S&P MidCap 400®

A Widely Used Gauge of the U.S. Mid-Cap Universe



Introduced in 1991, the S&P MidCap 400 provides investors with a benchmark for U.S. mid-sized companies, reflecting the distinctive risk/return characteristics of this piece of the market. The S&P MidCap 400, S&P 500® and S&P SmallCap 600®, which together form the S&P Composite 1500®, also serve as nonoverlapping, individual building blocks representing each size segment of the U.S. equity market.

S&P Dow Jones Indices

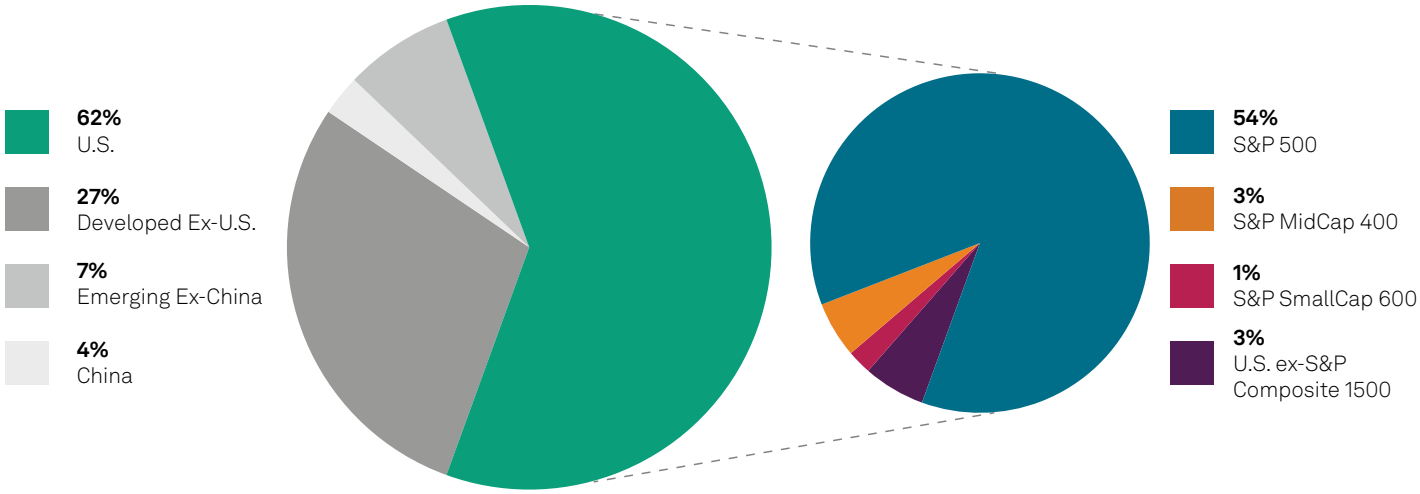
A Division of S&P Global

Why U.S. Mid Caps Matter

Market Capitalization Coverage

The S&P MidCap 400 represents approximately 5% of the U.S. equity market and around 3% of the investable global stock market. The S&P 400® has distinct constituents from the S&P 500 and S&P 600®, allowing market participants to potentially target various size segments without overlapping constituents.

