 16), where there seems to have been a significantly positive relationship between valuation spreads and subsequent five-year returns. We view this as an anomaly, likely attributable to exogenous economic factors that have disproportionately benefited growth stocks over this period. It's also worth noting that the historical distribution of valuation spreads has been tightest in these ex-US developed markets.

Exhibit 12 Relationship Between Valuations and Future Returns: November 1999 - September 2024 (Morningstar US Large Broad Growth Index - Morningstar US Large Broad Value Index)



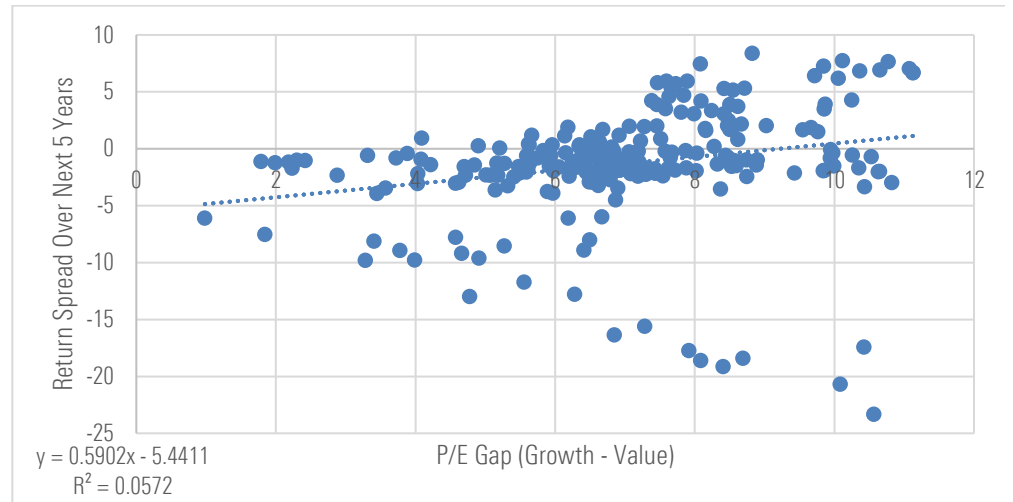
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 13 Relationship Between Valuations and Future Returns: November 1999 - September 2024 (Morningstar US Mid Broad Growth Index - Morningstar US Mid Broad Value Index)



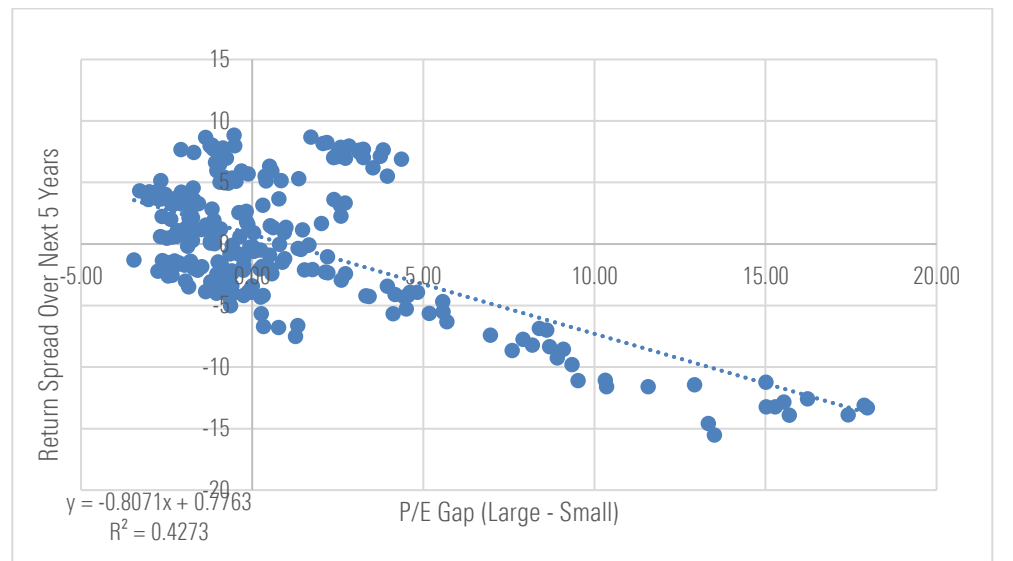
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 14 Relationship Between Valuations and Future Returns: November 1999 - September 2024 (Morningstar US Small Cap Broad Growth Extended Index - Morningstar US Small Cap Broad Value Extended Index)



