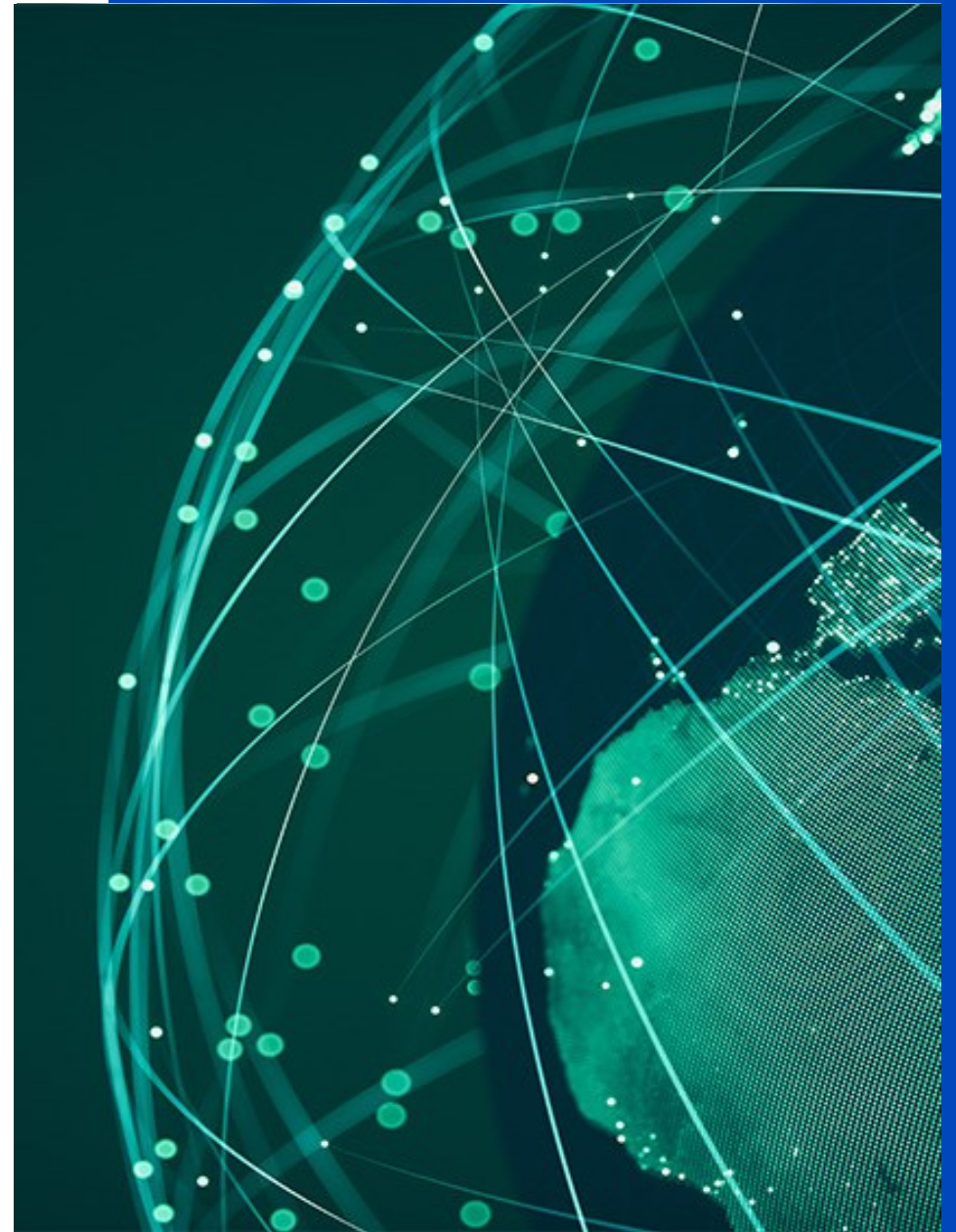




March 2026

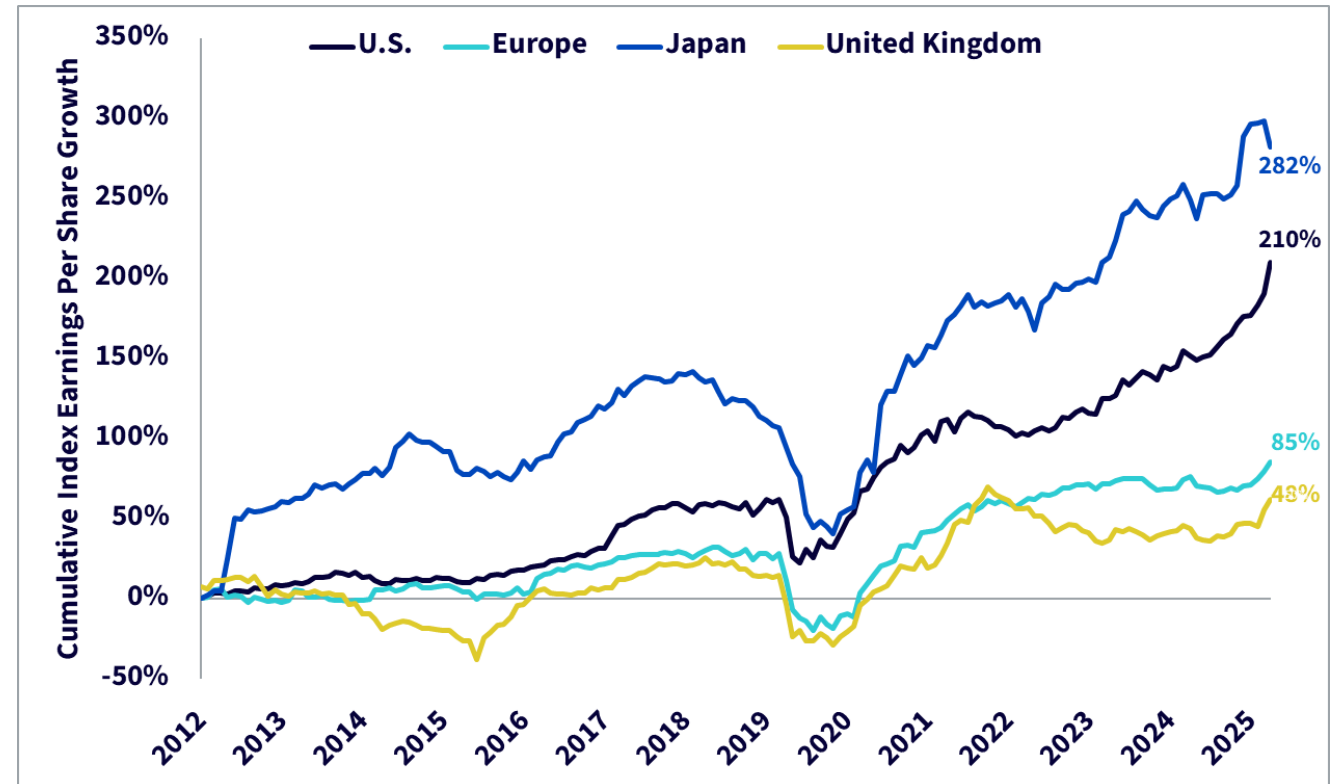
Managing Currency Exposure in International Investments (DXJ)



Building a Bull Case for Japan: Exports, Earnings, and Geopolitical Benefits



- + Japan is the 3rd largest economy in the world, and it's not because of the Japanese consumer. It's because of the consumer *outside* Japan buying Japanese exports.
- + Japan's market is being supported by **accelerating earnings growth** and **exports**, which have been fueled by a more competitive yen.
- + A staunch US ally, Japan has benefited from the US's increased concern regarding China's outbound ambitions. This will continue to benefit the bilateral relationship with Japan.

