

# WisdomTree Example Income Model Portfolio - 100% Equity

July 2020

**MARKETING MATERIAL – THIS IS NOT INVESTMENT RESEARCH AND IS INTENDED FOR ELIGIBLE COUNTERPARTIES  
AND PROFESSIONAL CLIENTS ONLY**



# Overview



# Overview

## WHO WE ARE

- + WisdomTree is a global asset manager with a track record of innovation, strong performance and thought leadership since 2006. WisdomTree is headquartered in New York, and with a European office in London

## WisdomTree SOLUTIONS

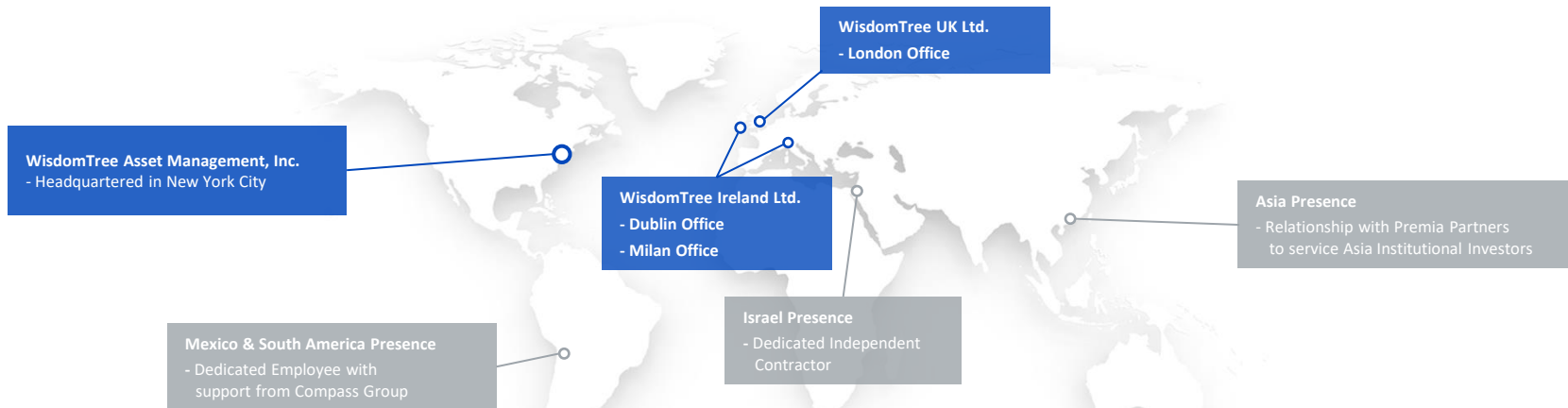
- + WisdomTree manages over \$58 billion across innovative solutions that are designed to meet investors' needs across asset classes and market cycles

## INVESTMENT PHILOSOPHY & APPROACH

- + Our belief that fundamentally weighted approaches can produce attractive returns with less risk and expense than active management led us to be a pioneer in smart beta and factor-based investing

## REDEFINED INVESTING

- + Combining the best elements of active and passive investing, WisdomTree provides low-cost\*, risk-managed solutions through our disciplined, rules-based approach