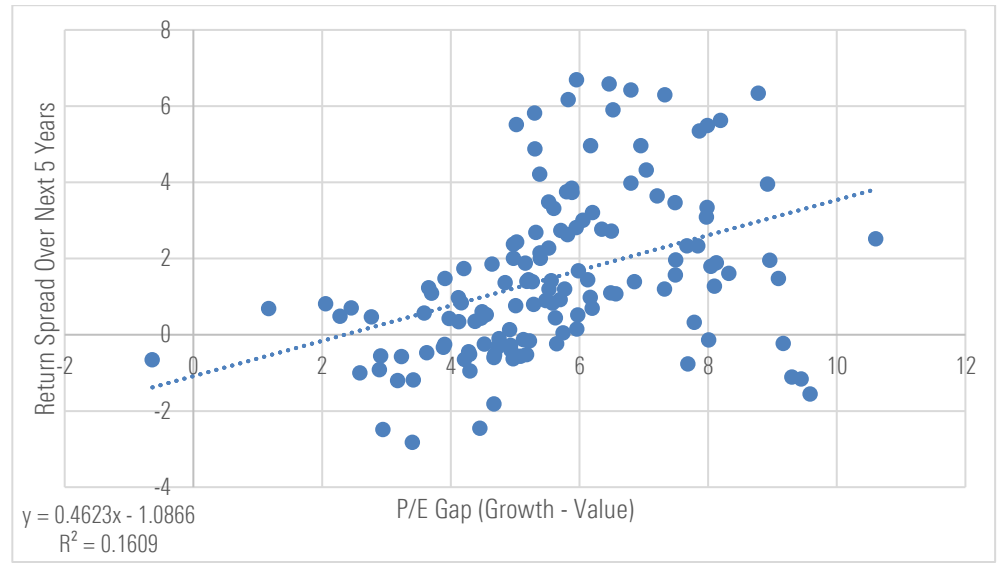
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 15 Relationship Between Valuations and Future Returns: November 1999 - September 2024 (Morningstar US Large Index - Morningstar US Small Cap Extended Index)



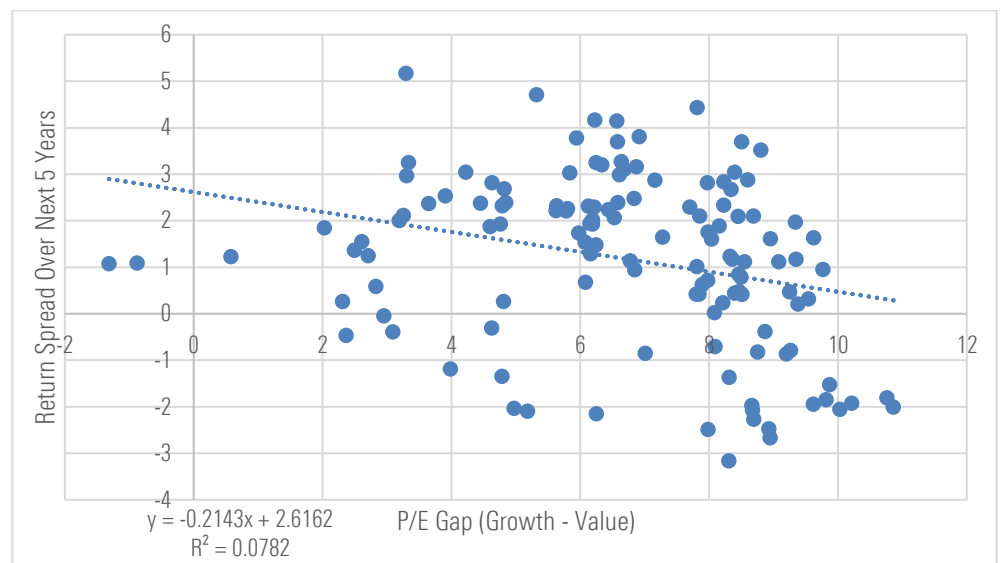
Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 16 Relationship Between Valuations and Future Returns: June 2008 - September 2024 (Morningstar DM ex-US Growth TME Index - Morningstar DM ex-US Value TME Index)




Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 17 Relationship Between Valuations and Future Returns: June 2008 - September 2024 (Morningstar EM Growth TME Index - Morningstar EM Value TME Index)



Source: Morningstar Direct. Data as of Sept. 30, 2024.