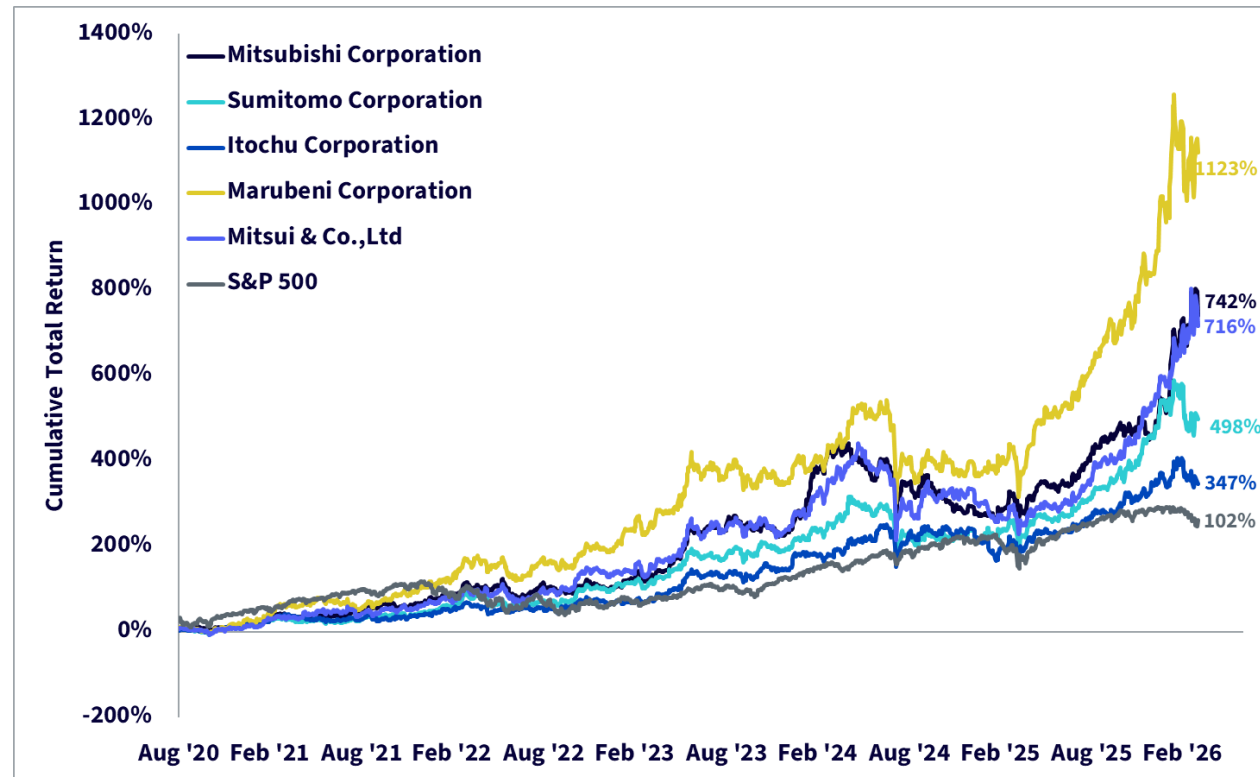


Source: WisdomTree, MSCI, 12/31/12 – 3/31/26. U.S., Eurozone, Japan, and UK measured by respective MSCI indexes. Earnings measured in local currency. You cannot invest directly in an index.

Building a Bull Case for Japan: **Improved Sentiment**



- + Warren Buffett's investments have reinvigorated foreign investor interest.
- + During 2019 and 2020, Berkshire Hathaway amassed 5% stakes—that recently increased to nearly 10%—in five Japanese trading firms, known as “sogo shosha”.
- + Since August 2020, when Buffett’s Japanese investments were publicized, his investments comfortably beat the returns of the S&P 500.

