



# AN ALL WEATHER STRATEGY TO NAVIGATE RISING INFLATION AND UNCERTAINTY

*ITINERARI  
PREVIDENZIALI  
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**WisdomTree.com**

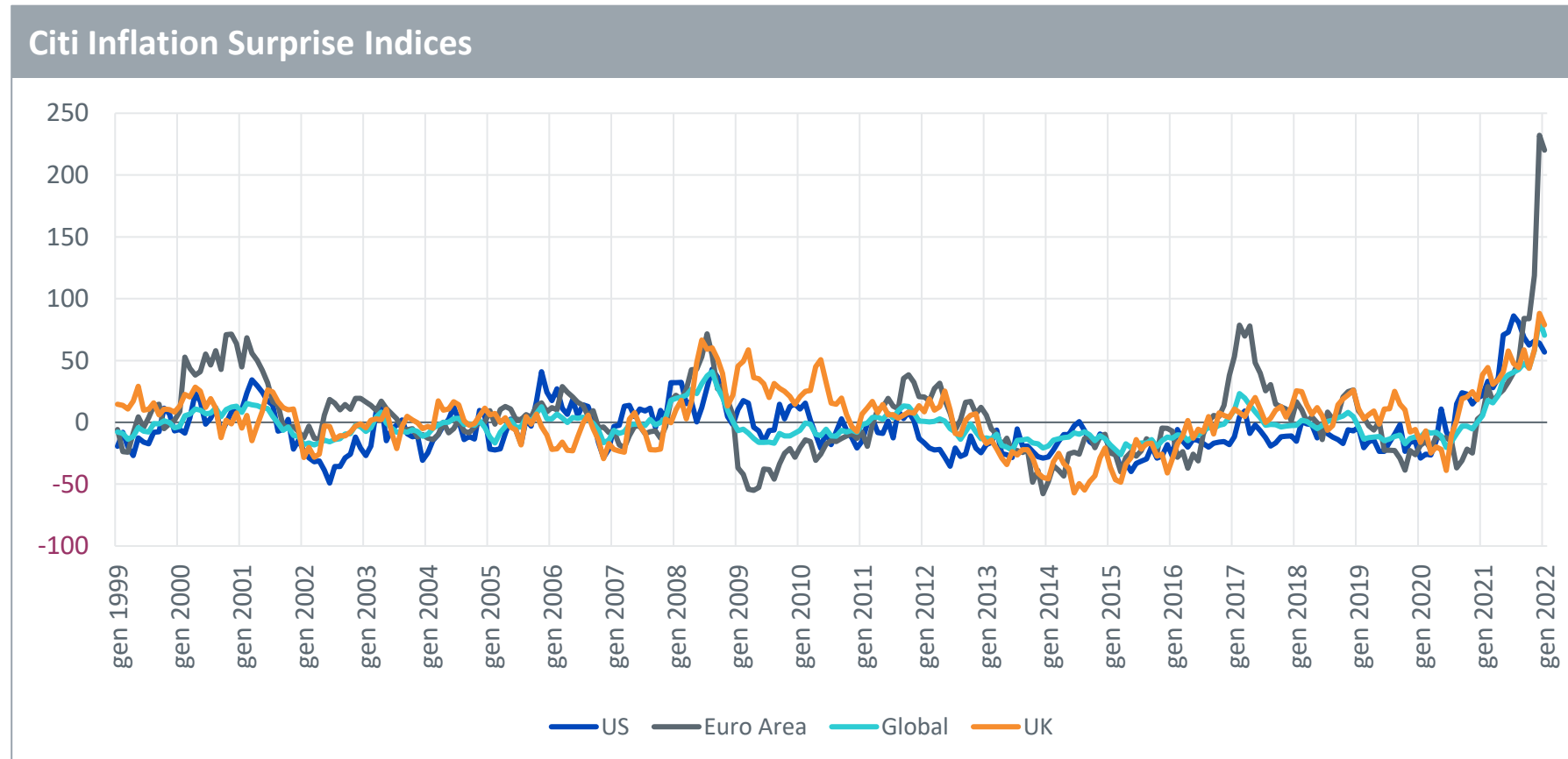
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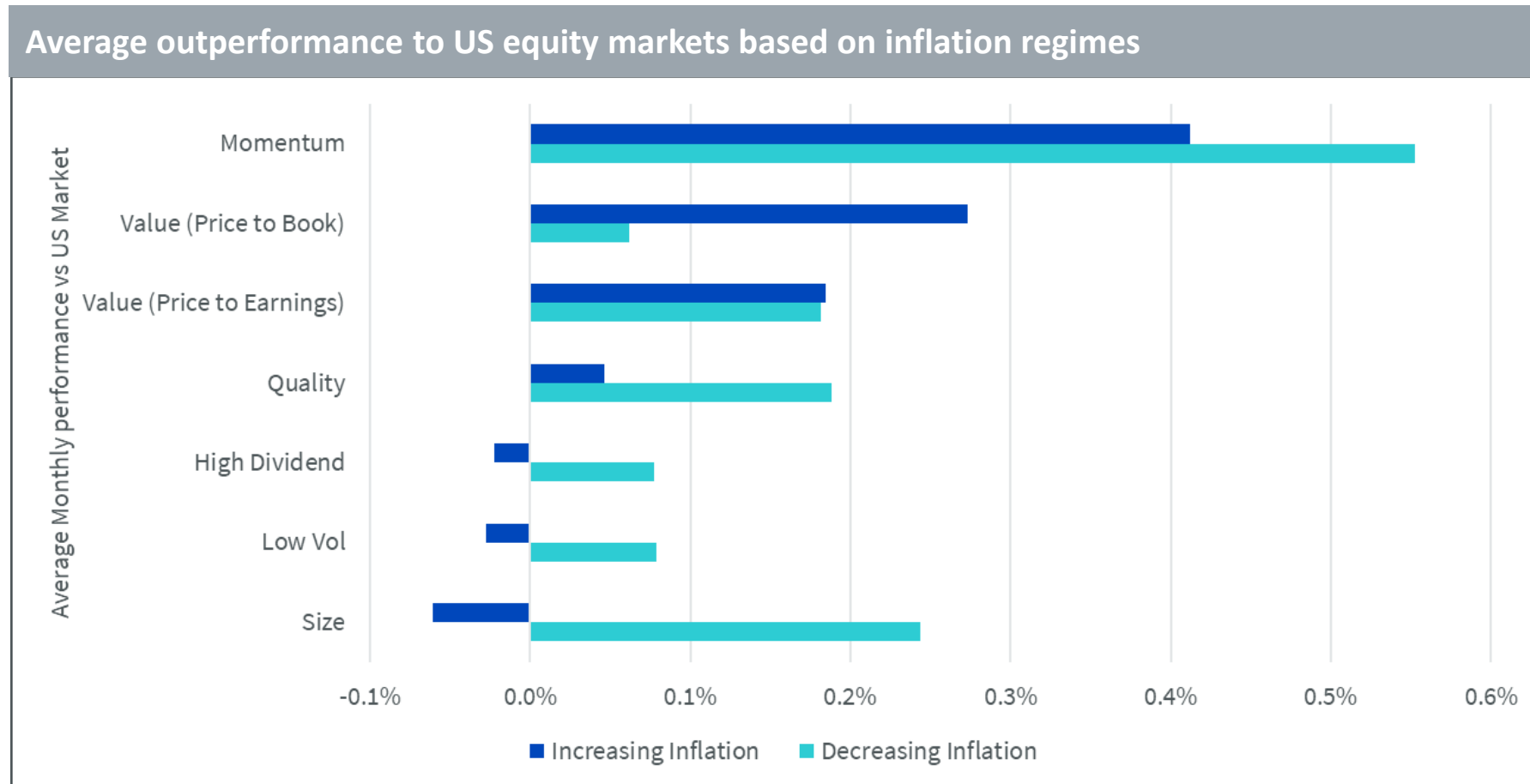
# Inflation still surprising to the upside



