

WHEN “VALUE” AND “GROWTH” BLUR: A Closer Look at the S&P 500 Style Rebalance

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Key Takeaways

- + S&P’s style indices are designed to roughly split the parent index’s market cap between Value and Growth. Due to quirks in both the style definitions and the weight splitting process itself, several traditionally “expensive” stocks now appear with top weights in the Value index.
- + For investors looking to implement a specific view—whether to add more growth or more value into a portfolio—we believe there are more pure-play strategies that better accomplish desired tilts.
- + Using the S&P scoring framework, the **WisdomTree U.S. Value Fund (WTV)** is much more pure Value and has substantially more weight in the deepest “true” value stocks.
- + Similarly, the **WisdomTree U.S. Quality Growth Fund (QGRW)** is a concentrated, quality-screened growth portfolio designed to provide consistent exposure to highly profitable growth companies.

Each December, S&P Dow Jones Indices rebalances the S&P 500 Value and S&P 500 Growth indices. These style indices are designed to keep full coverage of the S&P 500 while splitting total market capitalization roughly 50/50 between Value and Growth. In practice, that creates a sizable “core” overlap: about one-third of the S&P 500 market cap is split across both indices.

This split market cap approach is common across index providers. The Russell Style Indices use a similar framework. By allocating market cap across value and growth instead of making a hard assignment, the style sleeves tend to have lower tracking error versus the parent index than “deeper” value or growth cuts.

In this post, we use S&P’s style scorecard (the same factors used in its style methodology) to show why the S&P 500 Value Index often looks closer to a core allocation than true value.

We then apply the same lens to growth to show more targeted building blocks for clients seeking clearer factor exposure.

S&P STYLE METHODOLOGY

S&P's U.S. style methodology uses three value factors—book-to-price, earnings-to-price, and sales-to-price—and three growth factors—three-year net change in earnings per share over current price, three-year sales per share growth rate and 12-month price momentum.

The Value Score (SV) is the average of the three standardized value factors, and the Growth Score (SG) is the average of the three standardized growth factors.

Within the S&P 500, constituents are ranked by their Growth and Value Scores and then sorted by the ratio (Growth Rank / Value Rank). The top approximately ~33% of index float-adjusted market cap becomes the Growth basket, the bottom ~33% becomes the Value basket, and the middle ~34% forms a blended basket. Companies in the Growth and Value baskets are assigned 100% to their respective style index, while blended companies have their float-adjusted market cap split between the two indices based on their distance from the Growth and Value basket midpoints.

Of the 503 securities in the S&P 500, 59 securities (37.1% of S&P 500 index weight) were exclusively in the Growth Index, 364 securities (33.2%) were exclusively in the Value Index and 80 securities (29.7%) had their market-cap weight split between the two indices.

Figure 1: Summary Table of Style Split

Bucket	Number of Securities	Weight (%)
Growth Only	59	37.1%
Value Only	364	33.2%
Split (Value and Growth)	80	29.7%

Source: WisdomTree, S&P. Fund and Index holdings as of 12/22/25. Factor scores as of 11/30/25. 12/22/25 represents the post-rebalance date for the S&P 500 Growth and Value Indexes. Factor scores based on WisdomTree replication of the S&P Style Scorecard. You cannot invest directly in an index. Holdings subject to change.

THE STYLE SCORECARD: S&P 500 VALUE IS CLOSE TO CORE

A simple way to visualize the style spectrum is with the Style Score (SG – SV). Negative values indicate a value tilt (SV > SG) and positive values indicate a growth tilt (SG > SV). Figure 2a shows the distribution of style scores across the funds and indices, and Figure 2b summarizes the same distribution.

Style scores are standardized so the median S&P 500 company has a score of 0.

Using a weighted average of style scores, the WisdomTree U.S. Value Fund (WTV) has a distinct value tilt (-0.31), while the WisdomTree U.S. Quality Growth Fund (QGRW) (1.65) and the S&P 500 Growth Index (1.64) are nearly identical. By contrast, the S&P 500 Value Index (0.06) sits near the S&P 500 median—closer to a broad, core-style allocation than a pronounced value tilt.