Global Market Capitalization

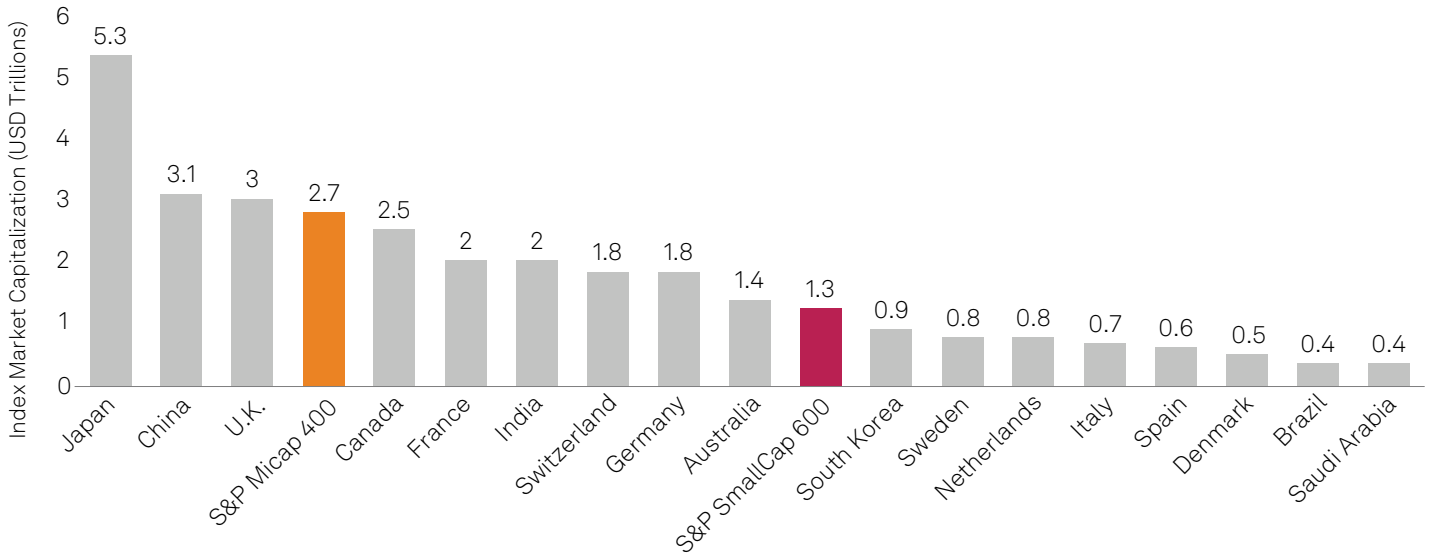


Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Chart based on index (float-adjusted) market capitalizations of S&P Global BMI and S&P Composite 1500 component indices and is provided for illustrative purposes. Past performance is no guarantee of future results. Domestic common stocks traded in the U.S., excluding ADRs, limited partnerships, mutual funds and warrants.

Global Relevance of U.S. Mid Caps

The breadth and depth of the U.S. equity market means that the U.S. mid-cap segment is as large as various countries' equity markets. Comparing the float-adjusted market capitalization of the S&P 400 with that of local equity markets around the world, the S&P 400's market capitalization is larger than Canada's, and close to the size of the U.K. and China. Overlooking U.S. mid-cap companies may lead to missing a large portion of the global opportunity set.