Source: WisdomTree, Citi Group, Bloomberg, data from January 1999 to January 2022. They are defined as weighted historical standard deviations of inflation data surprises (actual releases vs Bloomberg survey median). A positive reading of the Inflation Surprise Index suggests that inflation releases have on balance been beating consensus. Historical performance is not an indication of future performance and any investments may go down in value

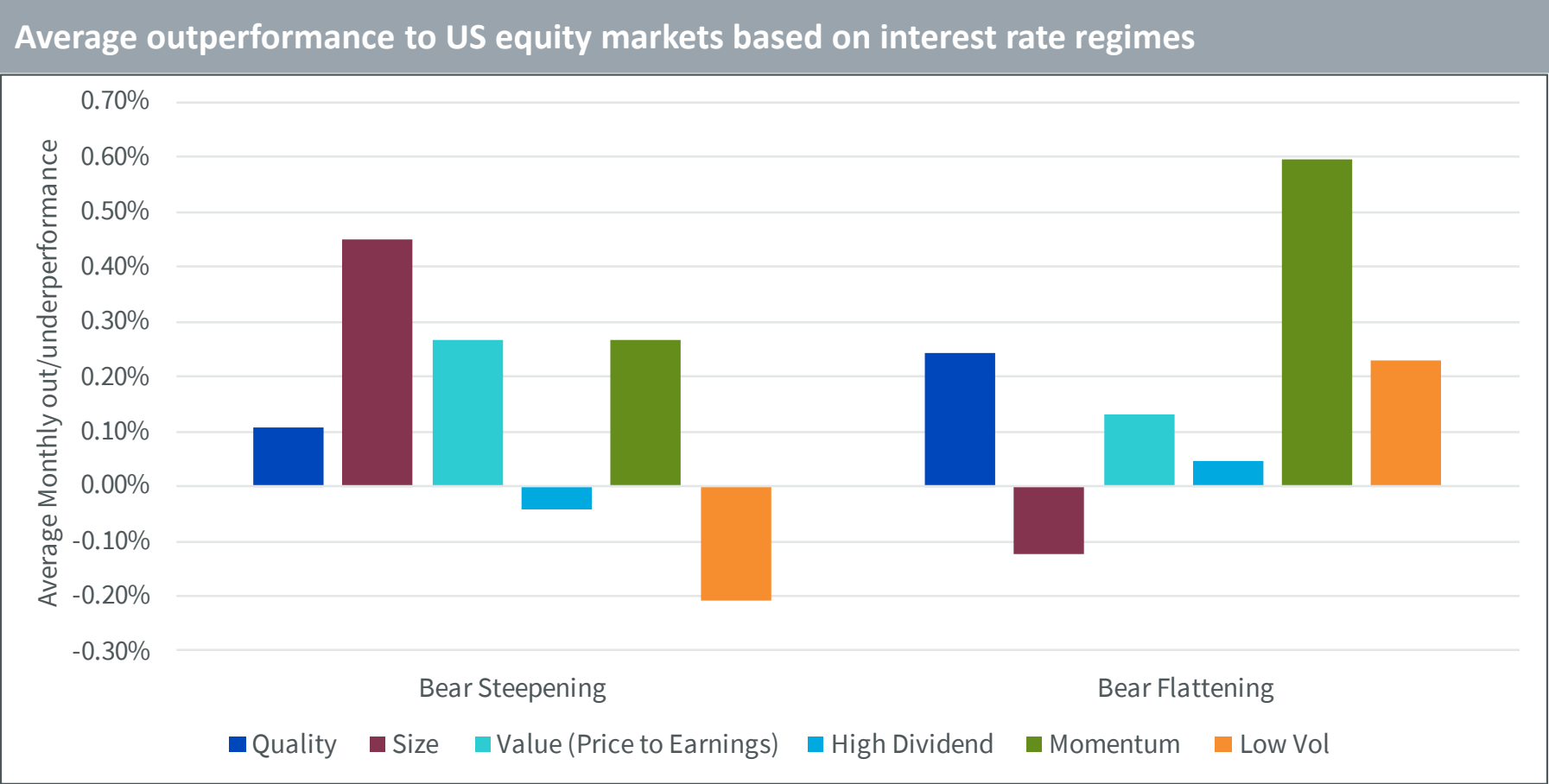
# High pricing power help defend margins against inflation

Value and Quality have historically done well



Source: Kenneth French data library. Data from July 1963 to January 2022. Factors are defined as the value weighted basket of the 30% stocks with the relevant characteristics. Min Volatility use lower variance, Quality use operational profitability, Value uses the lowest price to earnings or price to book, Size use the lowest market cap, High dividend uses the highest dividend yield and momentum uses the last 12 months price performance. Historical performance is not an indication of future performance and any investments may go down in value.

