



# WisdomTree Value Range Investment Case



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The WisdomTree Value exchange-traded funds (ETFs) provide exposure to stocks with strong alignment to the Value factor. These strategies are designed to capture companies that combine attractive valuations with disciplined capital allocation, including both dividends and share repurchases.

## **Why invest in Value?**

Value investing is built on a simple idea: pay less for earnings and assets. By focusing on companies trading at low valuations relative to their fundamentals such as earnings, book value, or cash flow, investors can take advantage of the market's tendency to misprice businesses facing temporary challenges. As sentiment normalises and fundamentals improve, these undervalued stocks often re-rate higher, rewarding disciplined investors who buy low and wait for recovery.

Academic research has long validated the persistence of the value premium. The pioneering work of Eugene Fama and Kenneth French identified Value as one of the key factors driving equity returns, showing that companies with low valuations have historically outperformed their expensive counterparts across markets and time periods. This finding formalised what legendary investors like Benjamin Graham and Warren Buffett had already demonstrated in practice: that buying businesses below their intrinsic worth can generate superior long-term results. From the Great Depression to the modern era, the Value factor has proven to be one of the most enduring and well-documented sources of equity outperformance. Like all equity strategies, value investing is subject to shifts in market sentiment and macroeconomic conditions, which can lead to periods of underperformance.

Yet, since the Global Financial Crisis, Value investing has struggled to deliver its historical edge. Years of ultra-low interest rates, the rise of capital-light technology firms and a market dominated by growth and momentum have all challenged traditional valuation-based approaches. This prolonged underperformance has highlighted a key lesson: the definition of Value must evolve. Simple ratios like price-to-book no longer capture the full picture of corporate worth in an economy increasingly driven by intangible assets and capital efficiency.

The next generation of Value investing will require innovation: blending profitability and overall shareholder return as measures to better reflect how companies create and distribute value in today's market.

### **Why shareholder yield?**

Over the past several decades, companies have increasingly returned capital to shareholders through a combination of dividends and share buybacks. While dividends have traditionally been the primary means of rewarding investors, this trend has evolved. According to S&P Dow Jones Indices (S&P), the aggregate value of share repurchases surpassed total cash dividend distributions as early as 1997.

Shareholder yield has consistently been one of the most effective drivers of long-term equity returns. The concept is simple and intuitive, companies that generate strong cash flows and efficiently deploy them to reward shareholders tend to deliver superior performance over time.

These companies typically exhibit sound fundamentals, disciplined capital allocation and management confidence in their business outlook. In contrast, firms that neither return capital to shareholders nor avoid dilution often signal weaker balance sheets or less sustainable business models. What it also does is identify 'cheap' companies.

Traditional metrics used to identify Value stocks, such as price multiples or dividend yield, are widely recognised but have struggled to deliver consistent performance since the Global Financial Crisis, a period dominated by growth-oriented equities.

By comparison, shareholder yield has remained one of the few Value-oriented factors that continues to provide meaningful Value exposure alongside strong long-term performance across business cycles. Its focus on tangible capital returns through dividends and buybacks anchors it in fundamental corporate behaviour rather than market sentiment, making it a durable and intuitive measure of value creation.

The WisdomTree Value Range is designed to capture this distinction by identifying high-quality, value-oriented businesses that consistently return capital through dividends and share repurchases, while avoiding those that dilute or erode shareholder value.

## Investment methodology highlights

The WisdomTree Global Developed Value UCITS Index [referred to as “the Index”] was developed by WisdomTree, Inc. (WTI). The index is rules-based and fundamentally weighted, comprising mid- and large-cap companies from global developed markets that exhibit strong value characteristics and favourable quality attributes. It excludes companies that do not meet WisdomTree’s environmental, social and governance (ESG) criteria and applies minimum liquidity requirements.

- + From the eligible universe<sup>1</sup>, companies are ranked by total shareholder yield, which combines dividend yield and net buyback yield over the trailing twelve months.
- + The top 30% stocks within each region (United States, developed Europe, and the rest of the developed markets) are selected, provided they meet additional risk-screening requirements.
- + This risk screening uses a composite risk score that equally weights Quality factors (Return on Equity and Return on Assets) and Momentum factors, to remove companies with weaker fundamentals or negative price trends.
- + Constituents are weighted according to their total shareholder yield, ensuring that companies delivering higher shareholder returns receive larger weights.
- + Sector and regional weights are capped to limit deviations from the market-weighted eligible universe.
- + The index is rebalanced semi-annually.

## WisdomTree’s ESG framework

WisdomTree understands the importance of ESG considerations within investment strategies and strongly believes that ESG principles must be addressed holistically, rather than being 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](#).

<sup>1</sup> Eligible universe for the three regional exposures are as follows:

**US:** Top 800 stocks by market capitalisation

**Europe:** Top 500 stocks by market capitalisation.

**Global:** Top 800 US stocks by market capitalisation + top 500 Developed Europe stocks by market capitalisation + top 300 stocks by market capitalisation from rest of developed markets.

## Why WisdomTree Value UCITS ETFs?

- + **An innovative take on Value:** Using shareholder yield to invest in Value stocks that have delivered value over the long term and the recent past as well.
- + **A differentiated and diversified Value exposure:** the portfolio delivers a broad and sector-aware diversification to concentrated and growth-tilted market cap weighted indices.
- + **A research-driven systematic strategy from the pioneers in factor investing:** WisdomTree combines research-driven insights with rules-based portfolio construction to deploy capital effectively and provide long-term value to investors.

### Listing and fund information

Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base currency	TER%
<b>US Value</b>						
WTVU	LSE	IE000F9AQNW6	WTVU LN	EUR	USD	0.20
VLUA	LSE	IE000F9AQNW6	VLUA LN	GBx	USD	0.20
WTVU	Borsa	IE000F9AQNW6	WTVU IM	EUR	USD	0.20
VYUS	Xetra	IE000F9AQNW6	VYUS GY	EUR	USD	0.20
<b>Global Value</b>						
WTVG	LSE	IE000D1017N2	WTVG LN	EUR	USD	0.25
VLUG	LSE	IE000D1017N2	VLUG LN	GBx	USD	0.25
WTVG	Borsa	IE000D1017N2	WTVG IM	EUR	USD	0.25
VYGL	Xetra	IE000D1017N2	VYGL GY	EUR	USD	0.25
<b>Europe Value</b>						
WTVE	LSE	IE0005HNE843	WTVE LN	EUR	EUR	0.25
VLUE	LSE	IE0005HNE843	VLUE LN	GBx	EUR	0.25
WTVE	Borsa	IE0005HNE843	WTVE IM	EUR	EUR	0.25
VYEU	Xetra	IE0005HNE843	VYEU GY	EUR	EUR	0.25

TER: Total expense ratio.

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The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer (“WT Prospectus”). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at [www.wisdomtree.eu](http://www.wisdomtree.eu). Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the Shares.

The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe’s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

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