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WisdomTree Equity Income Family



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WisdomTree Equity Income ETFs (exchange-traded funds) seek long-term capital appreciation by investing primarily in Value-oriented, high dividend paying companies that meet WisdomTree's ESG (environmental, social and governance) criteria. By emphasising the role of Value-oriented stocks, the ETFs aim to provide investors with a fundamentally driven portfolio of stocks trading at attractive valuations and offering higher dividends with lower volatility.

WisdomTree's investment philosophy

WisdomTree believes that financial markets tend to reward investors that apply a disciplined approach to long-term investing by screening for stocks based on fundamental analysis. Our academic research verifies that stocks with attractive Value metrics such as low price to earnings, price to sales, price to book or price to cash flow metrics outperform over the long run.



Robust, research-driven, systematic process – Investors benefit from WisdomTree's transparent and systematic investment process rooted in academically driven research.



Capitalise and enhance – WisdomTree aims to capitalize on the income potential of dividend-paying companies and enhance the exposure to the Value factor amidst a volatile interest rate environment.



WisdomTree weights by dividends – We developed our equity indices with the objective of improving the passive approach, by anchoring companies to a less volatile measure than the market price, such as a company fundamental. The fundamental we believe to be the strongest indicator of underlying Value is the dividend.



High active share portfolio– The ETFs consistently deliver high exposure to the Value factor with high active share (circa 80%).

Why invest in Value?

Value investing is based on the premise that paying less for a set of future cash flows is associated with a higher expected return. This is one of the most fundamental tenets of investing.

- 1. A recognised investment philosophy** – Benjamin Graham, known as the father of Value investing, first established this term in his acclaimed book, *The Intelligent Investor*, in 1949. Notable proponents of Value investors include Warren Buffett, Seth Klarman, Mohnish Pabrai, and Joel Greenblatt
- 2. Long Term historical outperformance** – The Value factor as defined by Fama-French has on average outperformed growth over ten-year time horizons going back to 1936
- 3. Building a margin of safety** – Value exploits the systematic behavioural weakness that most investors succumb to when making investment decisions. Value stocks tend to have a substantial fundamental safety margin. The margin of safety protects investors against unexpected negative turns in the economic cycle and minimises the risk of “a permanent loss of capital”

WisdomTree ESG framework

WisdomTree understands the importance of ESG considerations within investment strategies and strongly believes that ESG principles need to be addressed holistically and not simply applied to a subset of impact investments.

We have aligned our proprietary equity indices with ESG factors using exclusion criteria, applying a combination of principle-based exclusions and activity-based exclusions based on the assessment from Sustainalytics, a leading independent ESG and corporate governance research, ratings and analytics firm.

For information on our approach to ESG, visit our [responsible investing page](#).

Investment process

With the Equity Income strategies, investors benefit from WisdomTree’s transparent, and systematic investment process, which is rooted in academically driven research.

I Screening for inclusion

- + **Liquidity and dividend screen** – Only dividend-paying companies that pay regular cash dividends on shares of common stock and minimum market capitalisation as well as daily traded volume to ensure liquidity are eligible
- + **Composite risk score¹ (CRS)** – uses Quality and Momentum scores to rank companies and separate out the riskiest of companies. The riskiest companies, as well as potential Value traps, are screened out
- + **ESG considerations** – Index members are also screened for the ESG (Environmental, Social, and Corporate Governance) criteria defined within the WisdomTree ESG framework

2 Stock selection

The component companies in each strategy are ranked by their annual dividend yield. The companies that rank in the top 30% by annual dividend yield are selected for inclusion in the strategy.

3 Weighting

- + Annual rebalancing
- + “Dividend stream” weighting - the weight for each stock is derived from the amount of dividend paid by the company over the previous 12 months in US dollar terms (Dividend per share x # shares outstanding)
- + This weighting methodology also takes into account the Quality and Momentum scores of the company via CRS. This is to control for the valuation of the portfolio by ensuring that companies which pay more dividends and have higher CRS are more heavily weighted.
- + **Diversification:** Individual stocks, countries and sectors are capped to ensure diversification.