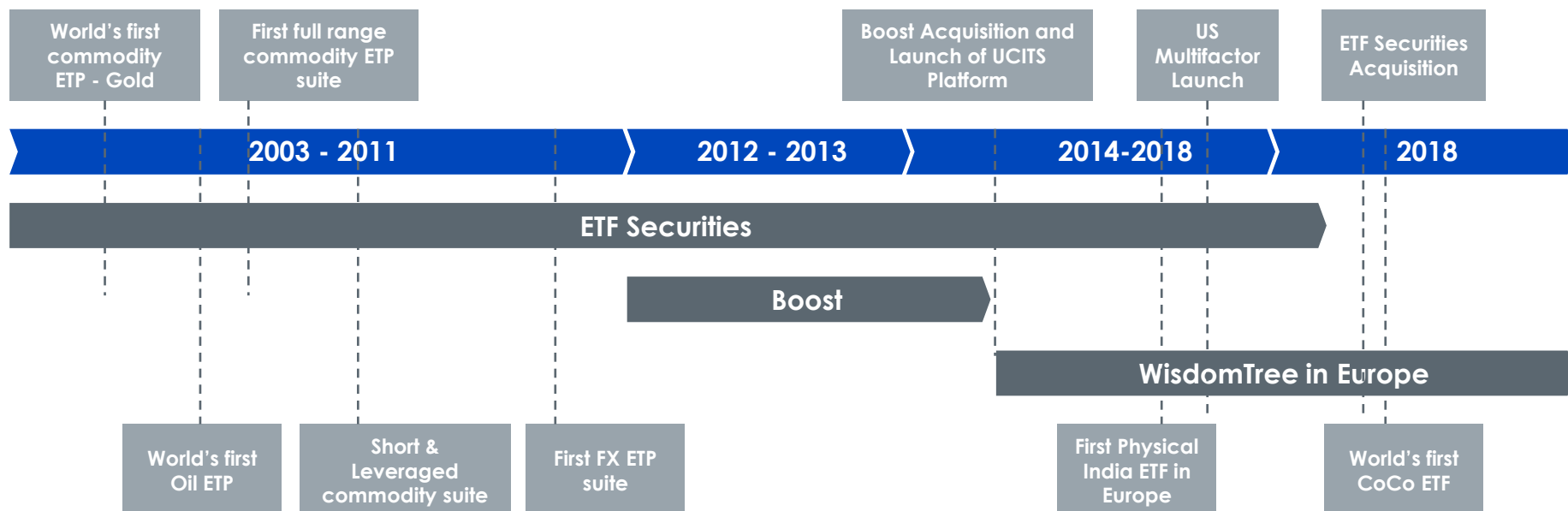
\*Compared to active strategies. All data as of 2<sup>nd</sup> July 2020.

# WisdomTree in Europe

Founded in 2006 in the US with a passion for creating better ways to invest WisdomTree was the first investment manager to weight by dividends.

Since then, our European business has grown in terms of our product set and AUM.

- + We did this initially through the acquisition of Boost, who were the first European platform to solely offer 3x leveraged and inverse ETPs.
- + In April 2018, we completed the acquisition of ETF Securities' exchange-traded commodities, currencies and short-and-leveraged business, including the world's first gold ETP.





# Thoughtful exposures across all asset classes

Each of our products is designed to redefine either how an investment is built or how a country or asset class is accessed, creating, what we believe, is a better investing experience.

## EQUITY



## FIXED INCOME



## COMMODITIES



## ALTERNATIVE



## CURRENCIES



## SHORT & LEVERAGED



# WisdomTree Example Income Model Portfolio

## 100% Equity



# WisdomTree Model Portfolios

Model Portfolio General Information	
<b>Objective</b>	Provide investors with a globally diversified Portfolio and aim to generate higher Income for investors
<b>Benchmark</b>	100% MSCI All Country World net TR Index
<b>Who should be interested ?</b>	Investors who are looking for a global diversified exposure looking for additional income above and beyond the low treasury yields currently available in the market
<b>Top Similarity with benchmark</b>	Same Asset allocation as the benchmark (i.e. Fixed Income/Equity split). Geographical and Sector diversification are similar.
<b>Top Difference with benchmark</b>	In the equity sub-portfolio, overweight to Small Caps and underweight US Equities.

Source: WisdomTree. July 2020

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



# WisdomTree Model Portfolios – Operational Q&A

## Operational Q&A

### How is long track record generated

1. For each Exchange traded Products (“ETP”) considered, performance before launch is proxied using the performance of the benchmark index minus the Expense/Total Expense Ratio (“TER”)
2. For each Exchange traded Products (“ETP”) considered, performance after launch is proxied using the officially published Net Asset Value of the ETP
3. List of all parameters can be found in Annex

### What is Rebalancing Frequency?

1. All Portfolios are rebalanced every six months (June and December). In between rebalancing weights are allowed to drift with market
2. Individual Strategies within the model rebalance at either Annual or Quarterly frequency

### What is the Currency of Analysis?

All performance and other related data in this exercise is **in Euro**

Source: WisdomTree. July 2020

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# WisdomTree Example Income Model Portfolio