Forever in Style

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

Appendix

Appendix 1: Style Investing

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

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

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

Appendix 2: Company Characteristics by Style

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

Large-growth stocks are often among the market’s most enviable businesses. These firms not only tend to enjoy robust growth prospects but also typically benefit from dominant market positions and deploy extremely profitable business models. Within the Morningstar Broad Style Index family, the Morningstar US Large Broad Growth Index has the greatest exposure to stocks with Morningstar Economic Moat Ratings of wide, reflecting durable competitive advantages that Morningstar equity analysts expect to last for at least 20 years, as Exhibit 18 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 19.

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 18 Economic Moat Exposure (%)

US	Wide Moat	Narrow Moat	None
Morningstar US Market Extended	58.43	24.37	6.48
Morningstar US Market Broad Growth Extended	66.36	17.90	4.31
Morningstar US Market Broad Value Extended	50.99	30.47	8.53
Morningstar US Large Cap	76.27	21.23	1.81
Morningstar US Large Broad Growth	85.80	13.51	0.51
Morningstar US Large Broad Value	67.51	28.33	3.01
Morningstar US Mid Cap	17.67	41.95	22.37
Morningstar US Mid Cap Broad Growth	26.32	36.89	16.12
Morningstar US Mid Cap Broad Value	9.02	47.00	28.62
Morningstar US Small Cap Extended	1.36	10.01	9.24
Morningstar US Small Broad Growth Extended	1.37	9.55	7.82
Morningstar US Small Broad Value Extended	1.36	10.54	10.75
Global			
Morningstar Global Target Market Exposure	51.18	24.14	11.53
Morningstar Global Growth	61.60	19.69	6.12
Morningstar Global Value	41.16	28.54	16.69
Morningstar Developed Markets ex-US	32.07	23.72	24.48
Morningstar Developed Markets ex-US Growth	45.15	25.55	10.87
Morningstar Developed Markets ex-US Value	19.26	21.98	37.64
Morningstar Emerging Markets	17.60	15.26	13.71
Morningstar Emerging Markets Growth	22.14	16.48	10.92
Morningstar Emerging Markets Value	12.82	14.05	16.85

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 19 Revenue Generated in the US

US	% of Revenue from the US
Morningstar US Market Extended	61.26
Morningstar US Market Broad Growth Extended	56.42
Morningstar US Market Broad Value Extended	65.82
Morningstar US Large Cap	56.27
Morningstar US Large Broad Growth	50.44
Morningstar US Large Broad Value	61.62
Morningstar US Mid Cap	72.83
Morningstar US Mid Cap Broad Growth	69.39
Morningstar US Mid Cap Broad Value	76.20
Morningstar US Small Cap Extended	76.88
Morningstar US Small Broad Growth Extended	74.84
Morningstar US Small Broad Value Extended	79.16
Global	
Morningstar Global Target Market Exposure	44.94
Morningstar Global Growth	42.88
Morningstar Global Value	47.46
Morningstar Developed Markets ex-US	22.65
Morningstar Developed Markets ex-US Growth	26.45
Morningstar Developed Markets ex-US Value	19.18
Morningstar Emerging Markets	12.95
Morningstar Emerging Markets Growth	18.21
Morningstar Emerging Markets Value	7.33

Source: Morningstar Direct. Data as of Sept. 30, 2024.

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

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

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

Small-growth stocks are riskier still. These firms tend to be less profitable and face greater uncertainty than better-established growth stocks, yet with this broader distribution of potential outcomes comes

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

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

Smaller stocks tend to generate more of their revenue in the US, particularly on the value side. The constituents of the Morningstar US Small Cap Broad Value Extended Index generated a larger share of their revenue in the US than any of the other broad style indexes, as shown in Exhibit 19.