1 The WisdomTree Composite Risk Score (“CRS”) uses Quality and Momentum scores to rank companies and separate the strongest from the riskiest companies. The objective is to remove the Companies in the bottom Decile by CRS as well as the companies in the top 5% by Dividend Yield and in the bottom half by CRS

Fund Information: WisdomTree US Equity Income UCITS ETF

Share Class	Base Currency	Ticker	Exchange	ISIN	BBG Code	Listing Currency	TER%
Unhedged	USD	DHS	LSE	IE00BQZJBQ63	DHS LN	GBx	0.29
		DHSD	LSE	IE00BQZJBQ63	DHSD LN	USD	0.29
		DHS	Borsa Italiana	IE00BQZJBQ63	DHS IM	EUR	0.29
		DHS	SIX	IE00BQZJBQ63	DHS SW	CHF	0.29
		WTEU	Xetra	IE00BQZJBQ63	WTEU GY	EUR	0.29
Unhedged Acc	USD	DHSA	LSE	IE00BD6RZT93	DHSA LN	USD	0.29
		DHSP	LSE	IE00BD6RZT93	DHSP LN	GBx	0.29
		DHSA	Borsa Italiana	IE00BD6RZT93	DHSA IM	EUR	0.29
		DHSA	SIX	IE00BD6RZT93	DHSA SW	USD	0.29
		WDD9	Xetra	IE00BD6RZT93	WTD9 GY	EUR	0.29
EUR Hedged Acc	EUR	DHSF	Borsa Italiana	IE00BD6RZW23	DHSF IM	EUR	0.35
		WTDY	Xetra	IE00BD6RZW23	WTDY GY	EUR	0.35
GBP Hedged Acc	GBP	DHSG	LSE	IE00BD6RZZ53	DHSG LN	GBx	0.35

TER: Total Expense Ratio.

Fund Information: WisdomTree Europe Equity Income UCITS ETF

Share Class	Base Currency	Ticker	Exchange	ISIN	BBG Code	Listing Currency	TER%
Unhedged	EUR	EEI	LSE	IE00BQZJBX31	EEI LN	GBx	0.29
		EEIE	LSE	IE00BQZJBX31	EEIE LN	EUR	0.29
		EEI	Borsa Italiana	IE00BQZJBX31	EEI IM	EUR	0.29
		EEI	SIX	IE00BQZJBX31	EEI SW	CHF	0.29
		WTEE	Xetra	IE00BQZJBX31	WTEE GY	EUR	0.29
Unhedged Acc	EUR	EEIP	LSE	IE00BDF16007	EEIP LN	GBx	0.29
		EEIA	LSE	IE00BDF16007	EEIA LN	EUR	0.29
		EEIA	Borsa Italiana	IE00BDF16007	EEIA IM	EUR	0.29
		EEIA	SIX	IE00BDF16007	EEIA SW	EUR	0.29

TER: Total Expense Ratio.

Fund Information: WisdomTree Emerging Markets Equity Income UCITS ETF

Share Class	Base Currency	Ticker	Exchange	ISIN	BBG Code	Listing Currency	TER%
Unhedged	USD	DEMD	LSE	IE00BQQ3Q067	DEMD LN	USD	0.46
		DEM	LSE	IE00BQQ3Q067	DEMD LN	GBx	0.46
		DEM	Borsa Italiana	IE00BQQ3Q067	DEM IM	EUR	0.46
		DEM	SIX	IE00BQQ3Q067	DEM SW	CHF	0.46
		WTEI	Xetra	IE00BQQ3Q067	WTEI GY	EUR	0.46
Unhedged Acc	USD	DEMS	LSE	IE00BDF12W49	DEMS LN	GBx	0.46
		DEMR	LSE	IE00BDF12W49	DEMR LN	USD	0.46
		DEMR	Borsa Italiana	IE00BDF12W49	DEMR IM	EUR	0.46
		DEMR	SIX	IE00BDF12W49	DEMR SW	USD	0.46
		WTD8	Xetra	IE00BDF12W49	WTD8 GY	EUR	0.46

TER: Total Expense Ratio.

Fund Information: WisdomTree UK Equity Income UCITS ETF

Share Class	Base Currency	Ticker	Exchange	ISIN	BBG Code	Listing Currency	TER%
Unhedged	GBP	WUKD	LSE	IE00BYPGTJ26	WUKD LN	GBx	0.29

TER: Total Expense Ratio.

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