The S&P MidCap 400 Has an Index Equity Market Capitalization Larger Than Canada



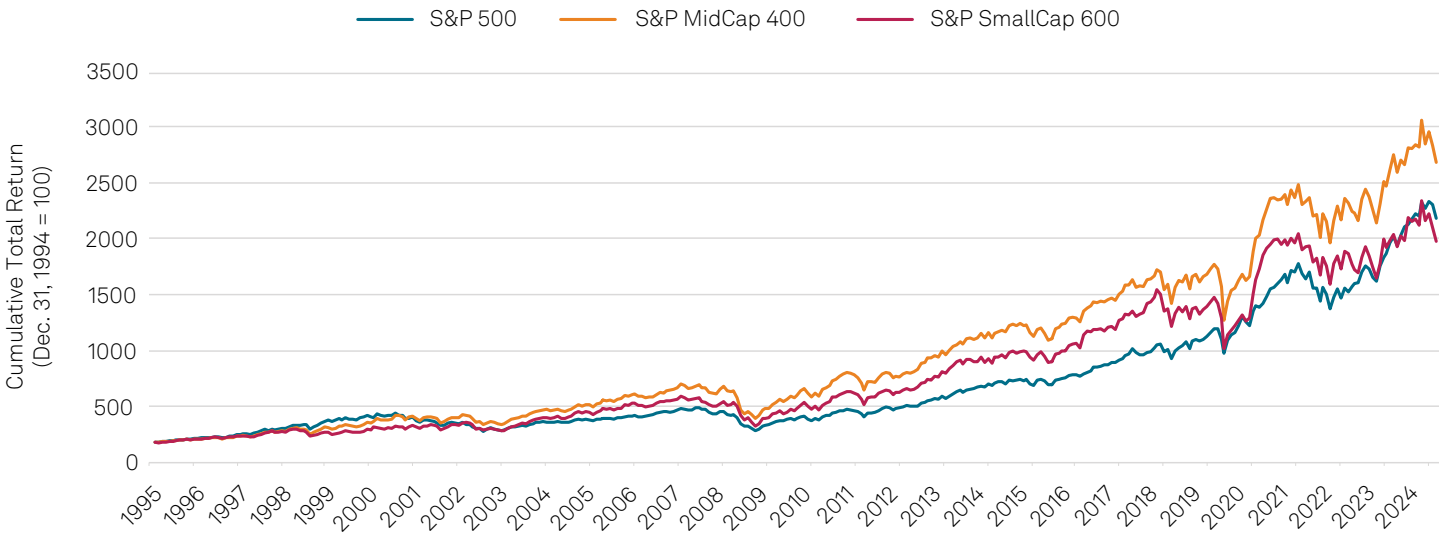
Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Chart is based on index market capitalization of S&P Global BMI and S&P Composite 1500 component indices and is provided for illustrative purposes.

Measuring the Mid-Cap Premium

The S&P 400 Has Outperformed since 1994

While the S&P 400 has historically displayed high correlation to the S&P 500 and S&P 600, it has outperformed both over the last 30 years. The S&P 400's outperformance versus the S&P 600 is especially interesting since it points to the drivers of performance that go beyond what might be expected from the well-documented smaller size premium.[1]

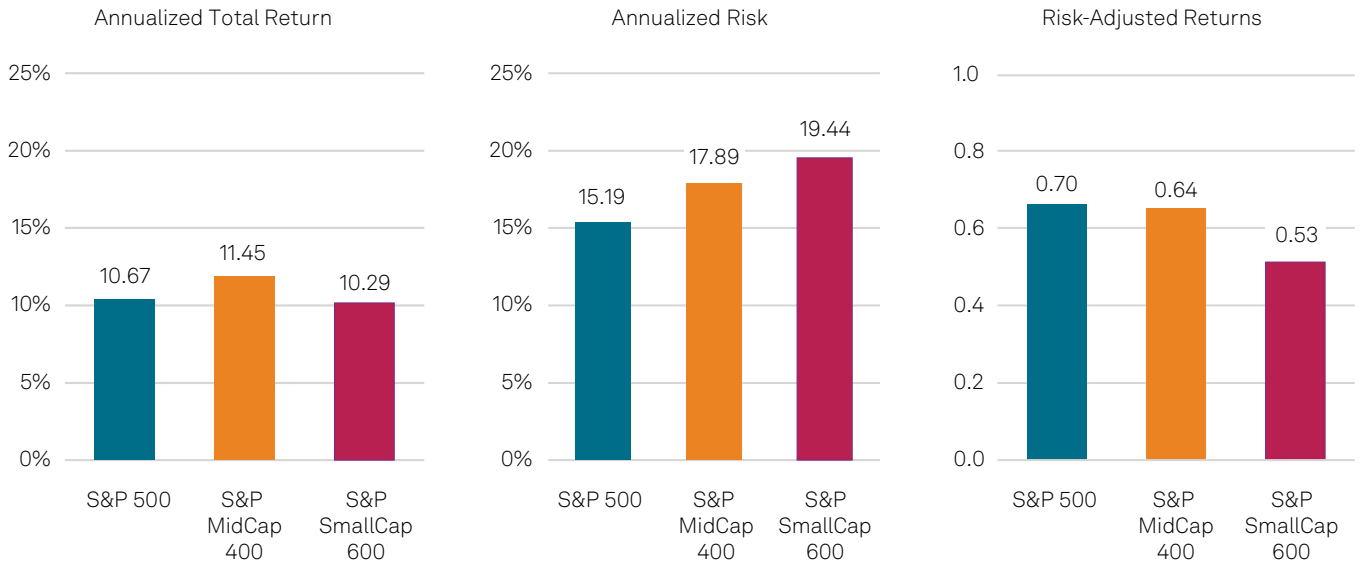
Performance of the S&P 500, S&P MidCap 400 and S&P SmallCap 600