Another way to assess purity is the share of weight in the most value and most growth quartiles. WTV allocates 41% to the most value quartile versus 20% for the S&P 500 Value Index. On the other end of the spectrum, WTV has 15% in the most growth quartile versus 27% for the S&P 500 Value Index

Figure 2a: Style Tilt (SG-SV) Using S&P Scorecard

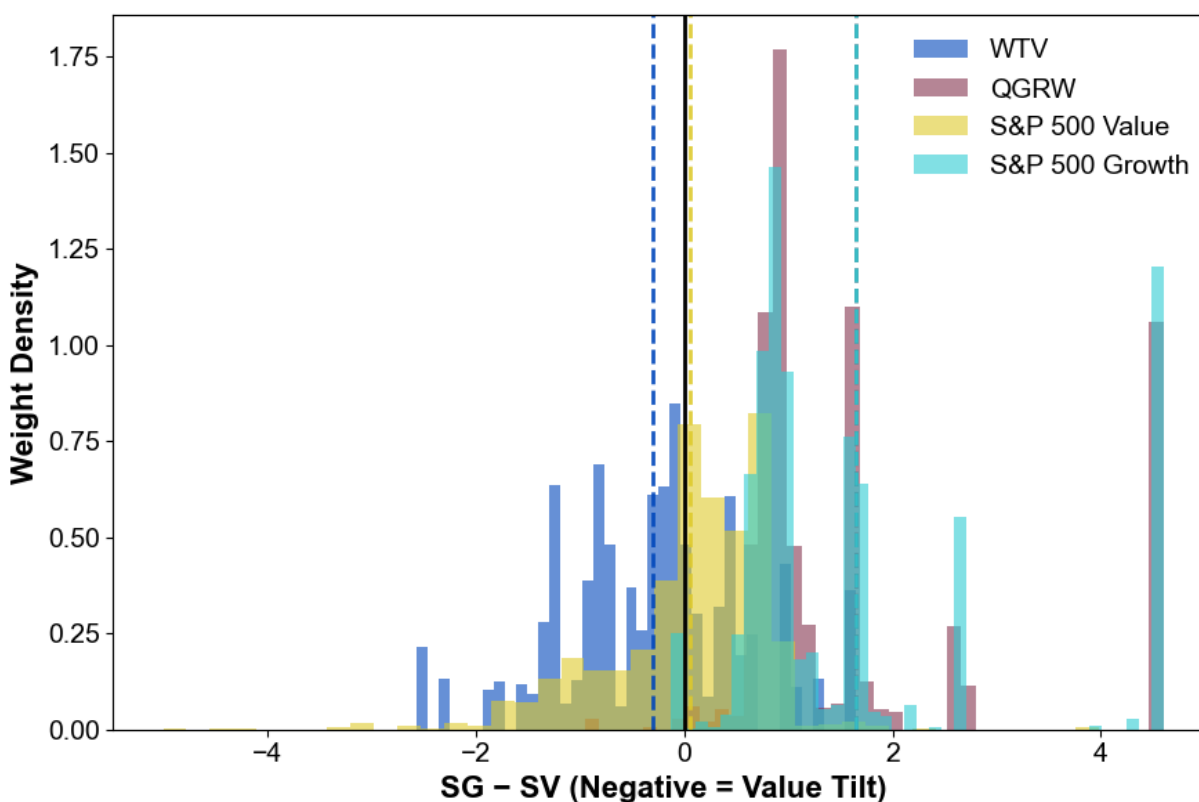


Figure 2b: Summary of S&P Scorecard Style Statistics

Metric	WTV	S&P 500 Value	QGRW	S&P 500 Growth
Weighted Avg Style Score (SG-SV)	-0.31	0.06	1.65	1.64
% Weight in Most Value Quartile	41%	20%	0%	0%
% Weight in Most Growth Quartile	15%	27%	97%	95%

Source: WisdomTree, S&P, FactSet. Fund and Index holdings as of 12/22/25. Factor scores as of 11/30/25. 12/22/25 represents the post-rebalance date for the S&P 500 Growth and Value Indexes. Factor scores based on WisdomTree replication of the S&P Style Scorecard. Dotted lines represent the weighted avg Style Score (SG-SV). You cannot invest directly in an index. Holdings subject to change.