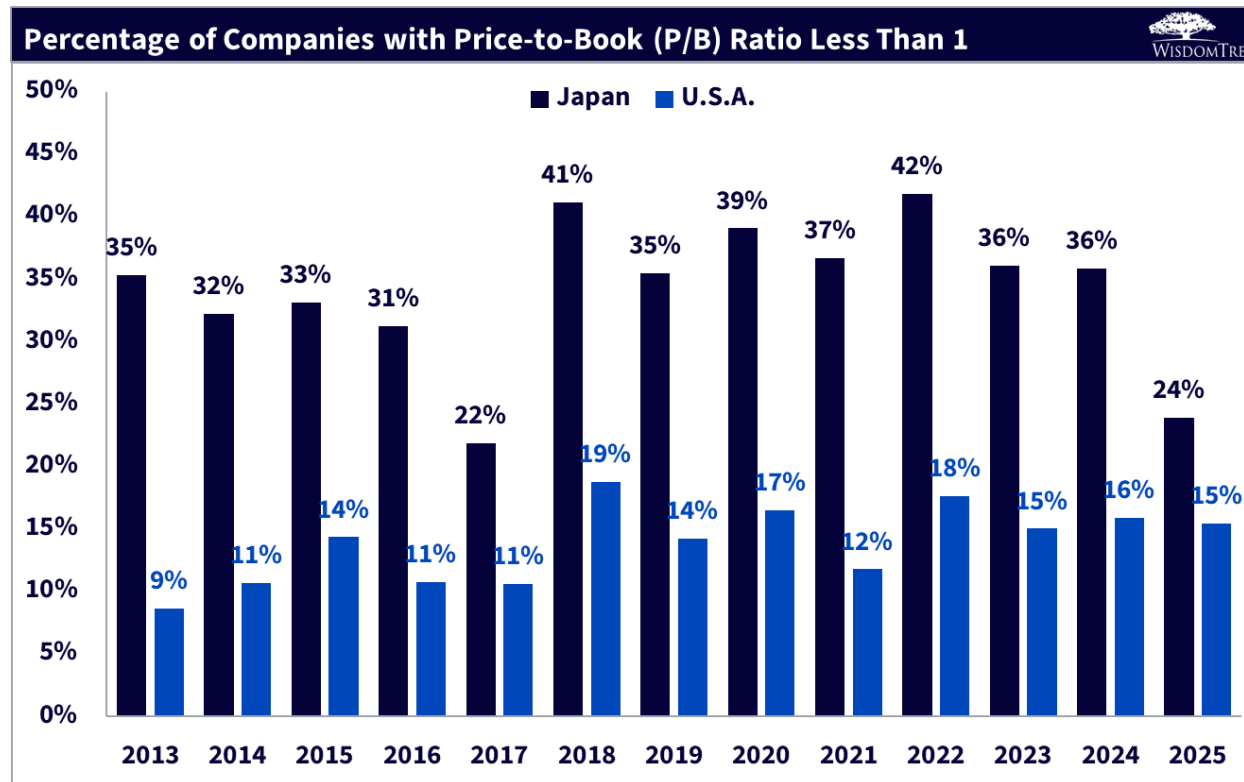


Source: WisdomTree, FactSet, S&P from 8/30/2020 – 3/31/2026. You cannot invest directly in an index. Past performance is not indicative of future returns.

Building a Bull Case for Japan: **Valuations**



- + In 2022, the Tokyo Stock Exchange (TSE) instituted its biggest overhaul in 60 years to reinvigorate enthusiasm for Japanese equities.
- + The TSE announced that about half of its listed companies had a price-to-book ratio below 1 and required companies to disclose their policies and initiatives for improving valuations.