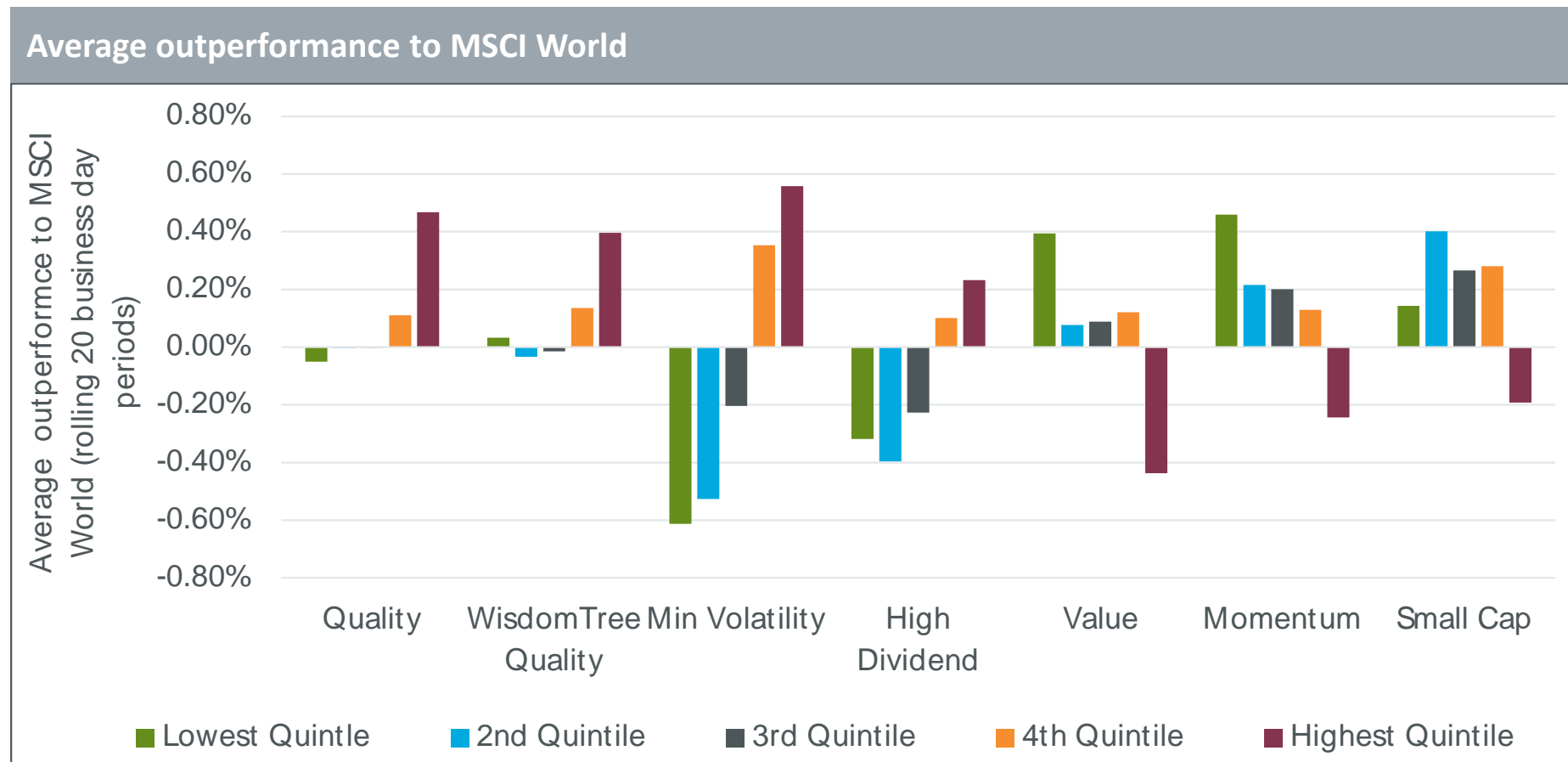
# Strong resilience in periods of short term rate increase



Source: Kenneth French data library. Data form July 1963 to January 2022. Factors are defined as the value weighted basket of the 30% stocks with the relevant characteristics. Min Volatility use lower variance, Quality use operational profitability, Value uses the lowest price to earnings or price to book, Size use the lowest market cap, High dividend uses the highest dividend yield and momentum uses the last 12 months price performance. Historical performance is not an indication of future performance and any investments may go down in value.

# Good risk return balance when markets are volatile

Quality tends to outperform in periods of elevated volatility in the market



Source: Bloomberg, WisdomTree. Data as of 30<sup>th</sup> September 2002 to 31<sup>st</sup> December 2021. Using Days data in US dollars. Calculations are in USD. The inception date for the WisdomTree Global Quality Dividend Growth Index(WisdomTree Quality) is 16 Oct 2015. You can not invest in an index. Above numbers include backtested data. **Historical performance is not an indication of future performance and any investments may go down in value.** Factors here are using MSCI World based Factors except for WisdomTree Quality.

# WisdomTree Global Quality Dividend Growth UCITS ETF

An ESG, quality focused core investment in Global Developed Equities



## Core Equity Exposure

Investing in ESG<sup>1</sup>, high quality stocks is a robust way of getting core equity exposure

## All-weather strategy

Our strategy is focused on **profitability, long term growth and lower leverage** aiming to provide an attractive profile in the upside and **defensive characteristics** in drawdowns

## Robust investment process

Investors benefit from WisdomTree's ESG<sup>1</sup>, **style consistent, transparent and systematic** investment process rooted in **academically driven research**

## Attractive risk-return profile

Our strategy outperformed MSCI World by 1.0% annualised and has been awarded a ★★★★★ Morningstar rating