Source: S&P Dow Jones Indices LLC. Data from Dec. 30, 1994, to March 31, 2025. Index performance based on monthly total returns in USD. Past performance is no guarantee of future results. Size premium is referenced in the report "S&P Composite 1500®: An Efficient Measure of the U.S. Equity Market" (2019). Chart is provided for illustrative purposes.

Since December 1994, the S&P 400 posted an annualized total return of 11.5%, compared with the S&P 600 and S&P 500's 10.3% and 10.7%, respectively. The S&P 400 outperformed in absolute terms and its risk-adjusted returns (return per unit of risk) were similar to The 500™, historically.

Performance of U.S. Capitalization Ranges Since Dec. 30, 1994



Source: S&P Dow Jones Indices LLC. Data from Dec. 30, 1994, to March 31, 2025. Index performance based on annualized total return in USD. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

[1] For a more detailed analysis of the S&P MidCap 400's relative performance, see https://www.spglobal.com/spdji/en/documents/research/research-sp-midcap-400-outperformance-and-potential-applications.pdf.

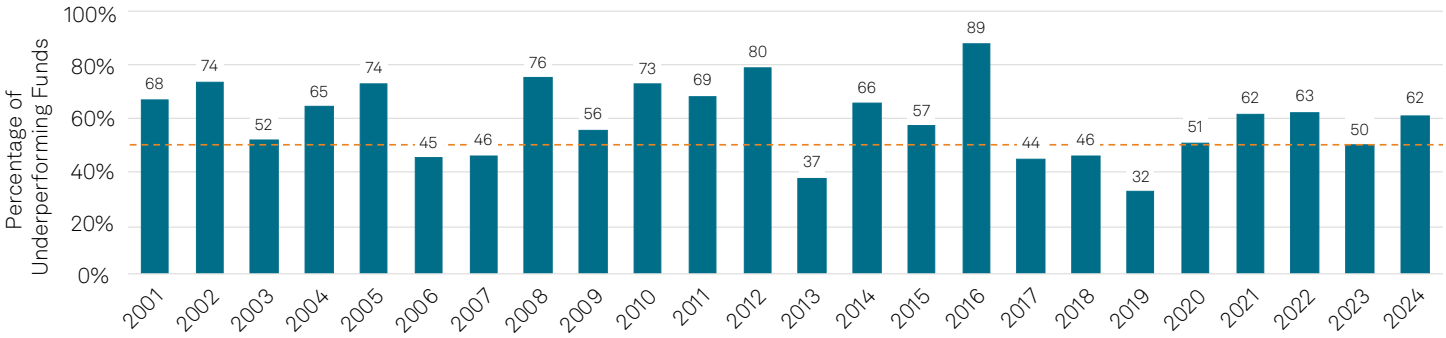
An Index Approach to U.S. Mid Caps

Indexing Works in U.S. Mid Caps

Over most investment horizons, a majority of U.S. mid-cap active managers underperformed the S&P 400. Our S&P Indices versus Active (SPIVA®) U.S. Year-End 2024 Scorecard shows that over half of mid-cap funds underperformed the benchmark in 18 of the past 25 years. The average of calendar years shows a 60% underperformance rate.

Active equity fund performance versus the benchmark typically worsened over longer time horizons; 91% of all U.S. mid-cap funds underperformed the S&P 400 over the 20-year period ending on Dec. 31, 2024, based on absolute return.