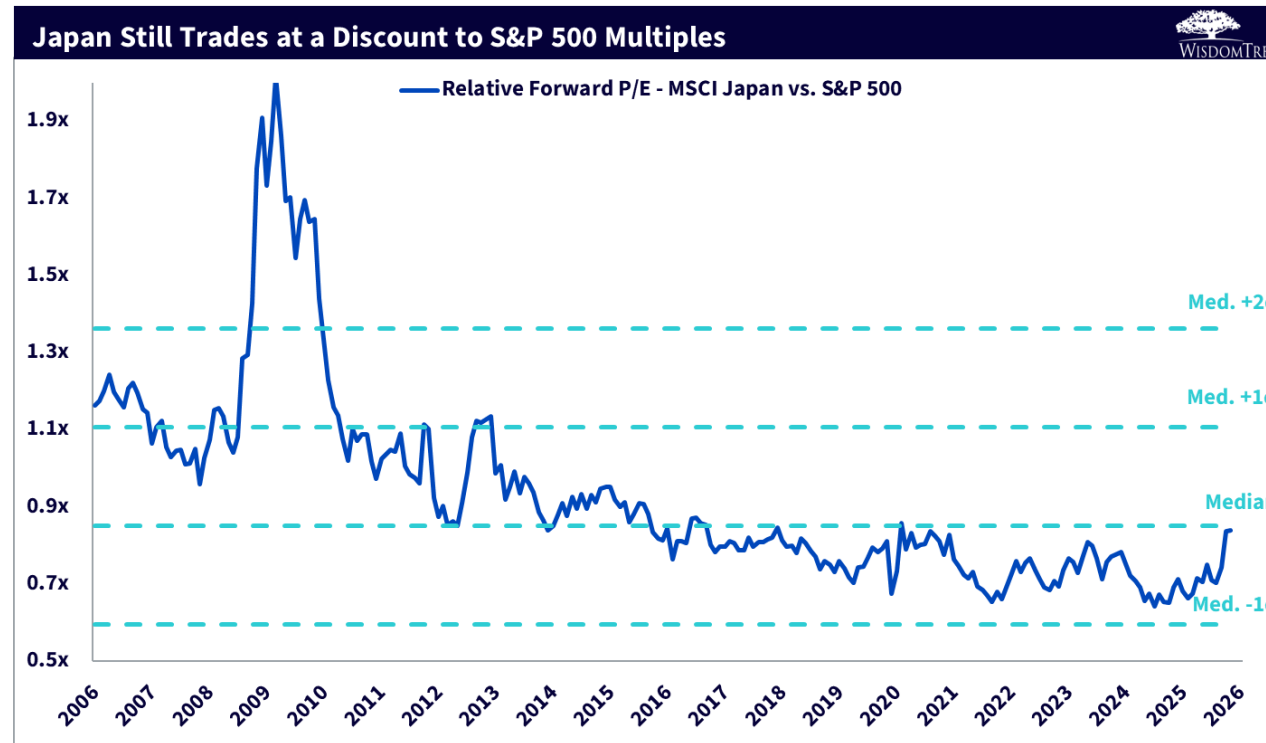


Source: WisdomTree, MSCI, as of 12/31/2025. U.S. and Japan measured by respective MSCI IMI indexes. You cannot invest directly in an index.

Building a Bull Case for Japan: **Valuations**



- + Despite the recent success of Japanese equities, forward price-to-earnings (P/E) multiples relative to the S&P 500 have remained discounted for most of the past decade.
- + As S&P 500 multiples remain elevated relative to history, Japan looks comparatively less expensive with attractive fundamentals and momentum supporting its equity market.