EXPLAINING THE “CORE” TILT TO THE S&P 500 VALUE

The S&P 500 Growth Index clearly fits the bill of a growth sleeve: it has 95% of its weight in the highest growth quartile and 0% in the value quartile.

The S&P 500 Value Index is more mixed—tilting closer to core relative to deeper value strategies like WTV.

Because the style family must keep full S&P 500 coverage and split market cap roughly 50/50, the Value Index ends up holding large “blend” companies. Those large weights can dominate the portfolio, pulling the aggregate profile back toward the core.

As shown in Figure 3a, WTV’s Active Share versus the S&P 500 is meaningfully higher than the S&P 500 Value Index, indicating a larger deviation from the broad market.

Figure 3b (Top Holdings) reinforces the intuition: the S&P 500 Value Index’s largest weights are also some of the largest weights in the S&P 500 itself, while WTV’s top weights are in many cases smaller and more evenly distributed.

Figure 3a: Active Share Between Indices as of 12/22/25

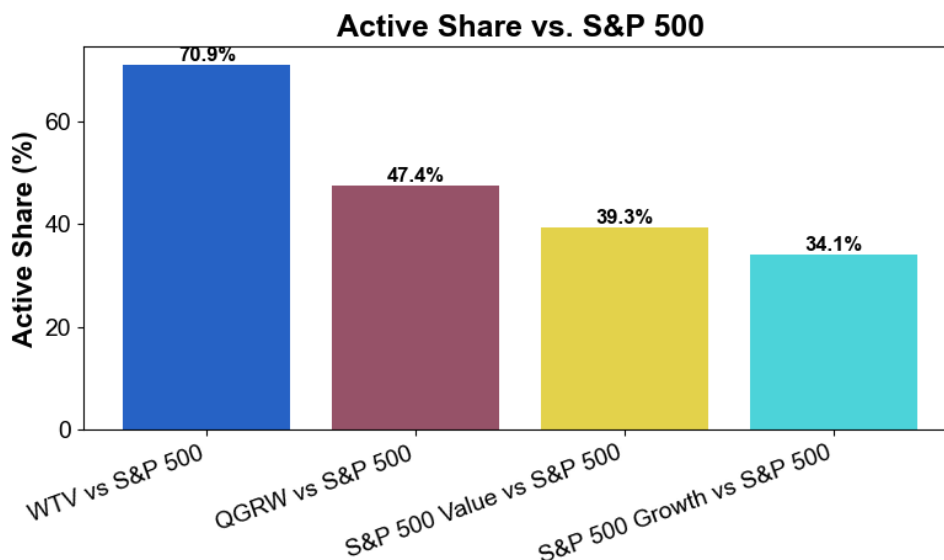


Figure 3b: Top Holdings as of 12/22/25

WTV	Weight	S&P 500 Value	Weight	QGRW	Weight	S&P 500 Growth	Weight
Meta Platforms	2.67%	Apple	7.33%	NVIDIA	13.93%	NVIDIA	14.21%
Alphabet	2.54%	Amazon.com	3.82%	Alphabet	8.60%	Microsoft	11.48%
Walmart	1.99%	Tesla	1.91%	Microsoft	7.93%	Alphabet	10.35%
Citigroup	1.68%	ExxonMobil	1.82%	Meta Platforms	7.17%	Apple	6.37%
Southwest Airlines	1.68%	Walmart	1.81%	Apple	6.69%	Broadcom	5.13%
UnitedHealth Group	1.51%	Costco Wholesale	1.38%	Amazon.com	4.46%	Meta Platforms	4.59%
Johnson & Johnson	1.51%	BofA Corp	1.37%	Broadcom	3.54%	Amazon.com	3.75%
Berkshire Hathaway	1.43%	Home Depot	1.26%	Tesla	3.24%	Berkshire Hathaway	2.92%
Invesco	1.42%	P&G	1.22%	Eli Lilly & Co	3.09%	Eli Lilly & Co	2.72%
Cisco Systems	1.27%	Wells Fargo	1.08%	Oracle	2.47%	Tesla	2.71%
Total	17.70%	Total	23.02%	Total	61.11%	Total	64.24%

Source: WisdomTree, S&P, FactSet. You cannot invest directly in an index. Holdings subject to change.