Percentage of Active U.S. Domestic Mid-Cap Equity Funds Underperforming the S&P MidCap 400



Source: SPIVA U.S. Year-End 2024 Scorecard. S&P Dow Jones Indices LLC, CRSP. Data as of Dec. 31, 2024. Performance based on annualized total return indices. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

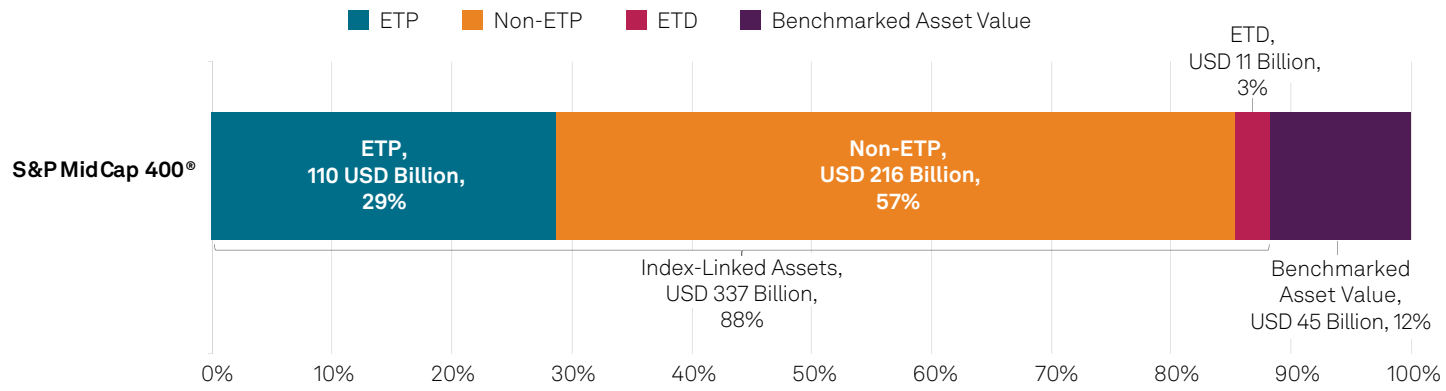
Assets Indexed to the S&P 400

The growth of passive investing has been driven by the challenges of active management, including high fees, limited transparency, and a historically poor performance track record. At the end of 2023, S&P DJI estimates that USD 337 billion was indexed to the S&P 400, with an additional USD 45 billion benchmarked to the index.[1] The chart below tracks the proportion of S&P 400 total assets between index-linked and benchmarked assets.

We estimate that the S&P 400 saved investors USD 2 billion in management fees in 2023 alone, which is equivalent to the combined value of "The One" in Bel Air, Los Angeles, Leonardo da Vinci's Salvator Mundi and a yacht.[2] Fee savings are estimated each year by taking the difference in expense ratios between active and index equity mutual funds, and multiplying this difference by the total value of indexed assets for the S&P 400.

Similar to the S&P 500, the S&P 400 also serves as the basis for a range of sector, factor and sustainability indices that expand the ecosystem even further.

S&P MidCap 400 Total Assets = USD 381 Billion



Source: S&P Dow Jones Indices LLC. "2023 Annual Survey of Indexed Assets." Data as of Dec. 31, 2023. Chart is provided for illustrative purposes.

[1] S&P Dow Jones Indices, "2023 Annual Survey of Indexed Assets"

[2] O'Connell, Caitlin, "10 Things $1 Billion Could Buy You." Reader's Digest, Nov. 28, 2023.

Index Construction: Defining the U.S. Mid-Cap Universe

The S&P 400 comprises 400 companies, which are identified based on their market capitalization, liquidity, sector representation and other criteria. The market cap range of mid-cap stocks has evolved over time and is reviewed by the S&P U.S. Index Committee on an ongoing basis.