## 100% Equity

WisdomTree Example Income Model Portfolio - 100% Equity					
ETP Name	Bloomberg Ticker	Allocation (%)	Share Class Type	Asset Class	Expense (in bps)
WisdomTree US Equity Income UCITS ETF	DHS IM	30.0%	Distributing	US Equity	29
SPDR Russell 2000 U.S. Small Cap UCITS ETF	R2US IM	14.0%	Accumulating	US Equity	30
WisdomTree Europe Equity Income UCITS ETF	EEL IM	18.0%	Distributing	Europe Equity	29
WisdomTree Europe Small Cap Dividend ETF	DFE IM	9.0%	Distributing	Europe Equity	38
Amundi Prime Japan UCITS ETF	ETFJAP IM	7.0%	Distributing	AsiaPacific Equity	5
SPDR S&P Pan Asia Dividend Aristocrats ETF	PADV IM	7.0%	Distributing	AsiaPacific Equity	55
WisdomTree EM Equity Income UCITS ETF	DEM IM	10.0%	Distributing	Emerging Equity	46
WisdomTree EM Small Cap Dividend UCITS ETF	DGSE IM	5.0%	Distributing	Emerging Equity	54

Total 100%				Weighted Sum	33.0
Benchmark Portfolio					
Index Name	Bloomberg Ticker	Allocation (%)	Asset Class		
MSCI AC World net TR Index	NDUEACWF Index	100%	Global Equity		

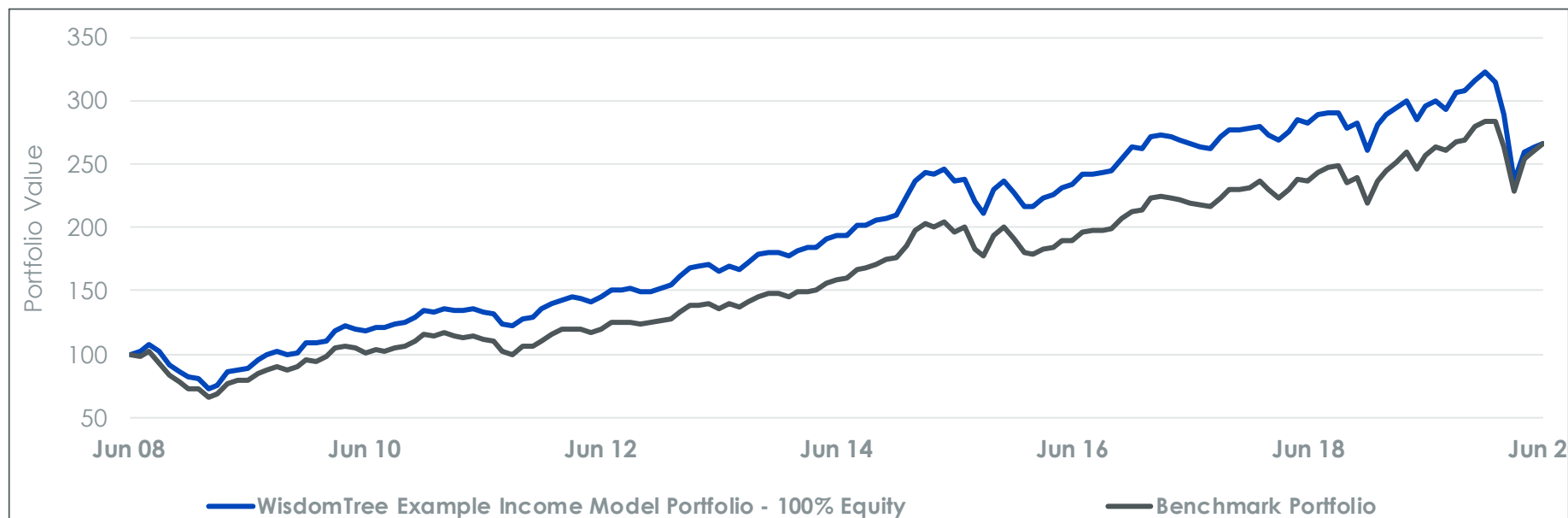
Source: WisdomTree. July 2020

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# WisdomTree Example Income Model Portfolio