BLEND COMPANIES: WHY APPLE, AMAZON AND TESLA SHOW UP IN THE VALUE INDEX

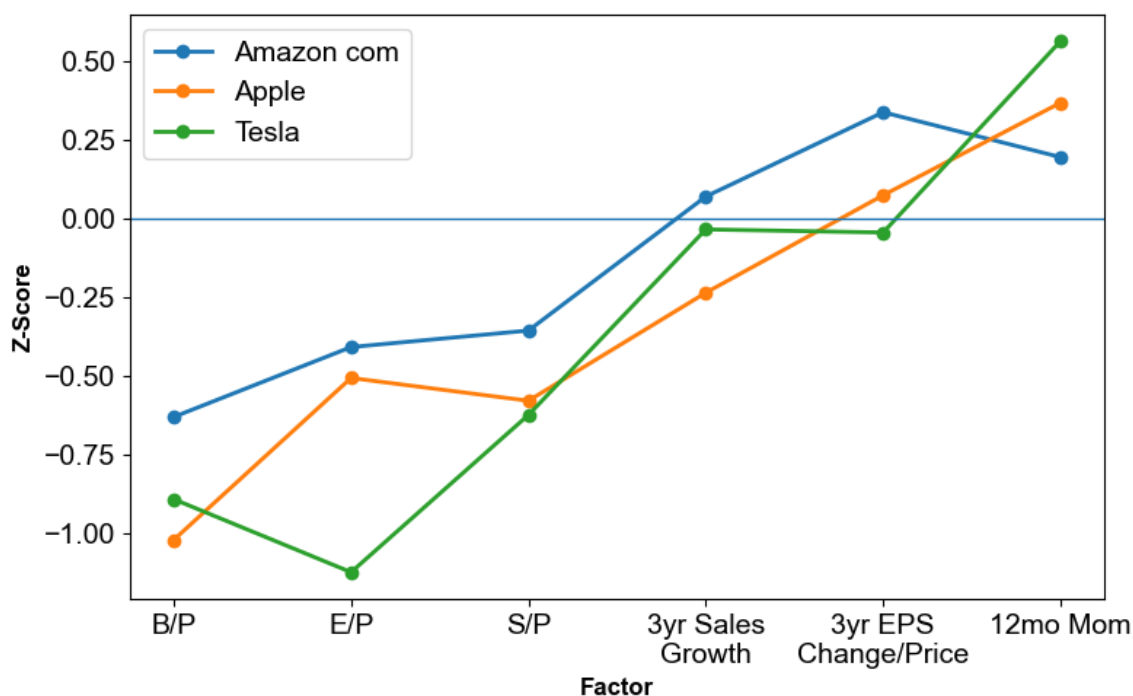
Some companies that many investors associate with higher valuations—and not traditional “value”—still appear in the S&P 500 Value Index. Under S&P’s framework, a stock doesn’t need to be “cheap” for a portion of its market cap to be allocated to Value. If a stock falls into the “blend” zone, its market cap can be split across both the Value and Growth indices.

As a result, several high-profile companies receive meaningful weight in Value. The takeaway isn’t that these stocks have become “value” in the traditional sense—many even have negative value-factor z-scores¹ in S&P’s own scorecard—but that the methodology assigns weight across both indices when a company’s profile is not extreme enough to be classified entirely as Growth.

In short, a stock can screen expensive on traditional valuation metrics and still land partly in the Value Index if its growth and momentum characteristics aren’t strong enough to place it exclusively in Growth.

Take Tesla as an example. Tesla has sharply negative z-scores across the three value factors. But because its growth-factor z-scores are not comparably strong (with only 12-month momentum positive), a portion of its market cap is allocated to the Value Index.

Figure 4: Factor Z-Scores vs. S&P 500



Source: WisdomTree, FactSet, as of 11/30/25. WisdomTree replication of S&P Style Rebalance scores. Factor labels reflect the S&P factor score inputs (z-scores). B/P = Book-to-Price, E/P = Earnings-to-Price, S/P = Sales-to-Price, 3yr Sales Growth = Trailing 3 Year Sales per Share Growth, 3yr EPS Change/Price = 3 Year Change in EPS divided by last price, 12mo Mom = Trailing Twelve Month total return.