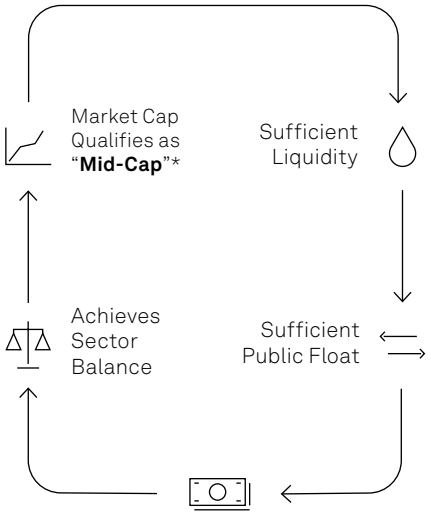
Index Committee Oversight

Constituents and Weighting Method

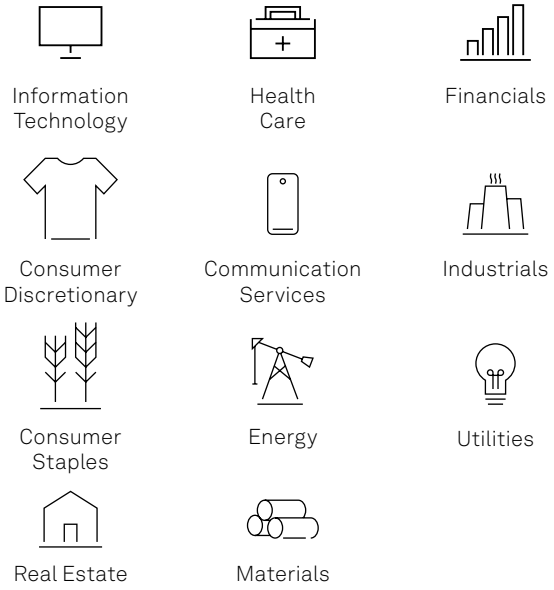
400
U.S. **Mid-Cap** Companies

Float Market Cap Weighted

Eligibility Criteria



GICS® Sector Classification



*S&P Composite 1500 market-cap guidelines are reviewed by the Index Committee on an as needed based. For further information and the complete details on the eligibility criteria please see the S&P U.S. Indices Methodology and to learn about the governance process of S&P DJI please visit https://www.spglobal.com/spdji/en/governance/.

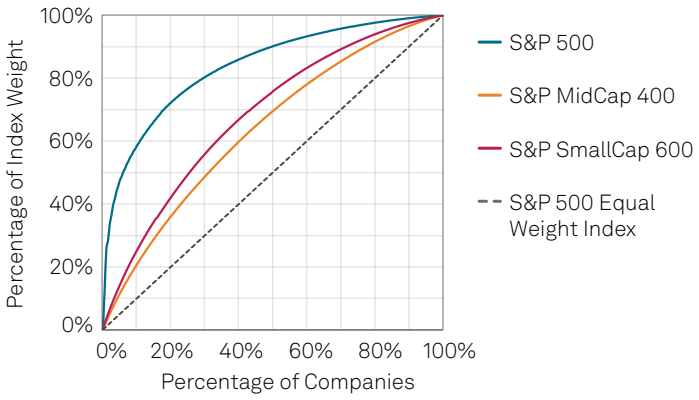
Distinguishing Mid Caps from Other Capitalization Ranges

Differences in Concentration

The S&P 400 has a smaller gap between the largest and smallest index weights compared to The 500.

Looking at constituent sizes at the end of March 2025, the average S&P 400 company was less than one-tenth the size of the average S&P 500 company and three times the size of the average S&P 600 constituent.