## 100% Equity

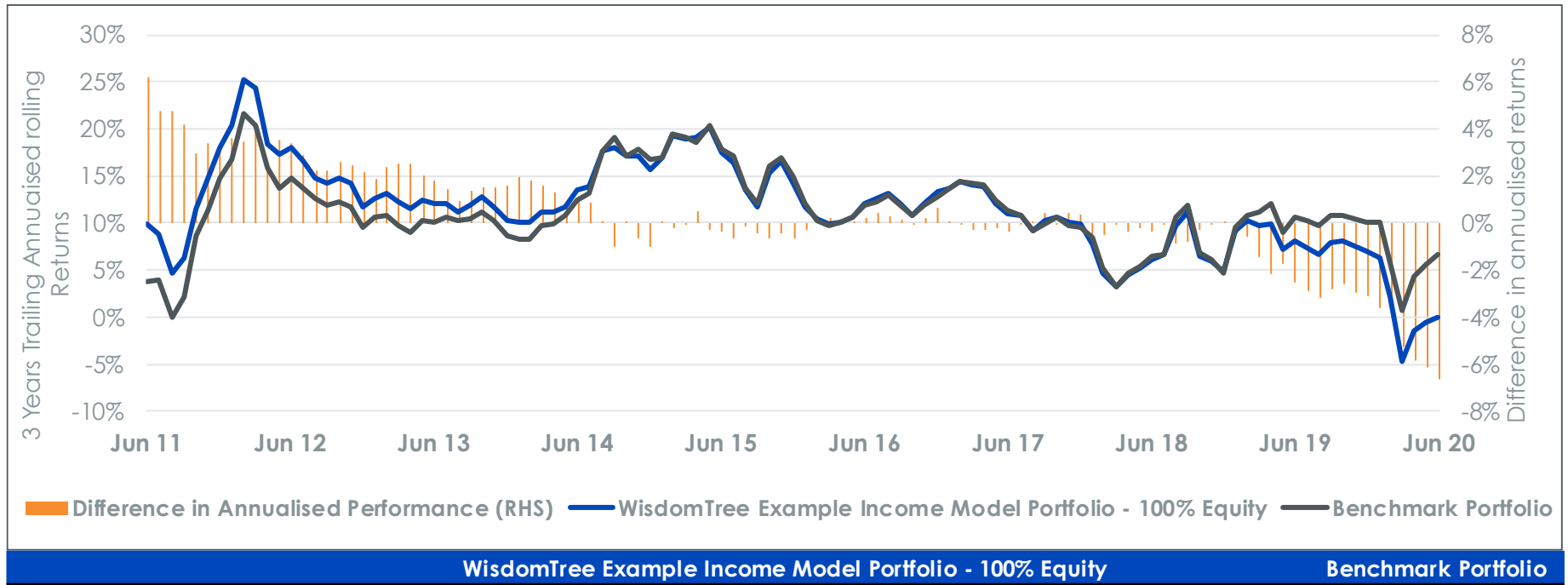


	WisdomTree Example Income Model Portfolio - 100% Equity	Benchmark Portfolio
<b>Annualised Returns</b>	8.48%	8.47%
<b>Excess Return</b>	0.01%	
<b>Annualised Volatility</b>	13.46%	13.58%
<b>Tracking Error</b>	3.79%	
<b>Sharpe Ratio</b>	0.6	0.6
<b>Information Ratio</b>	0.00	

Source: WisdomTree. Period 30 June 2008 to 30 June 2020. Calculations are based on monthly returns. All returns are in EUR. Performance are net of expense ratios. Backtested Data is included. Historical performance is not an indication of future performance and any investments may go down in value.

# WisdomTree Example Income Model Portfolio

## 100% Equity



	WisdomTree Example Income Model Portfolio - 100% Equity	Benchmark Portfolio
3Y Periods where the portfolio outperforms	53%	
Average Returns when Benchmark is up	2.67%	2.87%
Average Returns when Benchmark is down	-2.83%	-3.21%

Source: WisdomTree. Period 30 June 2008 to 30 June 2020. Calculations are based on monthly returns. All returns are in EUR. Performance are net of expense ratios. Backtested Data is included. Historical performance is not an indication of future performance and any investments may go down in value.