¹ Z-score: A standardized statistical measure that indicates how far a value is above or below the average of a group, expressed in standard deviations.

Figure 5 highlights the 10 largest S&P 500 constituents (by index weight) whose market cap is split between the Value and Growth indices. Notably, Apple, Amazon and Tesla—each with positive Style Scores (more Growth than Value)—still show up as meaningful weights in the Value Index because their market caps are so large relative to the rest of the Value sleeve.

Apple is the top holding in the S&P 500 Value Index (7.3%) and the fourth-largest holding in the S&P 500 Growth Index (6.4%). Yet on traditional valuation measures, it trades well above the broader market, which many investors would not associate with classic value.

Figure 5: Top 10 Split Constituents in the S&P 500 Style Rebalance

Company	S&P 500 Wgt	Value Wgt	Growth Wgt	Style Score	Value Rank	Growth Rank
Apple	6.82%	7.33%	6.37%	+0.77	1	4
Amazon.com	3.78%	3.82%	3.75%	+0.66	2	7
Tesla	2.34%	1.91%	2.71%	+1.04	3	10
JPMorgan Chase	1.50%	1.03%	1.90%	+0.69	13	11
Visa	1.01%	0.98%	1.04%	+0.82	14	15
Johnson & Johnson	0.85%	0.75%	0.94%	+0.56	21	18
Mastercard	0.80%	0.57%	1.01%	+0.91	38	18
AbbVie	0.69%	0.80%	0.59%	+0.65	18	25
Oracle	0.57%	0.59%	0.55%	+0.79	33	29
GE Aerospace	0.57%	0.58%	0.55%	+0.87	34	30

Source: WisdomTree, S&P, FactSet. Index holdings as of 12/22/25. Value Wgt = S&P 500 Value Index Weight. Growth Wgt = S&P 500 Growth Index Weight. Factor scores as of 11/30/25. 12/22/25 represents the post-rebalance date for the S&P 500 Growth and Value Indexes. Style Score (SG-SV) based on WisdomTree replication of the S&P Style Scorecard. Value Rank = ranking based on weight descending relative to all other constituents in the S&P 500 Value Index. Growth Rank = ranking based on weight descending relative to all other constituents in the S&P 500 Growth Index. You cannot invest directly in an index.

A “Purer” Value: WISDOMTREE U.S. VALUE FUND (WTV)

WTV is designed to be more intentionally value. Rather than relying on relative style scores that must balance market cap, WTV targets shareholder yield (dividends plus buybacks) and uses additional quality-oriented screens to help avoid classic value traps. The result is a portfolio that is meaningfully cheaper on forward P/E (Figure 6a) and materially higher on shareholder yield (Figure 6b) than the S&P 500 Value Index. In short:

- Using S&P’s own scorecard, WTV screens as more value.
- Using holdings-based comparisons, WTV looks less like the S&P 500 (higher Active Share).
- Using traditional valuations, WTV looks meaningfully cheaper.

