AMAZON IS A VALUE STOCK:
June 2026 Russell 1000 Style Rebalance

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Key Takeaways:

- **Annual Russell 1000 Style Rebalance:** FTSE Russell resumed semi-annual reconstitutions in 2026. Style index membership continues to be determined annually at the June reconstitution.
- **Apple and Microsoft entered Value:** Both stocks shifted into the Russell 1000 Value Index, becoming the #2 and #3 holdings with combined weight exceeding 9%.
- **Amazon is now the top Value holding:** Amazon's weight in the Value index surged from 2% to nearly 6%, while its Growth weight collapsed from 5% to under 1%.
- **WTV holds none of these "blend" mega-caps:** The WisdomTree U.S. Value Fund (WTV), which rebalanced effective June 10, excludes Apple, Microsoft, Amazon, and most blend mega-caps—illustrating how a shareholder yield discipline creates a more distinct value exposure.
- **WTV holds Nvidia at 3.5%:** Nvidia was added to WTV on March 11. Since then, Nvidia has grown its dividend 25x and is now the second largest cash dividend payer in the US. Management has committed to returning at least 50% of free cash flow to shareholders going forward.
- **QGRW dropped Tesla—the first-ever Magnificent 7 removal—and lowered weight to Apple:** The WisdomTree U.S. Quality Growth Fund (QGRW) removed Tesla at its June rebalance, the first time a Magnificent 7 stock has been dropped—a direct result of quality and growth screens that require more than market cap or momentum to earn inclusion. Weight to Apple was also lowered, reflective of its slower growth profile.

Each June, FTSE Russell reconstitutes its U.S. equity indices—redrawing the boundaries between the Russell 1000 Value and Growth indices based on updated style scores. What is new in 2026 is that Russell has returned to a semi-annual reconstitution schedule, rebalancing its broad U.S. indexes in both June and December. Style index membership, however, will continue to be determined annually at the June reconstitution.

Like the S&P style family, the Russell 1000 Value and Growth indices are designed to fully cover the Russell 1000 parent while splitting market cap between the two styles. Companies that score firmly on one side are placed exclusively in Value or Growth. Those with more ambiguous profiles receive proportional weight in both—meaning even expensive companies can appear in the Value index if their growth rates have moderated relative to the broader universe.

This year's rebalance produced some of the most dramatic shifts in recent memory and offers a useful backdrop for understanding how our own WisdomTree U.S. Value Fund (WTV) and WisdomTree U.S. Quality Growth Fund (QGRW) are positioned relative to what the Russell style indices now look like.

How Russell Assigns Value and Growth

Russell scores each Russell 1000 constituent on three factors: book-to-price (a value signal), five-year historical sales growth, and medium-term analyst EPS growth forecasts.

Each factor is standardized relative to the full Russell 1000 universe and combined into a Composite Value Score. Companies with strongly growth-oriented scores end up 100% in Growth; strongly value-oriented companies end up 100% in Value; and those in the middle are split—with their market cap allocated proportionally to both indices.

The result is that just over one-fifth of the 1,000 Russell 1000 constituents receive split allocations this year—including some of the index's most significant names by market cap. Because the split targets market cap rather than security counts, and the largest names in the Russell 1000 skew toward growth, the blend zone sits in growth-oriented territory. That's why companies like Apple and Microsoft—still expensive relative to book value—can land partly in Value when their growth metrics moderate.

The Big Headlines: Apple and Microsoft Enter Value. Amazon Takes the Top Spot.

The most striking outcomes from this year's rebalance are at the very top of the index. Recreating Russell's rebalance methodology, we infer some of the reasoning behind these moves:

Apple fell from 12% to 7% in the Growth index while entering Value at a 5% weight—the second-largest holding. Apple is an expensive stock by most relative value measures. It has also seen its growth rate moderate relative to the broader Russell 1000 universe. That combination places it squarely in blend territory, with roughly a 50/50 split between Value and Growth.

Microsoft fell from 9% to 4% in Growth while entering Value at a 4% weight (the third-largest holding). Unlike Apple, Microsoft still scores above-average on growth factors—but its book-to-price is not extreme enough to push it fully into Growth.

Amazon generated the most dramatic shift. Prior to the rebalance, Amazon carried a 2% weight in Value and a 5% weight in Growth. Post-rebalance, Amazon became the top holding in the Value index at nearly 6%, while its Growth weight collapsed to under 1%. That's counterintuitive on its face: Amazon—a company many investors associate with high-growth tech—is now the largest weight in a value index.

