TRIGGERING ROBUST FUTURE DIVIDENDS: THE PROFILE OF A PROFITABLE GROWER

Figure 4 shows these concepts using current metrics for the **WisdomTree U.S. Quality Dividend Growth Fund (DGRW)** and the **WisdomTree U.S. SmallCap Quality Dividend Growth Fund (DGRS).**

Figure 4: DuPont Inside DGRW & DGRS

Arithmetic	DuPont Model Component	DGRW	S&P 500	DGRS	Russell 2000
A	Net Income/Sales	13.1%	12.5%	6.3%	4.8%
B	Sales/Total Assets	33.5%	32.9%	68.6%	31.4%
C	Total Assets/Total Equity	5.84	4.49	4.25	4.85
Multiply: A x B x C	**Return on Equity (ROE)**	**25.7%**	**18.4%**	**18.4%**	**7.3%**
	Retention Ratio	60.7%	68.9%	63.9%	66.6%
ROE x Retention Ratio	**Implied Dividend Growth Rate**	**15.6%**	**12.7%**	**11.7%**	**4.9%**

You cannot invest directly in an index.

Figure 5: Quality Dividend Growth Fundamentals

Fundamentals	DGRW	S&P 500	DGRS	Russell 2000
Price/Earnings (Fwd)	18.0	18.9	11.6	23.0
Dividend Yield	2.2%	1.6%	3.1%	1.5%
Implied Dividend Growth Rate	15.6%	12.7%	11.7%	4.9%
SEC 30-Day Yield	1.88%	NA	2.86%	NA

Next, developed and emerging markets. Figure 6 runs the numbers for:

+ The **WisdomTree International Quality Dividend Growth Fund (IQDG)**, which has the same stocks as its currency-hedged "cousin," the **WisdomTree International Hedged Quality Dividend Growth Fund (IHDG)**
+ The **WisdomTree Europe Quality Dividend Growth Fund (EUDG)**
+ The **WisdomTree Global ex-U.S. Quality Dividend Growth Fund (DNL)**
+ The **WisdomTree Emerging Markets Quality Dividend Growth Fund (DGRE)**

In figure 6, the international strategies all score highly on profit margins (A), have more e□icient asset usage (B) and engage lower levels of leverage (C). This combination indicates implied dividend growth that exceeds that of their respective benchmarks.