Figure 6a: Forward P/E Over Time

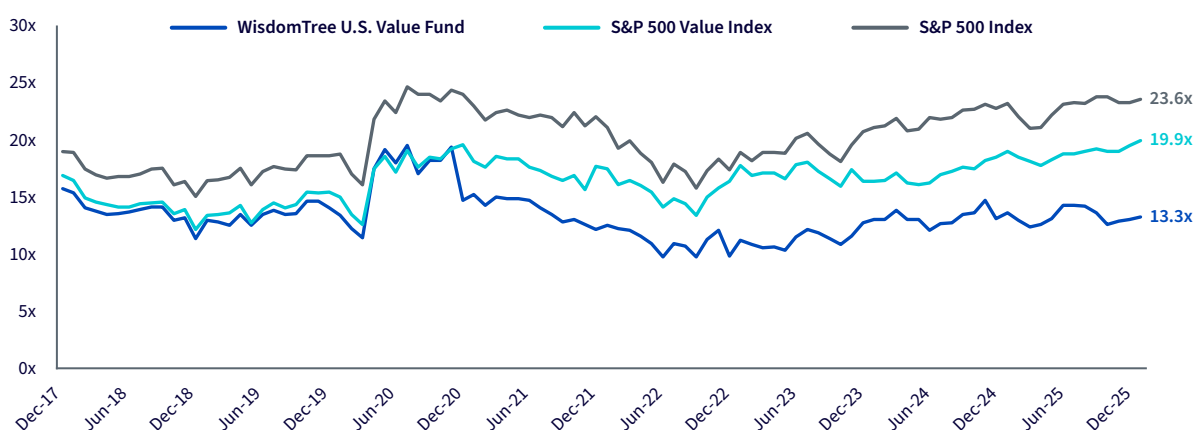
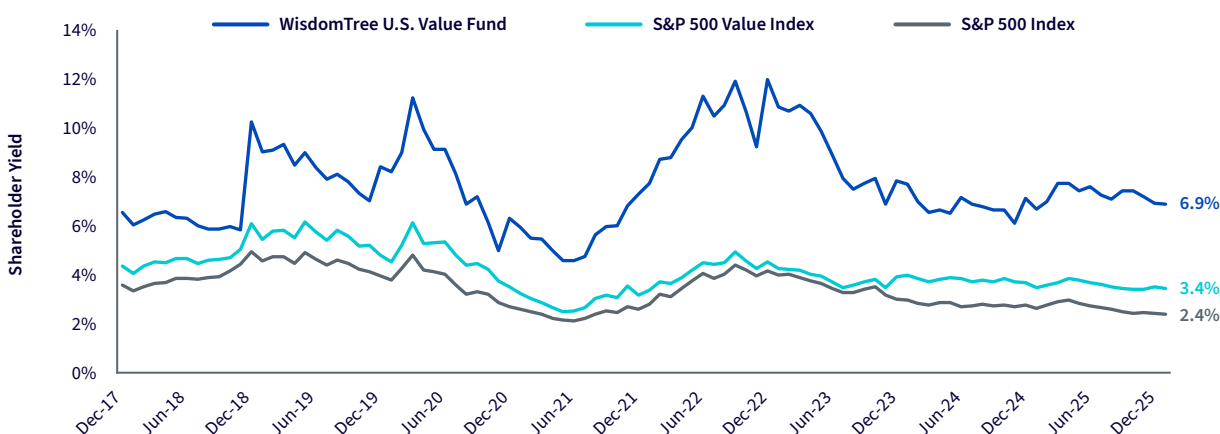


Figure 6b: Shareholder Yield Over Time



Sources: WisdomTree, FactSet, S&P, beginning 12/29/17. As of 1/13/26. Period chosen to coincide with the start of the shareholder yield-focused investment process of the WisdomTree U.S. Value Fund (WTV) in December 2017. You cannot invest directly in an index.

QUALITY GROWTH: WISDOMTREE U.S. QUALITY GROWTH FUND (QGRW)