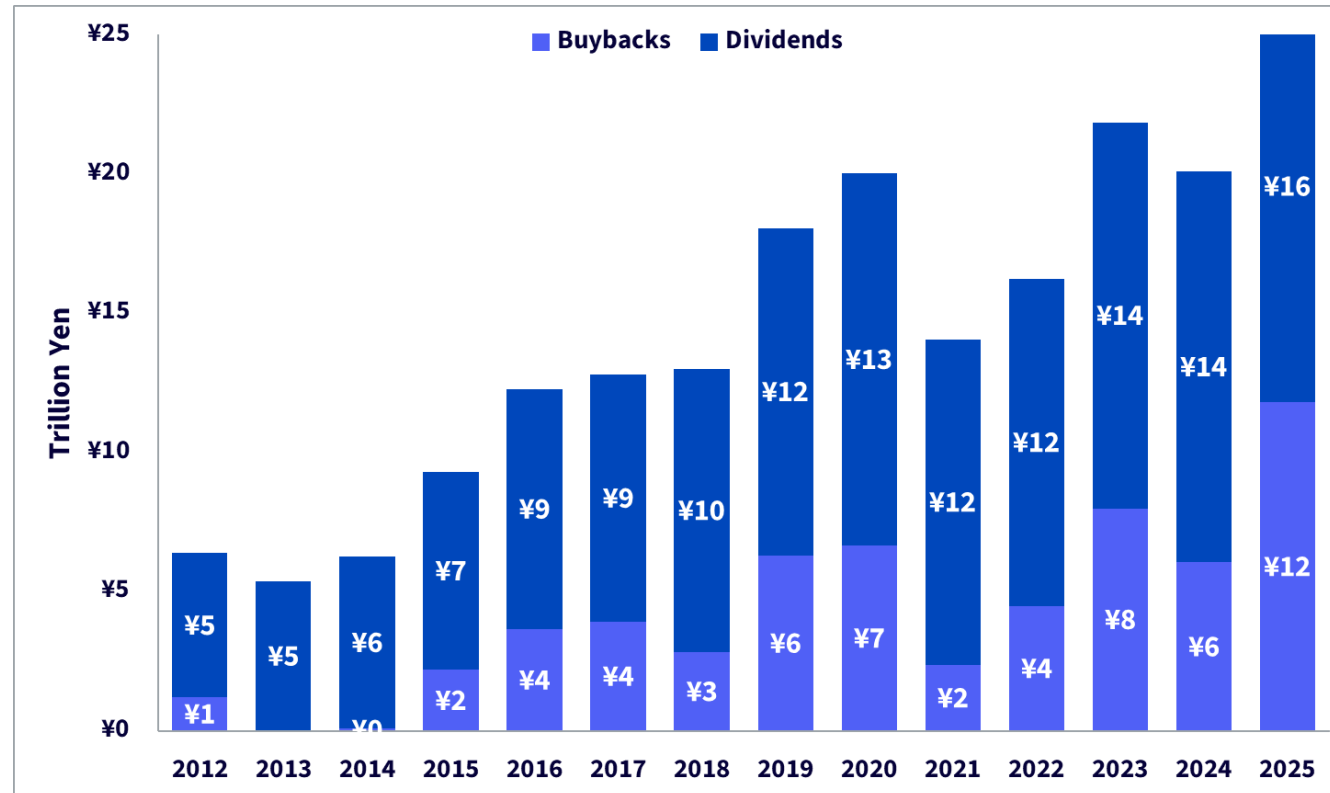


Source: WisdomTree, MSCI, FactSet as of 3/31/2026. You cannot invest directly in an index.

Building a Bull Case for Japan: **Dividends & Buybacks**



- + One Solution for Increasing Price-to-Book: **Accelerating Payouts**
 - + **Buybacks:** went from virtually non-existent a decade ago to ¥12tn (\$76bn) today
 - + **Dividends:** grew from ¥6tn in 2014 to ¥16tn today, a **167% increase**



Source: WisdomTree, MSCI as of 12/31/2025. Payouts measured on a trailing twelve-month basis each May month-end. Japanese payouts based on MSCI Japan Index. You cannot invest directly in an index.

Understanding Currency's Role in International Equity Returns



+ Without hedging currency exposure, its effect on investment returns can be summarized as:

Returns from International Investments

**Local Market
Equity Return**

+

**Currency
Return**

=

**Investor's
Return in USD**



International investments introduce an additional, uncertain influence on portfolio returns. Dollar strength would hurt performance, while USD weakness would aid it.

Overview: Why Currency-Hedge International Equity Exposure?



+ Three Myths of Currency-Hedging:

Fiction: “Currency-Hedging is Expensive to Implement.”

Fact: Based on prevailing interest rate differentials, investors are **paid** (via positive cost of carry) to hedge. Likewise, forward contracts on the yen (JPY), euro (EUR), and pound (GBP) versus the dollar are among the most liquid in the world and command narrow bid/ask spreads.

Fiction: “Currency exposure is a wash in the long run.”

Fact: Over the short-term, currency changes can be highly uncertain and volatile. There is no expected return model that says a currency like the euro should always appreciate versus the dollar, but most of time currency volatility adds extra risk to international investments.

Fiction: “Having protection from a weakening U.S. dollar is a useful diversifier.”