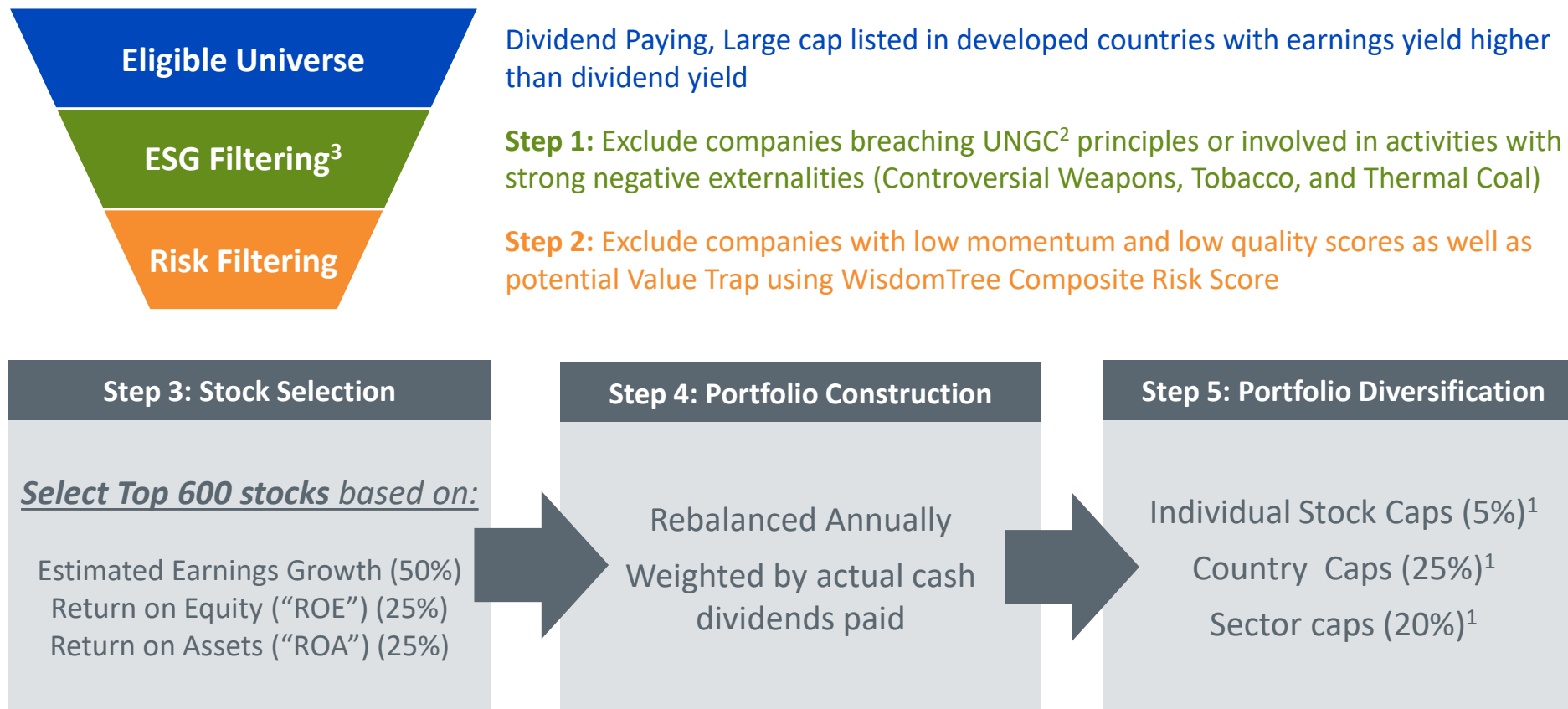
Source: WisdomTree, Morningstar, Bloomberg. As of 31 Dec 2021. ETF annualised returns relative to MSCI World net TR Index.

1. From 22nd October 2020. ESG stands for Environmental, Social, and Governance.

**Historical performance is not an indication of future performance and any investments may go down in value.**

# WisdomTree Global Quality Dividend Growth UCITS ETF

A robust investment process, to build a valuation-controlled, high profitability, ESG portfolio



Source: WisdomTree. January 2022. Estimated Earnings growth are analysts' long-term earnings growth expectations, which ultimately encompass the estimated growth in operating earnings per share over the company's next full business cycle – typically three to five years.

1. Single positions capped at 5%. Countries capped at 25% (U.S. at 50%). Sectors are capped at 20%, 15% for Real Estate. More details in Appendix.