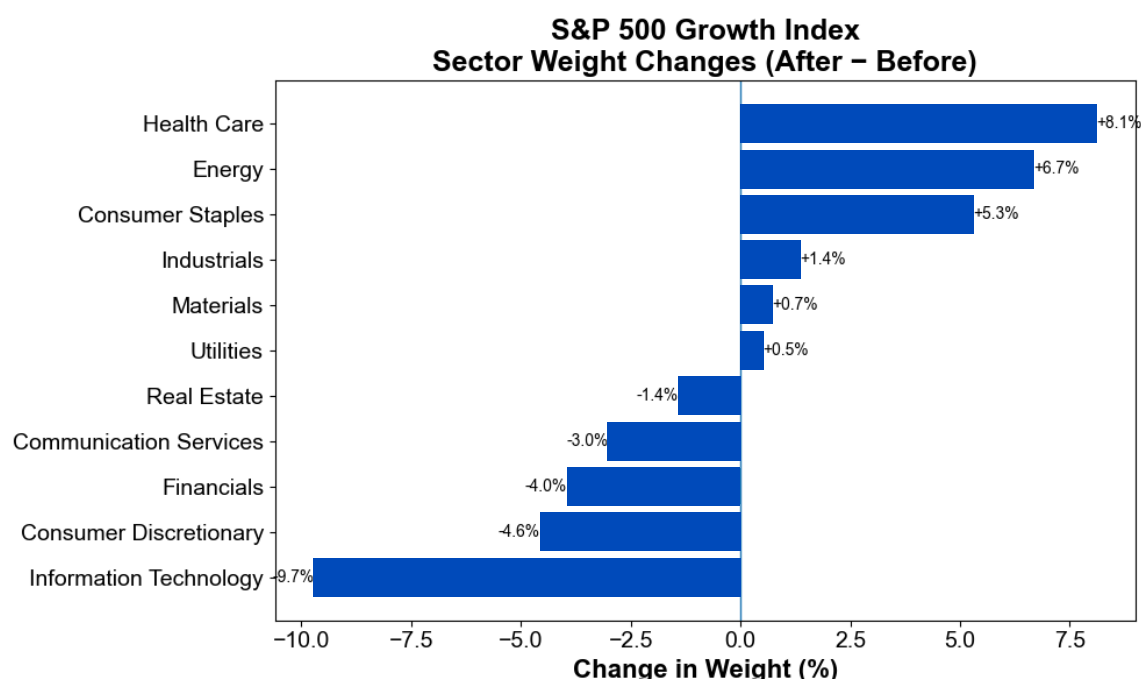
The WisdomTree U.S. Quality Growth Index is constructed to provide exposure to 100 U.S. large-cap companies selected on a composite of growth and quality factors. Growth is measured using multiple lenses (including analyst earnings growth forecasts and trailing fundamentals growth), and quality is measured using profitability metrics such as return on equity and return on assets. Constituents are then weighted by market cap.

The net result is a growth portfolio that is explicitly quality-screened, more concentrated and a more consistent expression of growth.

2023 performance illustrates the point.

After the 2022 drawdown, many traditional growth stocks had weak momentum scores while value stocks had strong momentum. At the year-end 2022 style rebalance, the S&P 500 Growth Index increased weight in Health Care (+8.0%), Energy (+6.7%) and Consumer Staples (+5.3%), while reducing Information Technology (-9.7%) and Communication Services (-3.0%).

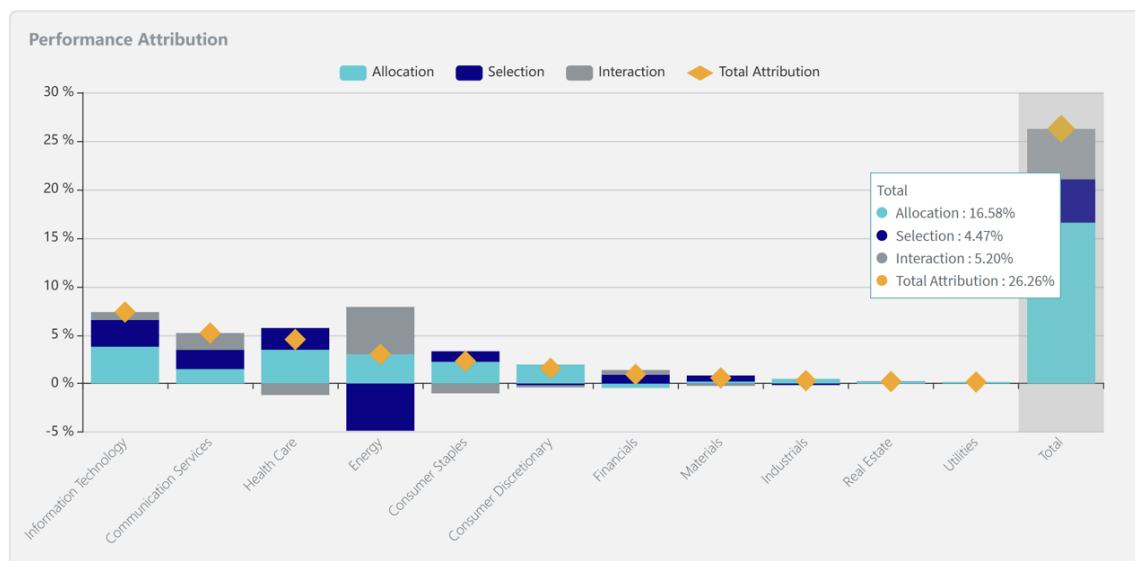
Figure 7: S&P 500 Growth 2022 Rebalance



Source: WisdomTree, S&P, FactSet. Pre-rebalance as of 12/16/22 and post-rebalance as of 12/19/22. You cannot invest directly in an index.