Figure 6: Implied Dividend Growth Rate, International Strategies

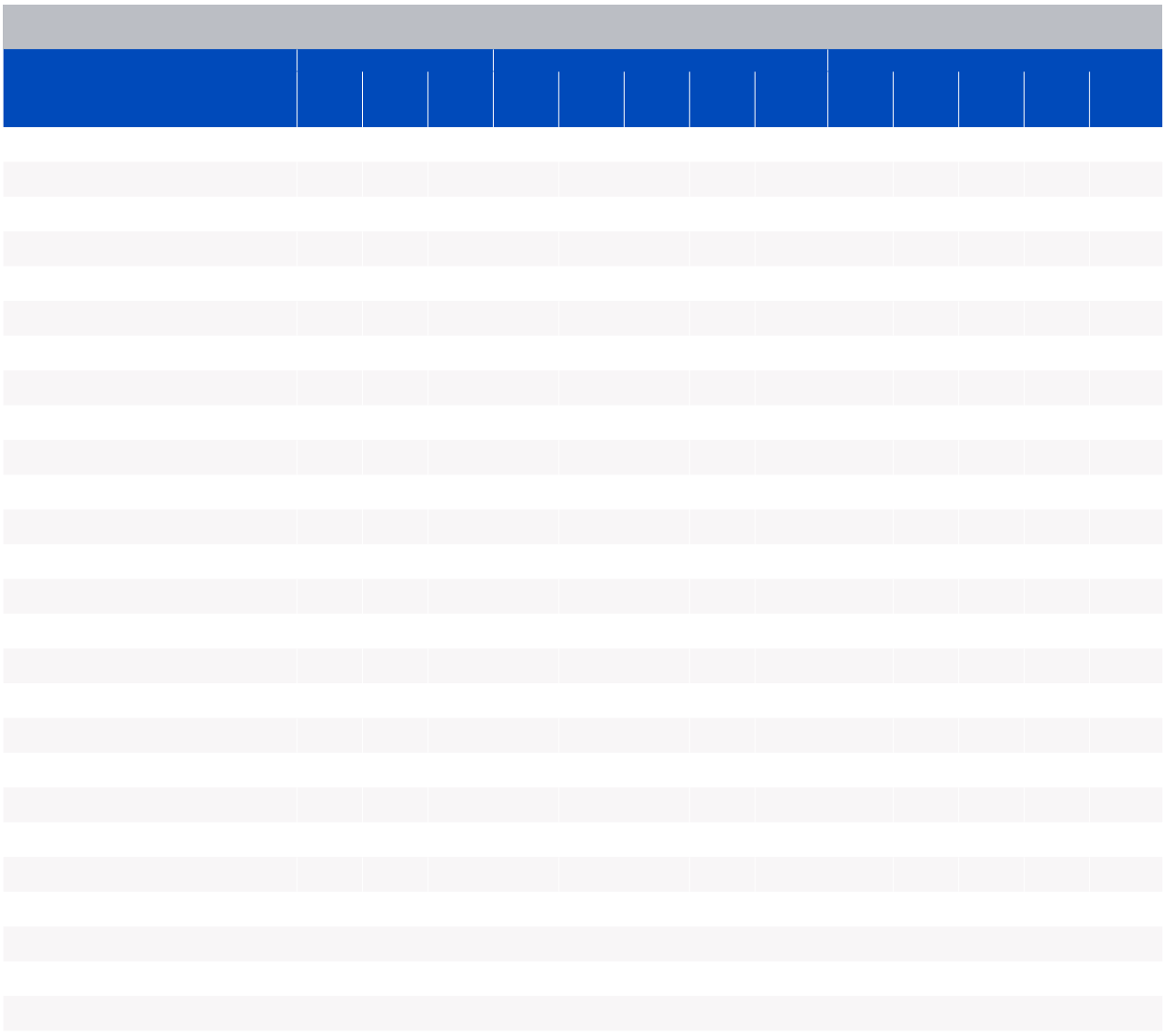
Arithmetic	DuPont Model Component	IQDG	MSCI EAFE	EUDG	MSCI Europe	DNL	MSCI ACWI ex-US	DGRE	MSCI Emerging Markets
A	Net Income/Sales	11.9%	9.7%	10.6%	10.3%	13.2%	9.6%	9.0%	9.1%
B	Sales/Total Assets	66.4%	17.6%	41.7%	18.2%	65.4%	18.4%	52.3%	20.4%
C	Total Assets/Total Equity	3.05	6.96	4.57	7.35	2.97	7.20	3.75	7.22
Multiply: A x B x C	**Return on Equity (ROE)**	**24.2%**	**11.8%**	**20.2%**	**13.8%**	**25.7%**	**12.8%**	**17.6%**	**13.5%**
	Retention Ratio	0.50	0.59	0.52	0.61	0.56	0.59	0.55	0.58
ROE x Retention Ratio	**Implied Dividend Growth Rate**	**12.0%**	**7.0%**	**10.6%**	8.4%	14.4%	7.5%	9.7%	7.8%

A FINAL NOTE

We want to thank those of you who came along with us on the quality dividend growth concept these past 10 years. When we launched DGRW on May 22, 2013, WisdomTree was still a very young business.

It has been DGRW's success, which has witnessed it beating the S&P 500 on the 1-year, 3-year, 5-year, 10-year and since inception numbers that catalyzed many WisdomTree followers to consider DGRW's "cousins"—DGRS, EUDG, IHDG, IQDG and DNL—along with others that have similar conceptual index construction.

For more information or to review fund performance yourself, visit our Portfolio Analysis Tools Hub (PATH) and use the Fund Comparison tool.



Glossary

IMPORTANT INFORMATION

Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. To