Figure 1: Factor Profiles for Key Rebalance Names

Company	Value/Growth Split
Apple	Split → 54% Value
Microsoft	Split → 50% Value
Amazon	Split → 92% Value
Alphabet	100% Growth
Micron	100% Growth
Caterpillar	100% Growth
Applied Materials	100% Growth

Source: WisdomTree, FactSet, as of 5/29/26. *Official style percentages from FTSE Russell June 2026 reconstitution blog.

Amazon: A Notable Data Divergence

When we apply the Russell scoring methodology to our own fundamental data, we arrive at a very different conclusion about Amazon. Our recreation of the rebalance assigns Amazon roughly a 9% probability of Value and 91% Growth—almost the mirror opposite of the official 92% Value result.

This likely reflects differences in EPS growth estimates: the data vendor, forward period, and whether estimates incorporate recent revisions can all produce meaningfully different outputs for a name as closely watched as Amazon.

The Amazon case is a useful reminder that style index outcomes are sensitive to the exact inputs used at reconstitution. A modest shift in a single data input for a large-cap company with a borderline score can produce a dramatic shift in style allocation.

Figure 2: Amazon Weight in Value and Growth — Before and After Rebalance

	Value Wgt (May 31)	Value Wgt (Jun 26)	Growth Wgt (May 31)	Growth Wgt (Jun 26)	% Russell 1000 Cap in Value
Amazon (Actual)	2.1%	5.8%	5.1%	0.6%	92%
Amazon (Our Model)	N/A	0.6%	N/A	6.9%	9%

Source: WisdomTree, FactSet, iShares, Russell. Actual weights based on iShares Russell 1000 Value ETF (IWD) and iShares Russell 1000 Growth ETF (IWF) weights as of 5/31/26 and 6/26/26. WisdomTree model weights based on replication of Russell style methodology using FactSet data as of 5/29/26.

The Other Side: Alphabet, Micron, Caterpillar, AMD, and Applied Materials Move to Growth

While mega-cap tech migrated into Value, several significant names moved the other direction:

Alphabet—previously the top Value holding—moved fully to Growth, where it is now the second-largest weight at 11%.

Micron Technology—previously the second-largest Value holding—moved entirely to Growth, reflecting its AI-driven memory demand cycle and strong earnings outlook.

Caterpillar and **Applied Materials** also shifted fully to Growth, lifted by infrastructure spending and semiconductor equipment demand, respectively.

Advanced Micro Devices (AMD), previously split, moved entirely to Growth.

SpaceX Makes Its Russell Debut

SpaceX made its first appearance in the Russell indices at this rebalance, entering the Growth index at a 0.2% weight. With 90% of its market cap assigned to Growth, it also entered the Value index at a small 0.02% weight. Given it is a new IPO, its style allocation will be reevaluated at the December rebalance.

Top 10 Holdings Post-Rebalance

Exhibits 3a and 3b show the top 10 holdings in each index after the June 26 rebalance.

Figure 3a: Value – Top 10 Holdings

#	Company	May 31 Wgt%	Jun 26 Wgt%	Δ (pp)
1	Amazon.com Inc.	2.12%	5.80%	+3.68
2	Apple Inc.	—	5.27%	+5.27
3	Microsoft Corp.	—	3.88%	+3.88
4	Berkshire Hathaway Cl. B	2.59%	2.60%	+0.01
5	JPMorgan Chase & Co.	2.41%	2.47%	+0.06
6	Johnson & Johnson	1.61%	1.72%	+0.11
7	Exxon Mobil Corp.	1.82%	1.59%	−0.23
8	Intel Corporation	1.50%	1.58%	+0.08
9	Walmart Inc.	1.34%	1.30%	−0.04
10	Cisco Systems Inc.	1.42%	1.26%	−0.16

Source: WisdomTree, iShares. Holdings of the iShares Russell 1000 Value ETF (IWD) as of 5/31/26 and 6/26/26.

Figure 3b: Growth — Top 10 Holdings

#	Company	May 31 Wgt%	Jun 26 Wgt%	Δ (pp)
1	NVIDIA Corp.	13.05%	13.60%	+0.55
2	Apple Inc.	11.93%	6.73%	–5.20
3	Alphabet Inc. Cl. A	3.90%	5.95%	+2.05
4	Broadcom Inc.	5.77%	5.14%	–0.63
5	Alphabet Inc. Cl. C	3.14%	4.82%	+1.68
6	Microsoft Corp.	8.95%	4.20%	–4.75
7	Micron Technology Inc.	—	3.87%	+3.87
8	Tesla Inc.	3.47%	3.36%	–0.11
9	Meta Platforms Cl. A	3.19%	3.00%	–0.19
10	Eli Lilly	2.66%	2.92%	+0.26

Source: WisdomTree, iShares. Holdings of the iShares Russell 1000 Growth ETF (IWF) as of 5/31/26 and 6/26/26.