Exhibits 20-34 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 20 Top Holdings: Morningstar US Large Cap Index

Constituent	Ticker	Sector	Weighting (%)
Apple Inc	AAPL	Technology	8.40
Microsoft Corp	MSFT	Technology	8.05
NVIDIA Corp	NVDA	Technology	7.25
Amazon.com Inc	AMZN	Consumer Cyclical	4.44
Meta Platforms Inc Class A	META	Communication Services	3.16
Alphabet Inc Class A	GOOGL	Communication Services	2.45
Alphabet Inc Class C	GOOG	Communication Services	2.19
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	2.09
Broadcom Inc	AVGO	Technology	1.98
Eli Lilly and Co	LLY	Healthcare	1.89

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 21 Top Holdings: Morningstar US Large Broad Growth Index

Constituent	Ticker	Sector	Weighting (%)
Microsoft Corp	MSFT	Technology	11.93
NVIDIA Corp	NVDA	Technology	10.74
Amazon.com Inc	AMZN	Consumer Cyclical	6.58
Apple Inc	AAPL	Technology	6.23
Eli Lilly and Co	LLY	Healthcare	2.80
Tesla Inc	TSLA	Consumer Cyclical	2.71
Meta Platforms Inc Class A	META	Communication Services	2.66
Alphabet Inc Class A	GOOGL	Communication Services	1.87
Visa Inc Class A	V	Financial Services	1.71
Alphabet Inc Class C	GOOG	Communication Services	1.67

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 22 Top Holdings: Morningstar US Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Apple Inc	AAPL	Technology	5.87
Berkshire Hathaway Inc Class B	BRK.B	Financial Services	2.91
JPMorgan Chase & Co	JPM	Financial Services	2.11
Meta Platforms Inc Class A	META	Communication Services	1.91
Exxon Mobil Corp	XOM	Energy	1.83
Alphabet Inc Class A	GOOGL	Communication Services	1.66
UnitedHealth Group Inc	UNH	Healthcare	1.63
Alphabet Inc Class C	GOOG	Communication Services	1.49
Procter & Gamble Co	PG	Consumer Defensive	1.44
The Home Depot Inc	HD	Consumer Cyclical	1.41

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 23 Top Holdings: Morningstar US Mid Cap Index

Constituent	Ticker	Sector	Weighting (%)
Palantir Technologies Inc	PLTR	Technology	0.68
GE Vernova Inc	GEV	Utilities	0.64
Carrier Global Corp	CARR	Industrials	0.62
Newmont Corp	NEM	Basic Materials	0.57
Autodesk Inc	ADSK	Technology	0.54
Public Storage	PSA	Real Estate	0.53
Truist Financial Corp	TFC	Financial Services	0.52
Capital One Financial Corp	COF	Financial Services	0.52
D.R. Horton Inc	DHI	Consumer Cyclical	0.52
Hilton Worldwide Holdings Inc	HLT	Consumer Cyclical	0.52

Source: Morningstar Direct. Data as of Sept. 30, 2024.

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

Constituent	Ticker	Sector	Weighting (%)
Palantir Technologies Inc	PLTR	Technology	1.36
Autodesk Inc	ADSK	Technology	1.08
Hilton Worldwide Holdings Inc	HLT	Consumer Cyclical	1.04
AutoZone Inc	AZO	Consumer Cyclical	0.99
Workday Inc Class A	WDAY	Technology	0.95
Fortinet Inc	FTNT	Technology	0.93
Ross Stores Inc	ROST	Consumer Cyclical	0.91
The Trade Desk Inc Class A	TTD	Technology	0.9
Fair Isaac Corp	FICO	Technology	0.88
W.W. Grainger Inc	GWW	Industrials	0.85

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 25 Top Holdings: Morningstar US Mid Cap Broad Value Index

Constituent	Ticker	Sector	Weighting (%)
Truist Financial Corp	TFC	Financial Services	1.05
Capital One Financial Corp	COF	Financial Services	1.05
D.R. Horton Inc	DHI	Consumer Cyclical	1.04
Aflac Inc	AFL	Financial Services	1.04
Norfolk Southern Corp	NSC	Industrials	1.03
Williams Companies Inc	WMB	Energy	1.02
American Electric Power Co Inc	AEP	Utilities	1.00
ONEOK Inc	OKE	Energy	0.97
Bank of New York Mellon Corp	BK	Financial Services	0.97
Sempra	SRE	Utilities	0.97

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 26 Top Holdings: Morningstar US Small Cap Extended Index

Constituent	Ticker	Sector	Weighting (%)
Carvana Co Class A	CVNA	Consumer Cyclical	0.43
Guidewire Software Inc	GWRE	Technology	0.33
Coherent Corp	COHR	Technology	0.29
FTAI Aviation Ltd	FTAI	Industrials	0.28
C.H. Robinson Worldwide Inc	CHRW	Industrials	0.28
Jones Lang LaSalle Inc	JLL	Real Estate	0.27
Curtiss-Wright Corp	CW	Industrials	0.27
Vaxcyte Inc Ordinary Shares	PCVX	Healthcare	0.27
ITT Inc	ITT	Industrials	0.26
CubeSmart	CUBE	Real Estate	0.26

Source: Morningstar Direct. Data as of Sept. 30, 2024.