Relative Concentration



S&P Dow Jones Indices' U.S. Equity Series Market Cap

	Constituent Size (USD Billion)			
Index	**Average**	**Maximum**	**Minimum**	**Total**
S&P 500	99.2	3,336.9	5.3	49,881.2
S&P MidCap 400	7.2	18.5	1.2	2,898.9
S&P SmallCap 600	2.3	12.0	0.4	1,364.5

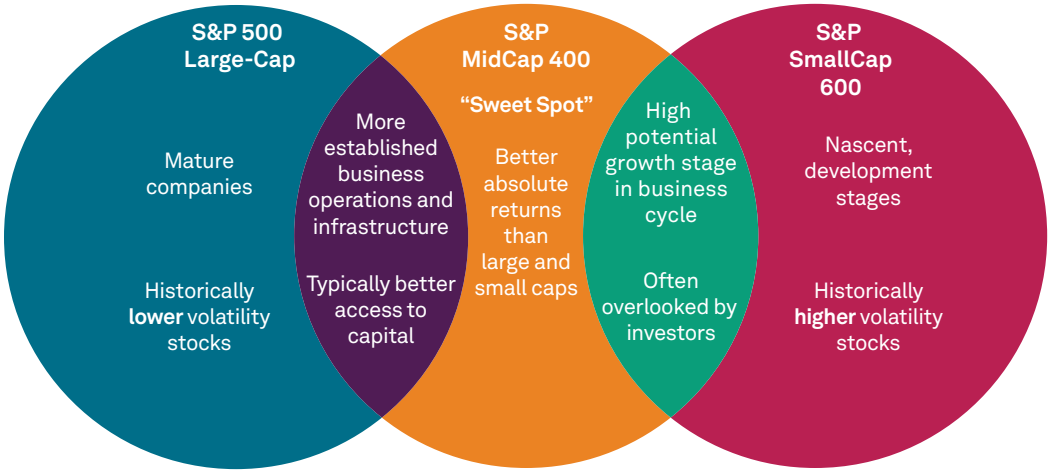
Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes. Table is based on total market capitalization.

Closing the Gap Between the Large- and Small-Cap Segments

Some investors may overlook the potential benefits of U.S. mid caps and simply allocate to large- and small-cap equities. But doing this risks overlooking a sizeable piece that some have considered a "sweet spot" of performance, historically.

The S&P 400 has distinct characteristics from its large- and small-cap counterparts, as highlighted below. Mid-cap companies tend to be more established than those in the S&P 600 but, unlike their large-cap counterparts, mid caps may not be in the mature phase of their business cycles.

There is also a fluid relationship between the three size segments. Several S&P 600 companies have been promoted to the S&P 400 and some mid-cap companies have matured into the S&P 500.



Source: S&P Dow Jones Indices LLC. Chart is provided for illustrative purposes.

Sector and Economic Exposure of Mid Caps

S&P MidCap 400 Sectors

The mid-cap index's sector exposures deviate from the S&P 500's, with a higher exposure to more domestically focused sectors like Industrials, Real Estate and Consumer Discretionary. While the S&P 400 has an Information Technology sector weight comparable to many developed market countries, such as Japan, it has less exposure to tech than The 500, with a 20% underweight as of March 31, 2025. This highlights that even within the U.S. equity market, a mid-cap equity allocation can be a diversifier when paired with the larger S&P 500.