# WisdomTree Example Income Model Portfolio

## 100% Equity

Simulated Returns	YTD	Last 1Y	Last 2Y	Last 3Y	Last 5Y	Last 10Y
WisdomTree Example Income Model Portfolio - 100% Equity	-17.59%	-10.07%	-3.04%	0.02%	2.38%	8.46%
Benchmark Portfolio	-6.37%	3.17%	5.90%	6.67%	6.28%	10.10%

Simulated Volatility	YTD	Last 1Y	Last 2Y	Last 3Y	Last 5Y	Last 10Y
WisdomTree Example Income Model Portfolio - 100% Equity	-	27.02%	21.52%	17.94%	15.73%	12.54%
Benchmark Portfolio	-	21.84%	18.95%	15.99%	14.73%	12.26%

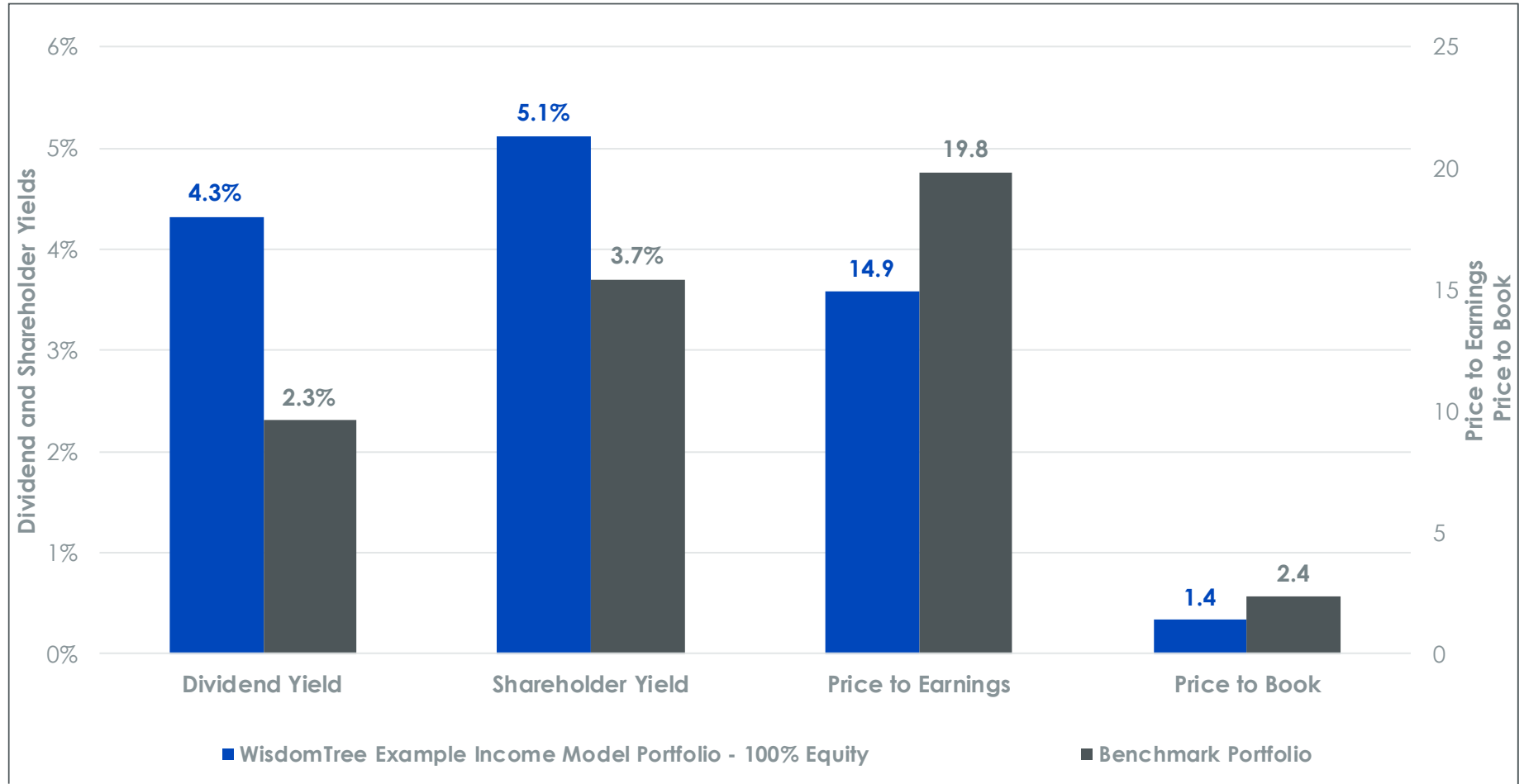
Simulated Annual Returns	2019	2018	2017	2016	2015	2014	2013
WisdomTree Example Income Model Portfolio - 100% Equity	23.77%	-6.50%	5.83%	16.21%	7.96%	16.29%	18.88%
Benchmark Portfolio	29.11%	-4.91%	8.76%	11.13%	8.72%	18.70%	17.53%