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

Constituent	Ticker	Sector	Weighting (%)
Guidewire Software Inc	GWRE	Technology	0.65
Coherent Corp	COHR	Technology	0.57
FTAI Aviation Ltd	FTAI	Industrials	0.56
Curtiss-Wright Corp	CW	Industrials	0.54
Vaxcyte Inc Ordinary Shares	PCVX	Healthcare	0.53
ITT Inc	ITT	Industrials	0.52
CubeSmart	CUBE	Real Estate	0.51
Texas Roadhouse Inc	TXRH	Consumer Cyclical	0.50
Insmed Inc	INSM	Healthcare	0.50
Toast Inc Class A	TOST	Technology	0.49

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 28 Top Holdings: Morningstar US Small Value Extended Index

Constituent	Ticker	Sector	Weighting (%)
C.H. Robinson Worldwide Inc	CHRW	Industrials	0.56
East West Bancorp Inc	EWBC	Financial Services	0.50
Fortune Brands Innovations Inc	FBIN	Industrials	0.49
Tapestry Inc	TPR	Consumer Cyclical	0.47
Carvana Co Class A	CVNA	Consumer Cyclical	0.46
Assurant Inc	AIZ	Financial Services	0.45
Zillow Group Inc Class C	Z	Communication Services	0.45
Pinnacle West Capital Corp	PNW	Utilities	0.44
Annaly Capital Management Inc	NLY	Real Estate	0.44
Omega Healthcare Investors Inc	OHI	Real Estate	0.43

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 29 Top Holdings: Morningstar Developed Markets Ex-US TME Index

Constituent	Ticker	Sector	Weighting (%)
Novo Nordisk AS Class B	NOVO B	Healthcare	1.91
ASML Holding NV	ASML	Technology	1.67
Nestle SA	NESN	Consumer Defensive	1.32
AstraZeneca PLC	AZN	Healthcare	1.23
SAP SE	SAP	Technology	1.19
Novartis AG Registered Shares	NOVN	Healthcare	1.13
Roche Holding AG	ROG	Healthcare	1.13
Toyota Motor Corp	7203	Consumer Cyclical	1.07
Shell PLC	SHEL	Energy	1.04
Lvmh Moet Hennessy Louis Vuitton SE	MC	Consumer Cyclical	1.01

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 30 Top Holdings: Morningstar Developed Markets Ex-US Growth TME Index

Constituent	Ticker	Sector	Weighting (%)
Novo Nordisk AS Class B	NOVO B	Healthcare	3.86
ASML Holding NV	ASML	Technology	3.36
AstraZeneca PLC	AZN	Healthcare	2.48
SAP SE	SAP	Technology	2.41
Lvmh Moet Hennessy Louis Vuitton SE	MC	Consumer Cyclical	2.03
Nestle SA	NESN	Consumer Defensive	1.33
Hitachi Ltd	6501	Industrials	1.26
Commonwealth Bank of Australia	CBA	Financial Services	1.18
Toyota Motor Corp	7203	Consumer Cyclical	1.18
L'Oreal SA	OR	Consumer Defensive	1.12

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 31 Top Holdings: Morningstar Developed Markets Ex-US Value TME Index

Constituent	Ticker	Sector	Weighting (%)
Shell PLC	SHEL	Energy	2.09
HSBC Holdings PLC	HSBA	Financial Services	1.70
Roche Holding AG	ROG	Healthcare	1.66
BHP Group Ltd	BHP	Basic Materials	1.66
TotalEnergies SE	TTE	Energy	1.42
Novartis AG Registered Shares	NOVN	Healthcare	1.41
Nestle SA	NESN	Consumer Defensive	1.33
The Toronto-Dominion Bank	TD	Financial Services	1.14
AIA Group Ltd	1299	Financial Services	1.01
Toyota Motor Corp	7203	Consumer Cyclical	0.98