What WTV Shows: A Different Kind of Value

WTV completed its own June rebalance effective June 10—nearly three weeks before the Russell reconstitution took effect. The contrast in what each portfolio holds is instructive.

WTV's mandate centers on shareholder yield (dividends plus buybacks) combined with quality screens. That discipline naturally excludes most of the mega-cap "blend" names now dominating the Russell Value index. As of the June rebalance, WTV holds none of Apple, Microsoft, Amazon, Alphabet, or Tesla—names that collectively represent meaningful weights across the Russell 1000 Value and the S&P 500 Value.

Exhibit 4 shows Mag 7 exposure across the WisdomTree U.S. Value Fund (WTV), the iShares Russell 1000 Value ETF (IWD), and the iShares S&P 500 Value ETF (IVE).

WTV's total Mag 7 weight is 4.5%, versus 15.8% for IWD, and 12.7% for SPYV—which has held Apple, Amazon, and Tesla since the S&P rebalance last December.

Figure 4: Mag 7 Exposure Across Value ETFs (as of June 30, 2026)

#	WisdomTree U.S. Value ETF	iShares Russell 1000 Value ETF	iShares S&P 500 Value ETF
Apple	—	5.4%	7.3%
Microsoft	—	3.9%	—
Nvidia	3.3%	—	—
Alphabet	—	—	—
Amazon	—	5.9%	3.8%
Meta	1.2%	0.6%	—
Tesla	—	—	1.6%
Total Mag 7	**4.5%**	**15.8%**	**12.7%**

Source: WisdomTree, FactSet. Holdings subject to change.

Nvidia was added at a March 2026 rebalance when its valuation looked compelling: it was trading at a forward P/E in line with the S&P 500 despite far superior growth prospects. Since then, Nvidia has grown its dividend 25x and is now the second largest cash dividend payer in the US. Management has committed to returning at least 50% of free cash flow to shareholders going forward.

Two other notable moves at the June WTV rebalance:

Micron added at a small weight. Despite being one of the names moving to the Russell Growth index at month-end, Micron was added to WTV at a 0.7% weight. It was trading below 10x forward P/E—cheap by traditional valuation standards—and its inclusion helps narrow some of WTV's negative growth and momentum factor tilts. It was also the second-largest holding in the Russell 1000 Value (at 3%) immediately before exiting Value, making it an interesting case of a name that is simultaneously cheap on fundamentals and being classified as "growth" by a major index.

Berkshire Hathaway weight increased. Berkshire's weight increased by 1.28 percentage points, both to reduce tracking error to traditional value indexes and to reflect that Berkshire repurchased shares for the first time since 2024 in Q1—a meaningful shareholder yield signal consistent with WTV's mandate.

What QGRW Shows: Quality and Growth Screening

The WisdomTree U.S. Quality Growth Fund (QGRW) rebalanced along the same timeline as WTV in early June ahead of the Russell reconstitution. The headlines: Tesla was removed—the first time a Mag 7 stock has ever been dropped from the index—and Apple's weight was lowered from over 6% to 3%.

Tesla's removal reflects QGRW's quality and growth composite screens. Unlike broad growth indices that can include companies primarily because of market cap or price momentum, QGRW requires constituents to demonstrate profitability and earnings growth. Tesla's deteriorating fundamentals—including declining earnings and weaker return-on-equity—caused it to fail those screens.

The result is a portfolio where the growth label is earned rather than assigned. Post-rebalance, QGRW's forward three-year earnings growth estimate (21.1%) exceeds the iShares Russell 1000 Growth ETF (19.4%). Combined with superior return on assets (14.9% versus IWF's 11.3%), QGRW continues to offer a more disciplined expression of growth—one that has translated into outperformance of the Russell 1000 Growth by over 700bps year-to-date through the end of June.