Fact: U.S. equities have an embedded weak dollar bias due to earnings from overseas, and unhedged currency exposure compounds this. Hedging has better diversification potential during periods when the dollar is negatively correlated to U.S. equity markets (i.e., today).

Fiction: “Currency-Hedging is Expensive to Implement.”



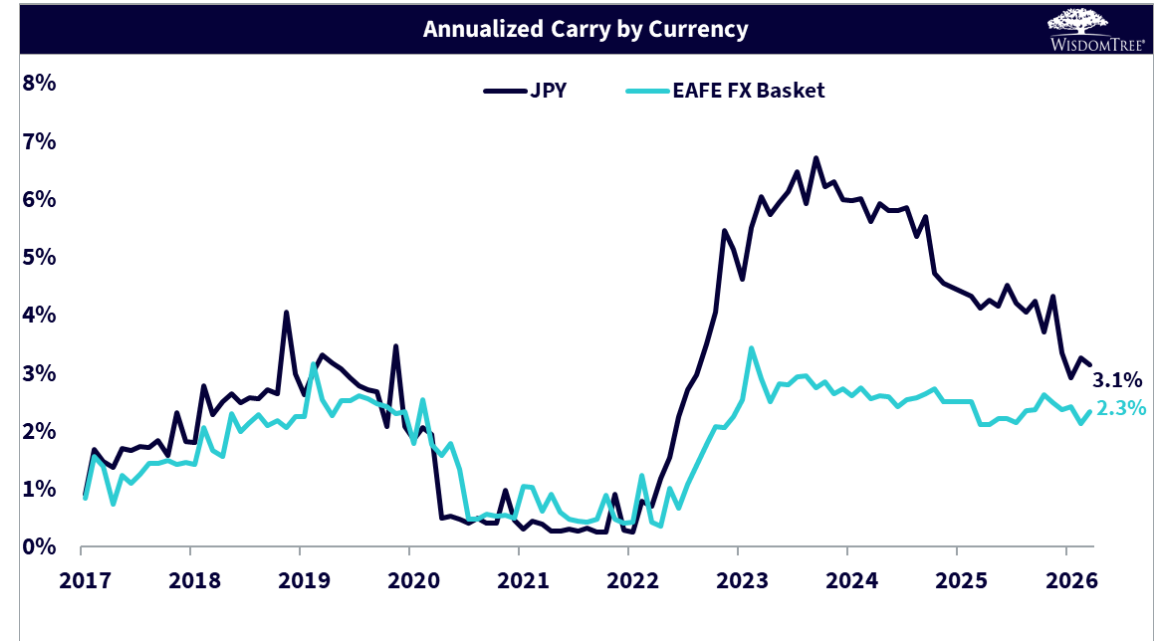
Fact: Based on prevailing 1-month interest rate differentials between the U.S. and the foreign market, investors are **paid** (via positive cost of carry) to hedge.

Carry involves borrowing in one currency that requires a low-interest rate payment and investing the proceeds in a currency earning a higher interest rate to earn the differential.

Forward contracts on the yen (JPY) and euro (EUR) versus the dollar are among the most liquid in the world and command narrow bid/ask spreads.

Carry for the EAFE FX basket climbed during the Federal Reserve’s 2022 rate hike campaign and remains elevated in the “higher-for-longer” policy rate environment.

Today, the annualized carry rate remains about 1% higher than its recent average.