Those shifts mattered in 2023. The WisdomTree U.S. Quality Growth Index outperformed the S&P 500 Growth Index by 26 percentage points. Overweight allocations to Information Technology and Communication Services and underweight allocations to Health Care, Energy and Consumer Staples were major contributors to the relative return.

Figure 8: 2023 Sector Attribution: WisdomTree U.S. Quality Growth Index vs. S&P 500 Growth Index



Source: WisdomTree, FactSet, 12/31/22-12/31/23. You cannot invest directly in an index. **Past performance is not indicative of future returns.**

COMPARING THE CHARACTERISTICS

A few key takeaways on the fundamental characteristics:

- **Average Market Cap:** WTV's average market cap is \$41bn, well below the S&P 500 (~\$438bn) and the S&P 500 Value Index (~\$167bn). A meaningful part of the value tilt comes from moving away from the mega-cap cohort that dominates the S&P 500.
- **Concentrated vs. Broad Holdings:** WTV (122 holdings) and QGRW (100 holdings) are more concentrated value and growth allocations relative to the S&P style indices. The S&P 500 Value Index holds 444 of the 503 securities in the S&P 500.
- **Steep Valuation Discounts:** WTV's forward P/E is 10 turns lower than the S&P 500 and 6 turns lower than the S&P 500 Value Index. On shareholder yield, WTV is roughly double the shareholder yield of the S&P 500 Value Index.
- **Clear Growth Tilt:** Both QGRW and the S&P 500 Growth Index have premium valuations and stronger growth rates than the S&P 500. QGRW takes the growth tilt a step further, with a higher forward P/E and slightly higher forward growth estimates.

Figure 9: Fundamental Characteristics as of 12/31/25

Characteristics	Value		Growth		S&P 500
	WTV	S&P 500 Value	QGRW	S&P 500 Growth	
Size					
Average Market Cap (\$Bn)	\$40.8	\$166.7	\$786.6	\$1,013.3	\$438.1
Number of Holdings	122	444	100	139	503
Valuation					
Dividend Yield	2.6%	1.8%	0.3%	0.5%	1.1%
Net Buyback Yield	4.3%	1.7%	1.0%	1.0%	1.3%
Shareholder Yield	6.9%	3.5%	1.4%	1.5%	2.4%
Forward Price-to-Earnings	13.0x	19.5x	30.1x	27.8x	23.2x
Growth					
Trailing 5yr Earnings Growth	9.4%	13.6%	32.8%	32.5%	23.7%
Forward 3yr Earnings Growth Estimates	11.8%	12.3%	23.3%	21.4%	17.2%

Source: WisdomTree, FactSet. Average Market Cap (\$bn) based on harmonic weighted average. You cannot invest directly in an index. The SEC 30-day yields for WTV and QGRW are 2.50% and 0.07%, respectively, as of 1/15/26. **The performance data quoted represents past performance and is not indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performance, click the respective ticker: [WTV](#), [QGRW](#).**

MORE INTENTIONAL STYLE BUILDING BLOCKS

If you want value and growth allocations to behave like distinct building blocks—rather than two sleeves that sum up to the broad-market core—you need to look through the labels and into the construction.

Using the S&P scorecard itself, the S&P 500 Value Index sits close to the center of the style spectrum, while WTV moves further into value territory. On the growth side, QGRW's rules are designed to target a more consistent and concentrated allocation to quality growth companies.

Bottom line: WTV and QGRW can serve as clearer style “bookends”—an intentional value/growth pairing that’s designed for distinct exposures, while the S&P style indices are built to represent style segments that sum up to the core S&P 500 exposure.

IMPORTANT INFORMATION

Please see the [WisdomTree Glossary](#) for definitions of terms and indexes.

This information must be preceded or accompanied by a prospectus or, if available, the summary prospectus.

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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