2. UNGC stands for United Nations Global Compact. 3. From 22 Oct 2020.



# WisdomTree Global Quality Dividend Growth UCITS ETF

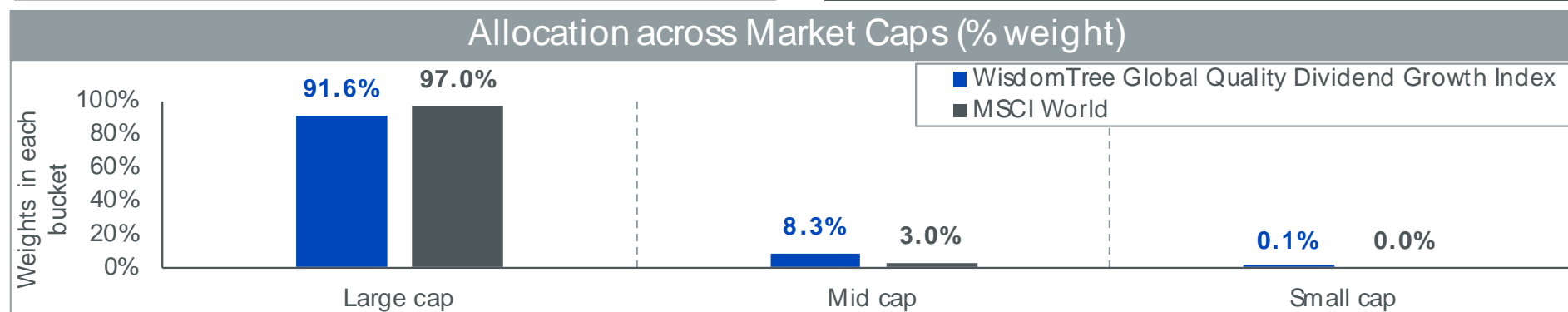
A diversified portfolio of Quality stocks with high active share

WisdomTree Global Quality Dividend Growth Index	
# Stocks	598
Active share vs. benchmark	68.4%

WisdomTree Global Quality Dividend Growth Index Breakdown		
Breakdown	Weight	# Stocks
Overlap with MSCI World	92.8%	327
Overlap with MSCI World Small Cap	6.3%	260
Other	0.9%	11

Breakdown	WisdomTree Strategy		MSCI World	
	Weight	# Stocks	Weight	# Stocks
Large cap	91.59%	304	96.98%	1209
Mid cap	8.33%	283	3.02%	337
Small cap	0.08%	11	0.00%	0

Top 10 Holdings	Weight
Apple Inc.	4.66%
Microsoft Corporation	4.27%
Rio Tinto plc	3.51%
Johnson & Johnson	3.14%
Roche Holding Ltd	3.12%
BHP Group Plc	3.02%
Broadcom Inc.	2.16%
Coca-Cola Company	2.09%
LVMH Moet Hennessy Louis Vuitton SE	1.95%
PepsiCo, Inc.	1.70%
<b>Total</b>	<b>29.62%</b>