Simulated Annual Returns	2012	2011	2010	2009
WisdomTree Example Income Model Portfolio - 100% Equity	12.05%	0.47%	23.98%	32.12%
Benchmark Portfolio	14.04%	-4.44%	20.80%	31.07%

Source: WisdomTree. Period 30 June 2008 to 30 June 2020. Calculations are based on monthly returns. All returns are in EUR. Performance are net of expense ratios. Backtested Data is included. Historical performance is not an indication of future performance and any investments may go down in value.

# WisdomTree Example Income Model Portfolio

## Equity sub-Portfolio Fundamentals



Source: WisdomTree. As of 30 June 2020

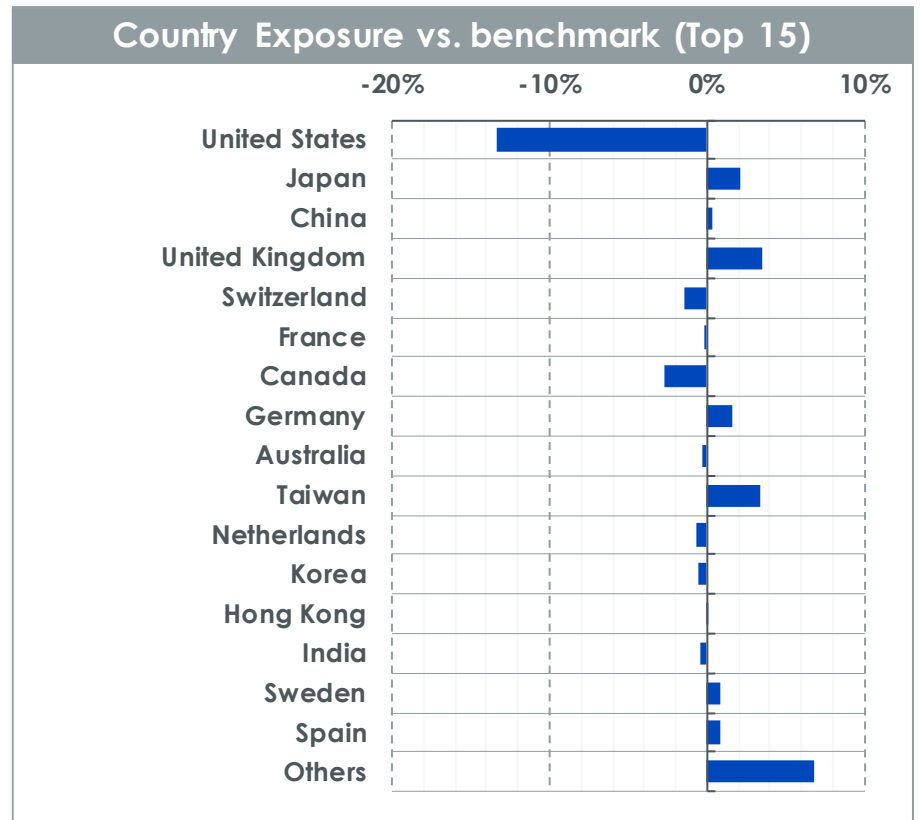
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# WisdomTree Example Income Model Portfolio