Figure 5: QGRW Post-Rebalance Fundamentals vs. Growth ETFs

#	QGRW Pre	QGRW Post	iShares Rus-sell 1000 Growth ETF	iShares S&P 500 Growth ETF	Invesco QQQ Trust
P/E (Forward)	38.4x	36.8x	35.4x	33.8x	36.6x
PEG Ratio	1.8x	1.7x	1.8x	1.7x	1.8x
Fwd 3yr EPS Growth Est.	21.0%	21.1%	19.4%	19.5%	20.7%
Return on Equity	33.5%	31.6%	34.6%	25.0%	24.2%
Return on Assets	15.8%	14.9%	11.3%	7.8%	10.7%
Trailing 5yr EPS Growth	39.7%	37.5%	35.1%	34.6%	26.7%

Source: WisdomTree, FactSet. Post-rebalance characteristics as of 5/31/26.

What This Means for Investors

The June 2026 Russell 1000 style rebalance reinforces several themes we highlighted in our analysis of the S&P 500 style rebalance earlier this year:

Style indices are not pure-play factor exposures. The Russell 1000 Value Index now holds Apple, Microsoft, and Amazon as its top three holdings—alongside traditional value names like Berkshire, JPMorgan, and Johnson & Johnson. For investors seeking a concentrated value tilt, these "blend" mega-caps dilute the factor purity of the value sleeve. The same dynamic played out in the S&P style family; it is now equally visible in the Russell family.

Data inputs drive index outcomes more than many realize. The Amazon case—where our model places 91% of its weight in Growth while the official index places 92% in Value—shows how sensitive style outcomes are to the data sources and timing used at reconstitution.

More intentional style building blocks are available. WTV's shareholder yield approach and QGRW's quality-growth screens produce portfolios that reflect more deliberate factor exposures. When mega-cap technology companies grow large enough to dominate both sides of the style ledger—as they now do in both the Russell and S&P style families—more targeted strategies offer clearer building blocks for investors seeking distinct value or growth tilts.

Bottom line: As the lines between value and growth continue to blur at the mega-cap level, the case for more intentional factor strategies grows stronger. WTV and QGRW are designed to be clearer "bookends"—a value/growth pairing built for distinct exposures, not two sleeves that sum to the broad-market core.

Additional Information

The competitor funds, IWD and IVE, were selected because they share similar investment objectives and characteristics. Each fund seeks to provide U.S. equity exposure through either value or growth-oriented strategies, making them direct comparables for evaluation.

For current fund holdings, visit WisdomTree U.S. Value Fund (WTV) and WisdomTree U.S. Quality Growth Fund (QGRW).

Fund Name	WisdomTree U.S. Value Fund (WTV)	WisdomTree U.S. Quality Growth Fund (QGRW)	iShares Russell 1000 Value ETF (IWD)	iShares S&P 500 Value ETF (IVE)
Objective	Seeks income and capital appreciation by investing primarily in U.S. equity securities that provide a high total shareholder yield with favorable relative quality characteristics.	Seeks to track the price and yield per-formance, before fees and expenses, of the WisdomTree U.S. Quality Growth Index.	Seeks to track the investment results of the Russell 1000 Value Index, composed of large- and mid-capitalization U.S. equities that exhibit value characteristics.	Seeks to track the investment results of the S&P 500 Value Index, composed of large-capitalization U.S. equities that exhibit value characteristics.
Total Expense Ratio	0.12%	0.28%	0.18%	0.18%
Total Assets Under Management (millions)	$2,140	$2,650	$81,460	$48,710

Data as of July 2026. iShares Funds (IWD & IVE) are distributed by BlackRock Investments, LLC. Prospectuses are available by calling 1-800-iShares (1-800-474-2737) or visiting www.iShares.com or www.blackrock.com.

IMPORTANT INFORMATION

Please see the WisdomTree Glossary for definitions of terms and indexes.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. For a prospectus or, if available, the summary prospectus containing this and other important information about the fund, call 866.909.9473 or visit WisdomTree.com/us. Read the prospectus or, if available, the summary prospectus carefully before investing.

WTV: There are risks associated with investing, including possible loss of principal. Value stocks, as a group, may be out of favor with the market and underperform growth stocks or the overall equity market. Funds focusing their investments on certain sectors increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. While the Fund is actively managed, the Fund's investment process is heavily dependent on quantitative models and the models may not perform as intended. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

QGRW: There are risks associated with investing, including possible loss of principal. Growth stocks, as a group, may be out of favor with the market and underperform value stocks or the overall equity market. Growth stocks are generally more sensitive to market movements than other types of stocks. The Fund is non-diversified, as a result, changes in the market value of a single security could cause greater fluctuations in the value of Fund shares than would occur in a diversified fund. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index. The composition of the Index is governed by an Index Committee and the Index may not perform as intended. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

You cannot invest directly in an index.

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