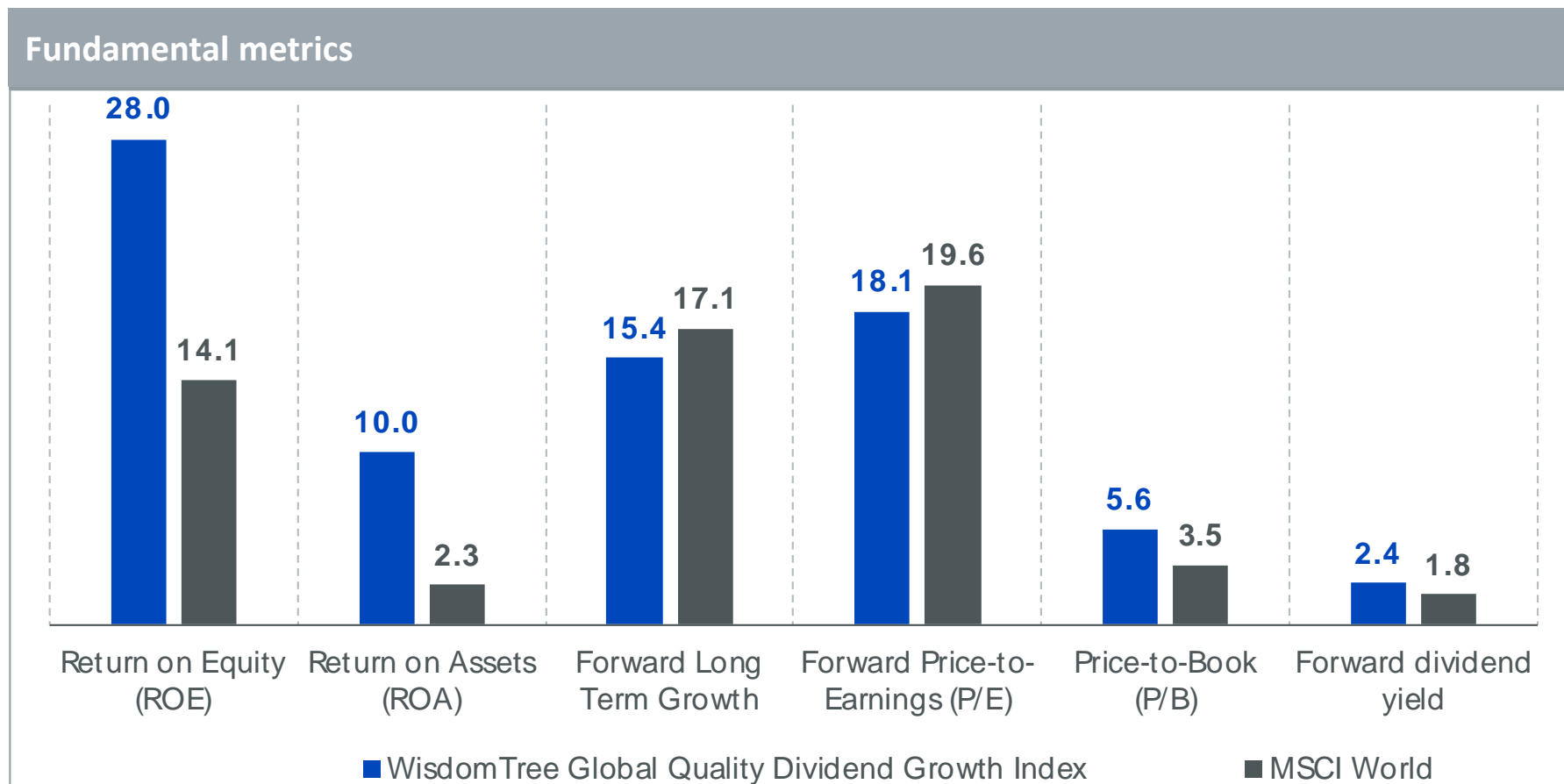


Source: WisdomTree, Factset, Bloomberg. Data as of 31 December 2021. Small caps are defined as stocks with a market cap below \$2bn, Mid caps go up to \$10bn and Large caps have more than \$10bn. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. **Historical performance is not an indication of future performance and any investments may go down in value.**



# WisdomTree Global Quality Dividend Growth UCITS ETF

Focusing on high quality while controlling valuations

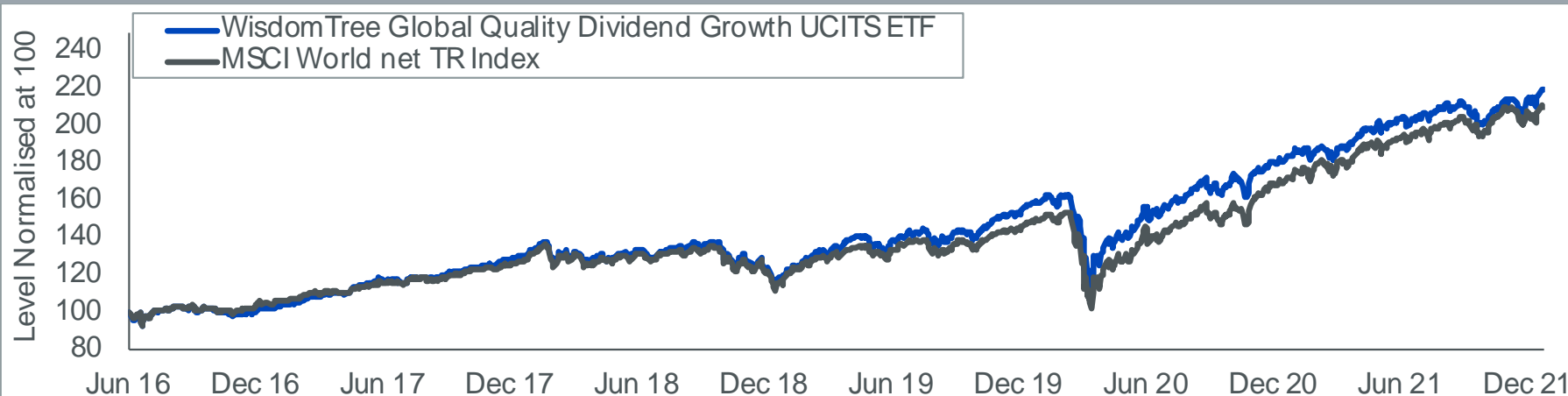


Source: WisdomTree, Factset, Bloomberg. Data as of 31 December 2021. Small caps are defined as stocks with a market cap below \$2bn, Mid caps go up to \$10bn and Large caps have more than \$10bn. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. **Historical performance is not an indication of future performance and any investments may go down in value.**