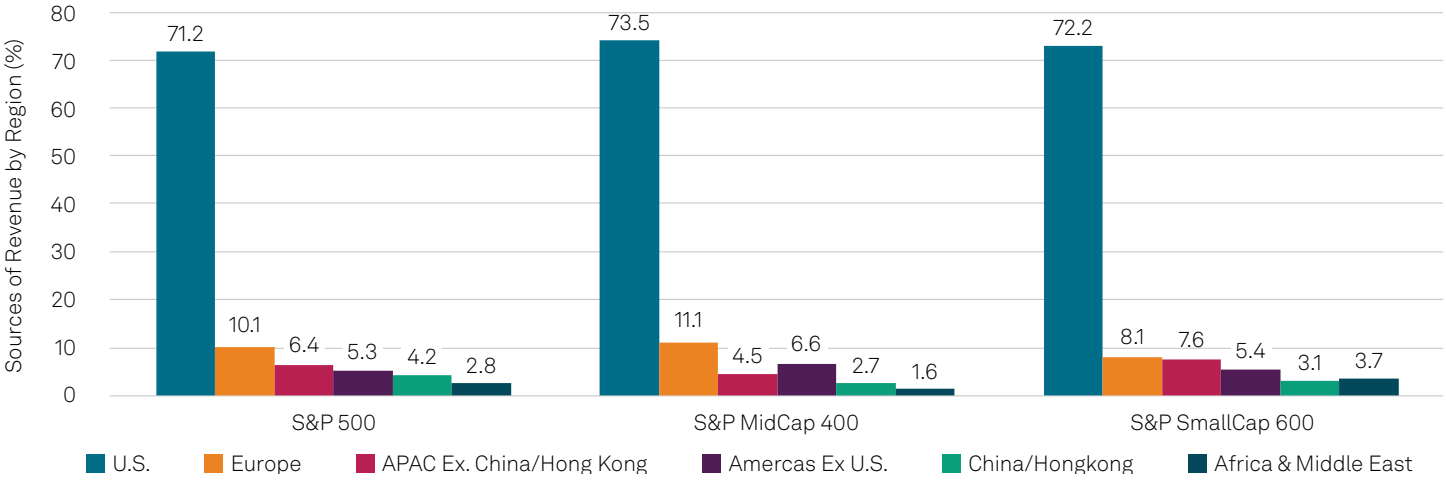
S&P Composite 1500 Component Indices Sector Weight

	Absolute Sector Weight			Relative to the S&P 400	
Sector Name	**S&P 500**	**S&P MidCap 400**	**S&P SmallCap 600**	**versus S&P 500**	**versus S&P 600**
Information Technology	29.6%	9.9%	11.7%	-19.7%	-1.7%
Financials	14.7%	18.8%	19.1%	4.1%	-0.3%
Health Care	11.2%	9.1%	12.1%	-2.1%	-3.0%
Consumer Discretionary	10.3%	13.3%	12.8%	3.0%	**0.6%**
Communication Services	9.2%	1.3%	3.0%	-7.9%	-1.8%
Industrials	8.5%	20.9%	17.8%	12.5%	3.1%
Consumer Staples	6.1%	5.4%	3.3%	-0.6%	2.2%
Energy	3.7%	4.1%	4.5%	0.5%	-0.4%
Utilities	2.5%	3.0%	2.5%	0.5%	0.6%
Real Estate	2.3%	7.5%	8.3%	5.2%	-0.8%
Materials	2.0%	6.6%	5.0%	4.6%	1.6%

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Based on GICS sectors. Past performance is no guarantee of future results. Table is provided for illustrative purposes. The weightings for each sector of the index are rounded to the nearest whole number; therefore, the aggregate weights for the index may not equal 100%. For the latest sector weight, as of the most recent month-end, visit the S&P 400 index page.

Higher Exposure to the U.S. Economy

The S&P MidCap 400 is composed entirely of companies that are domiciled in the U.S.; however, only 74% of its revenues are generated domestically. This indicates a slightly stronger domestic revenue profile compared to companies in the S&P 500 and the S&P SmallCap 600, which generate 71% and 72% of their revenues within the U.S., respectively. When examining international revenue sources, companies in the S&P MidCap 400 also lead with higher revenue from Europe at 11%, compared to 10% for the S&P 500 and 8% for the S&P SmallCap 600. Conversely, companies in the S&P MidCap 400 generate less revenue from China, accounting for 2.7%, compared to 4.2% for the S&P 500 and 3.1% for the S&P SmallCap 600.



Source: S&P Dow Jones Indices LLC, FactSet GeoRev database. Data as of March 31, 2025. Past performance is no guarantee of future results. Percentage of domestic sales calculated via sales-weighted average among constituents. Chart is provided for illustrative purposes. Updated from "Locally Sourced but Globally Minded" (February 2025).

Get the Latest Data and Content

S&P MidCap 400 Price Return Tickers

- Bloomberg: MID
- Thomson Reuters: .MID

For more research and insights on the S&P MidCap 400, visit Indexology® Blog.

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