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 32 Top Holdings: Morningstar Emerging Markets TME Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	8.46
Tencent Holdings Ltd	700	Communication Services	3.59
Samsung Electronics Co Ltd	5930	Technology	2.75
Alibaba Group Holding Ltd Ordinary Shares	9988	Consumer Cyclical	2.63
Reliance Industries Ltd	RELIANCE	Energy	1.67
HDFC Bank Ltd	HDFCBANK	Financial Services	1.35
Meituan Class B	3690	Consumer Cyclical	1.34
Infosys Ltd	INFY	Technology	1.06
PDD Holdings Inc ADR	PDD	Consumer Cyclical	1.04
International Holdings Co PJSC	IHC	Industrials	0.95

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 33 Top Holdings: Morningstar Emerging Markets Growth TME Index

Constituent	Ticker	Sector	Weighting (%)
Taiwan Semiconductor Manufacturing Co Ltd	2330	Technology	16.33
Samsung Electronics Co Ltd	5930	Technology	3.28
Tencent Holdings Ltd	700	Communication Services	3.25
Reliance Industries Ltd	RELIANCE	Energy	3.22
Meituan Class B	3690	Consumer Cyclical	2.60
PDD Holdings Inc ADR	PDD	Consumer Cyclical	2.01
International Holdings Co PJSC	IHC	Industrials	1.83
ICICI Bank Ltd	ICICIBANK	Financial Services	1.76
HDFC Bank Ltd	HDFCBANK	Financial Services	1.52
Bharti Airtel Ltd	BHARTIARTL	Communication Services	1.20

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Exhibit 34 Top Holdings: Morningstar Emerging Markets Value TME Index

Constituent	Ticker	Sector	Weighting (%)
Alibaba Group Holding Ltd Ordinary Shares	9988	Consumer Cyclical	5.49
Tencent Holdings Ltd	700	Communication Services	3.98
Samsung Electronics Co Ltd	5930	Technology	2.20
China Construction Bank Corp Class H	939	Financial Services	1.79
Hon Hai Precision Industry Co Ltd	2317	Technology	1.73
JD.com Inc Ordinary Shares - Class A	9618	Consumer Cyclical	1.29
Infosys Ltd	INFY	Technology	1.16
HDFC Bank Ltd	HDFCBANK	Financial Services	1.16
SK Hynix Inc	660	Technology	1.08
Industrial And Commercial Bank Of China Ltd Class H	1398	Financial Services	1.05

Source: Morningstar Direct. Data as of Sept. 30, 2024.

Appendix 3: Funds That Track Morningstar Broad Style Indexes**Exhibit 35** Funds That Track Morningstar Broad Style Indexes

Name	SeclD	Ticker	Domicile	Primary Prospectus Benchmark
BNY Mellon US Large Cap Core Equity ETF	F0000149CO	BKLC	United States	Morningstar US Large Cap TR USD
iShares Morningstar Growth ETF	FEUSA04ACO	ILCG	United States	Morningstar US Large Mid Brd Grt TR USD
iShares Morningstar Value ETF	FEUSA04ACP	ILCV	United States	Morningstar US Large Mid Brd Val TR USD
Lyxor Core Morningstar US (DR) ETF-Dist	F0000109UX	LCUD	Luxembourg	Morningstar US Large-Mid NR USD
iShares Morningstar U.S. Equity ETF	FEUSA04ACN	ILCB	United States	Morningstar US Large-Mid TR USD
NBI U.S. Equity Index 0	F000013VX6		Canada	Morningstar US Large-Mid TR USD
NBI U.S. Equity Index INV-2	F000016TJI		Canada	Morningstar US Large-Mid TR USD
iShares Morningstar Mid-Cap Growth ETF	FEUSA04ACR	IMCG	United States	Morningstar US Mid Cap Brd Grt TR USD
iShares Morningstar Mid-Cap Value ETF	FEUSA04ACS	IMCV	United States	Morningstar US Mid Cap Brd Val TR USD
BNY Mellon US Mid Cap Core Equity ETF	F0000149CP	BKMC	United States	Morningstar US Mid Cap TR USD
iShares Morningstar Mid-Cap ETF	FEUSA04ACQ	IMCB	United States	Morningstar US Mid Cap TR USD
iShares Morningstar Small-Cap Growth ETF	FEUSA04ACU	ISCG	United States	Morningstar US Small Brd Grt Ext TR USD
iShares Morningstar Small-Cap Value ETF	FEUSA04ACV	ISCV	United States	Morningstar US Small Brd Val Ext TR USD
iShares Morningstar Small-Cap ETF	FEUSA04ACT	ISCB	United States	Morningstar US Small Cap Ext TR USD

Source: Morningstar Direct. Data as of Sept. 30, 2024.

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