## Country Allocation of the Equity Portfolio

Country	WisdomTree Example Income Model Portfolio	Benchmark Portfolio
United States	43.6%	56.9%
Japan	9.1%	7.0%
China	4.8%	4.5%
United Kingdom	7.7%	4.2%
Switzerland	1.4%	2.9%
France	2.7%	2.9%
Canada	0.1%	2.8%
Germany	4.2%	2.5%
Australia	1.5%	1.8%
Taiwan	4.9%	1.5%
Netherlands	0.8%	1.5%
Korea	0.8%	1.4%
Hong Kong	1.4%	1.3%
India	0.6%	1.0%
Sweden	1.7%	0.8%
Spain	1.5%	0.7%
Others	13.1%	6.3%



Source: WisdomTree. As of 30 June 2020

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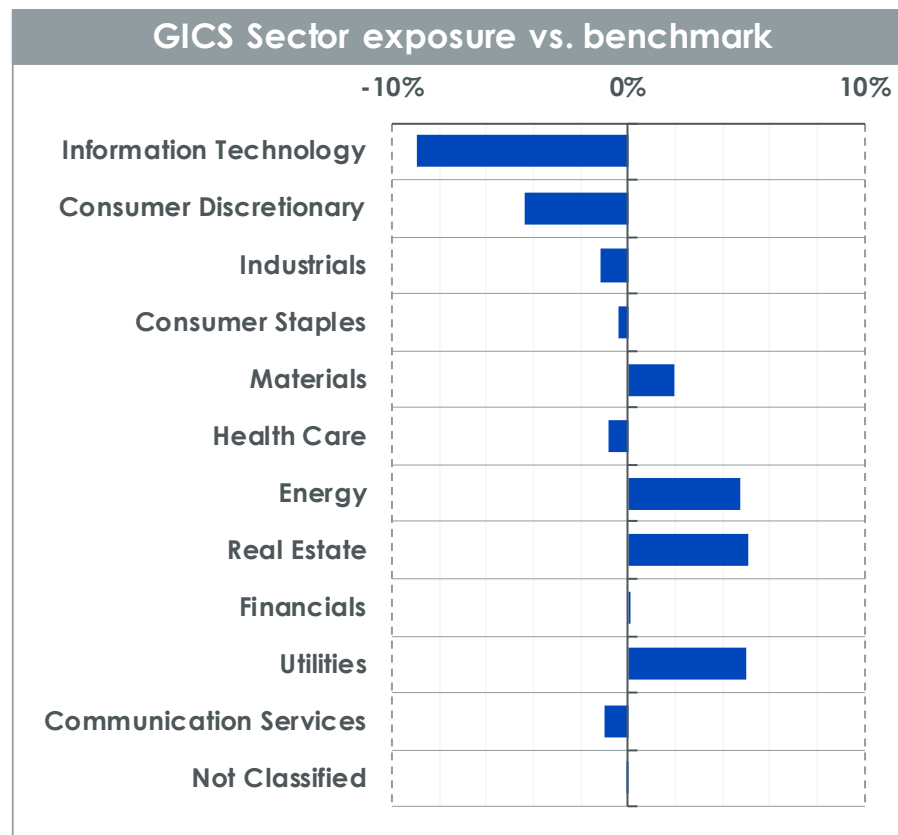




# WisdomTree Example Income Model Portfolio

## Sector Allocation of the Equity Portfolio

GICS Sector	WisdomTree Example Income Model Portfolio	Benchmark Portfolio
Information Technology	11.7%	20.7%
Consumer Discretionary	7.4%	11.8%
Industrials	8.2%	9.4%
Consumer Staples	7.7%	8.1%
Materials	6.6%	4.6%
Health Care	12.0%	12.9%
Energy	8.3%	3.6%
Real Estate	8.0%	2.9%
Financials	13.5%	13.4%
Utilities	8.2%	3.2%
Communication Services	8.3%	9.4%
Not Classified	0.0%	0.0%



Source: WisdomTree. As of 30 June 2020. GICS stand for Global Industry Classification Standard. It is an industry taxonomy standard.