# WisdomTree Global Quality Dividend Growth UCITS ETF

Historical outperformance over MSCI World

Track Record since inception of the ETF



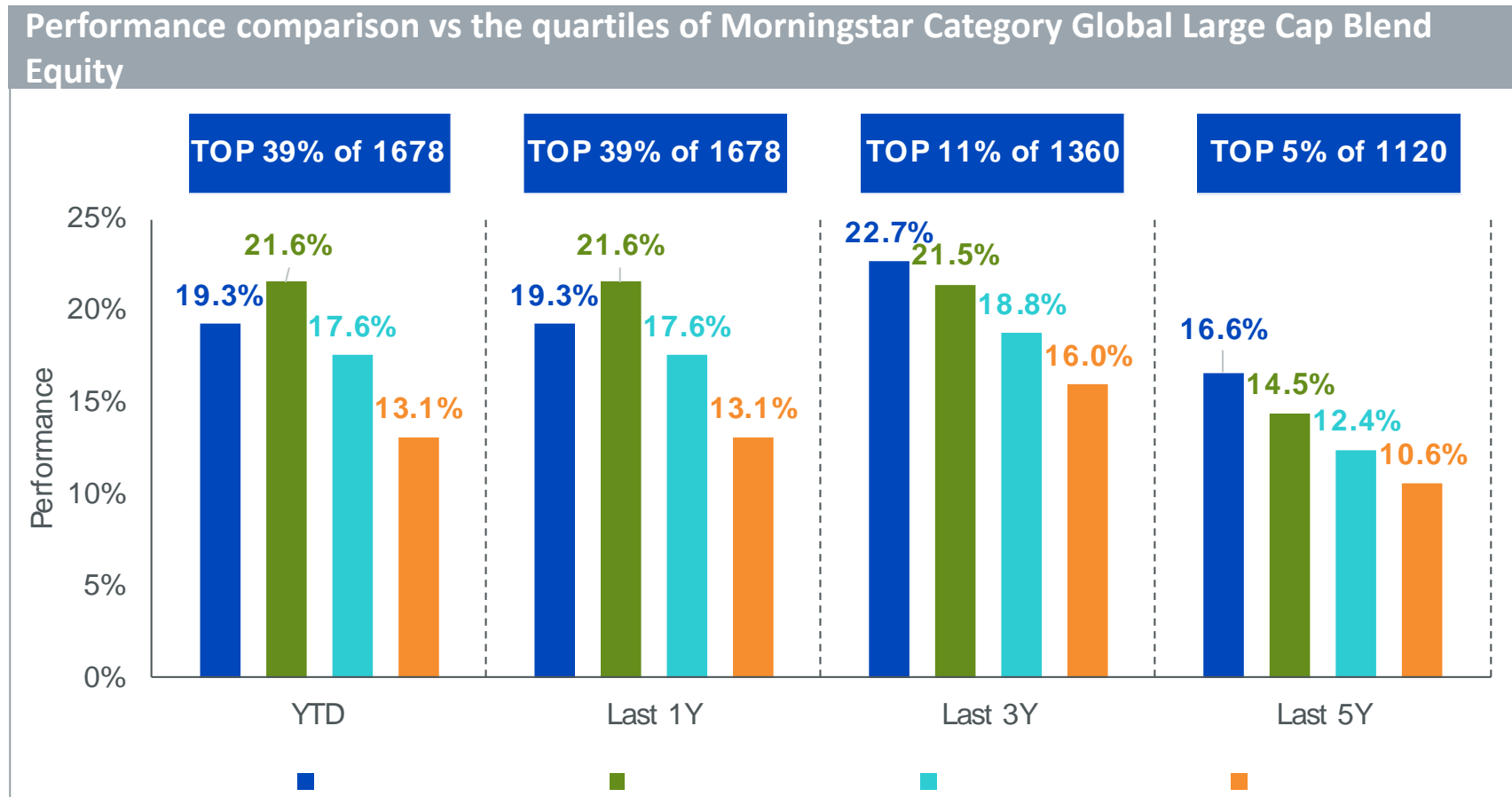
	WisdomTree Global Quality Dividend Growth UCITS ETF	MSCI World net TR Index
Annualised Return	15.2%	14.3%
Excess return	0.9%	-
Volatility	14.4%	15.6%
Sharpe ratio	0.98	0.85
Beta	0.90	-

Source: WisdomTree, Factset, Bloomberg. Data as of 31 December 2021. Small caps are defined as stocks with a market cap below \$2bn, Mid caps go up to \$10bn and Large caps have more than \$10bn. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. **Historical performance is not an indication of future performance and any investments may go down in value.**

# WisdomTree Global Quality Dividend Growth UCITS ETF



TOP 5% among active and passive mutual funds and ETFs last 5Y



Source: WisdomTree, Morningstar. Data as of 31 December 2021. The peer group is comprised of USD denominated, oldest share class of all mutual funds and ETFs within the Global Large-Cap Blend Equity. Funds and ETF in the category is as follows: 1678 YTD, 1678 last 1Y, 1360 last 2Y and 1120 last 5Y. **Historical performance is not an indication of future performance and any investments may go down in value.**

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