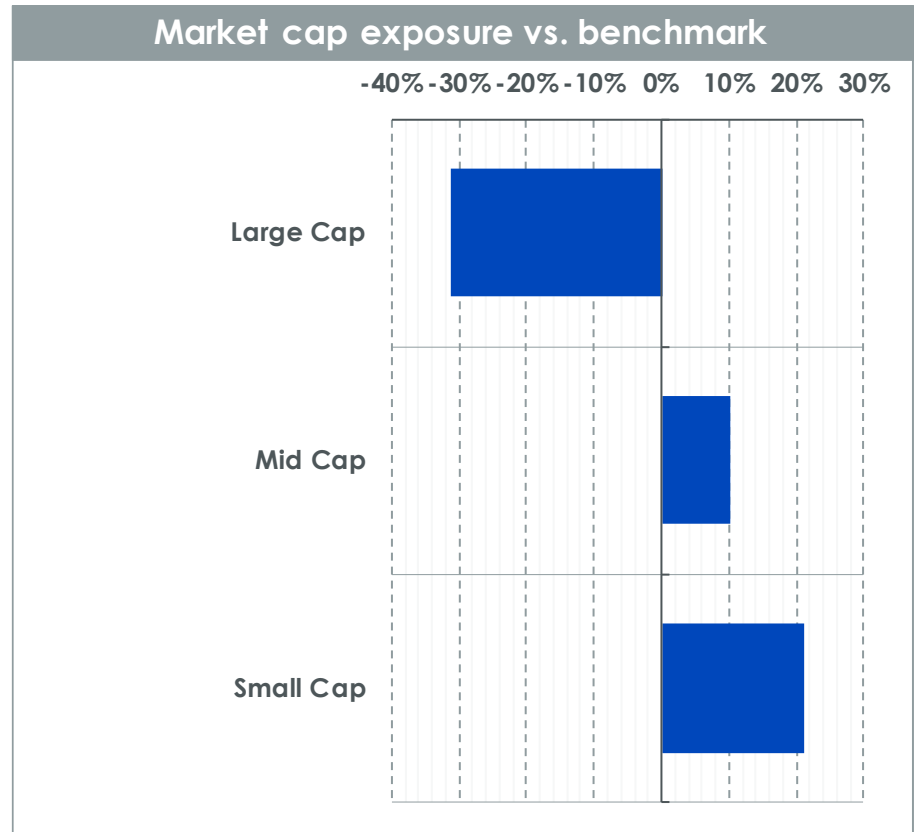
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# WisdomTree Example Income Model Portfolio

## Market Cap Allocation of the Equity Portfolio

	WisdomTree Example Income Model Portfolio	Benchmark Portfolio
Large Cap	58.6%	89.6%
Mid Cap	20.2%	10.1%
Small Cap	21.3%	0.3%



Source: WisdomTree. As of 30 June 2020

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# Appendix

# Model Portfolios – Operational Q&A

## Operational Q&A

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### What is the Currency of Analysis?

All performance and other related data in this exercise is **in Euro**

# Parameters for the Analysis

Amundi Prime Japan UCITS ETF	ETFJAP IM	19/03/2019	Solactive GBS Japan Large & Mid Cap net TR	SJPLMCN	08/05/2006	5
SPDR S&P Pan Asia Dividend Aristocrats ETF	PADV IM	14/02/2014	S&P Pan Asia Dividend Aristocrats net TR	SPDGPAUT	21/12/2001	55
WisdomTree EM Equity Income UCITS ETF	DEM IM	20/01/2015	WisdomTree EM High Dividend net TR	WTEMHYTR	31/05/2007	46
WisdomTree EM Small Cap Dividend UCITS ETF	DGSE IM	20/01/2015	WisdomTree EM Smallcap net TR	WTEMSCTR	31/05/2007	54
WisdomTree Europe Equity Income UCITS ETF	EI IM	20/01/2015	WisdomTree Europe Equity Income net TR	WTEHYTE	20/06/2008	29
WisdomTree Europe Small Cap Dividend ETF	DFE IM	20/01/2015	WisdomTree Europe SmallCap Dividend net TR	WTIDESTE	31/05/2006	38
WisdomTree US Equity Income UCITS ETF	DHS IM	20/01/2015	WisdomTree US Equity Income net TR	WTHYNTRU	29/11/2002	29
SPDR Russell 2000 U.S. Small Cap UCITS ETF	R2US IM	30/06/2014	Russell 2000 net TR	RU20N30U	28/06/2002	30

Source: WisdomTree. July 2020

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(...)



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# Disclaimer – (3/3)

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