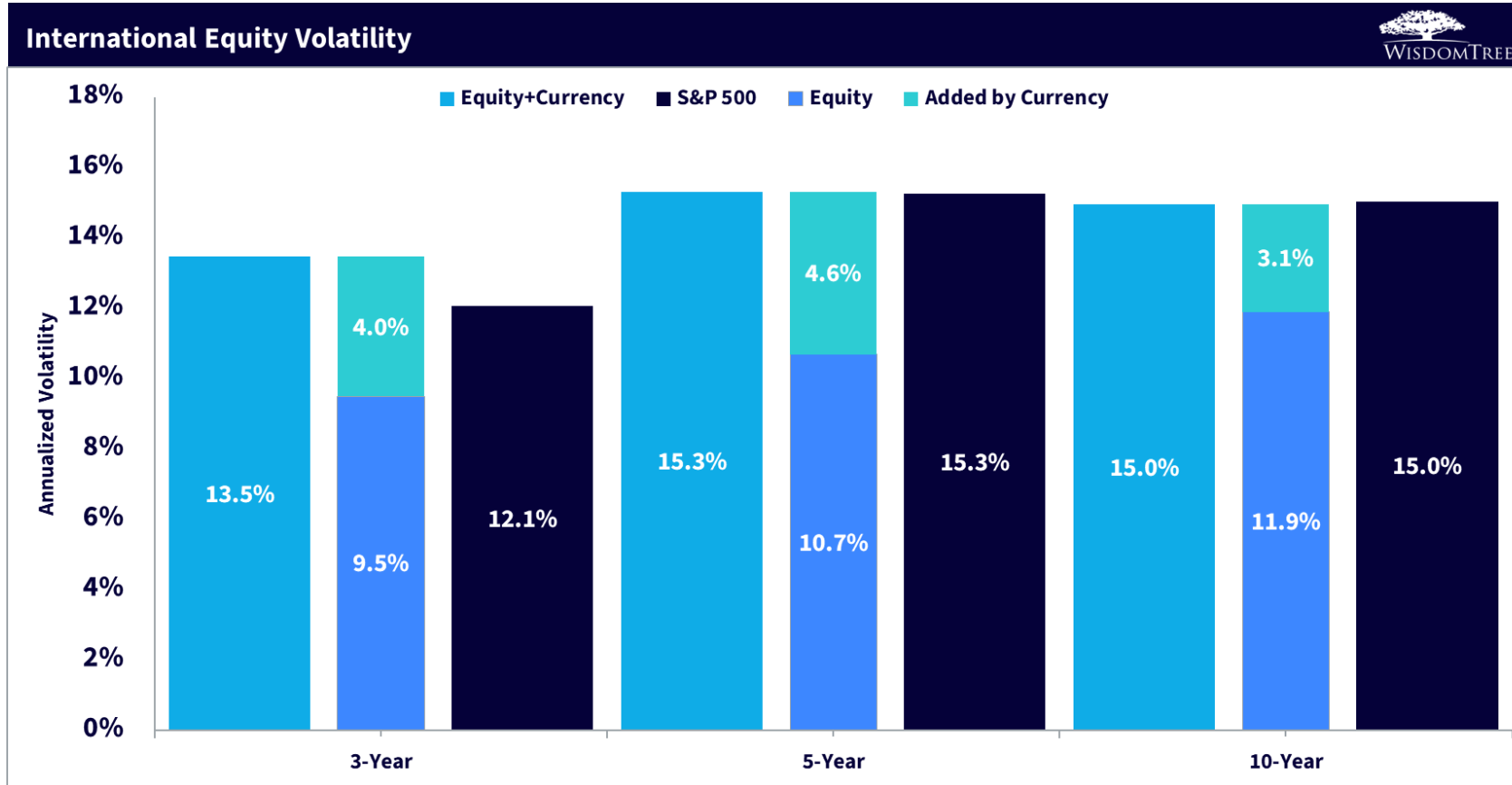


Source: WisdomTree, MSCI as of 3/31/2026. Carry measures the interest rate differential between the US dollar and foreign currencies embedded in the difference in spot and forward FX rates. Carry by currency beginning on 12/31/14. MSCI EAFE Index carry series begins on 12/31/15. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Wash in the Long Run.”



Fact: Currency adds substantial volatility to international equities. Local stock markets consistently have lower risk than the S&P 500.



Source: WisdomTree, MSCI, S&P as of 3/31/2026. Equity+Currency represented by the net returns of the MSCI EAFE (USD) Index. Equity represented by the net returns of the MSCI EAFE (Local) Index. Currency represented by the difference between the net returns of the MSCI EAFE (USD) and MSCI EAFE (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Wash in the Long Run.”



Fact: Over the long-term, currency returns are negligible. Over the short-term, they’re highly uncertain. The only certainty, however, is additional volatility.

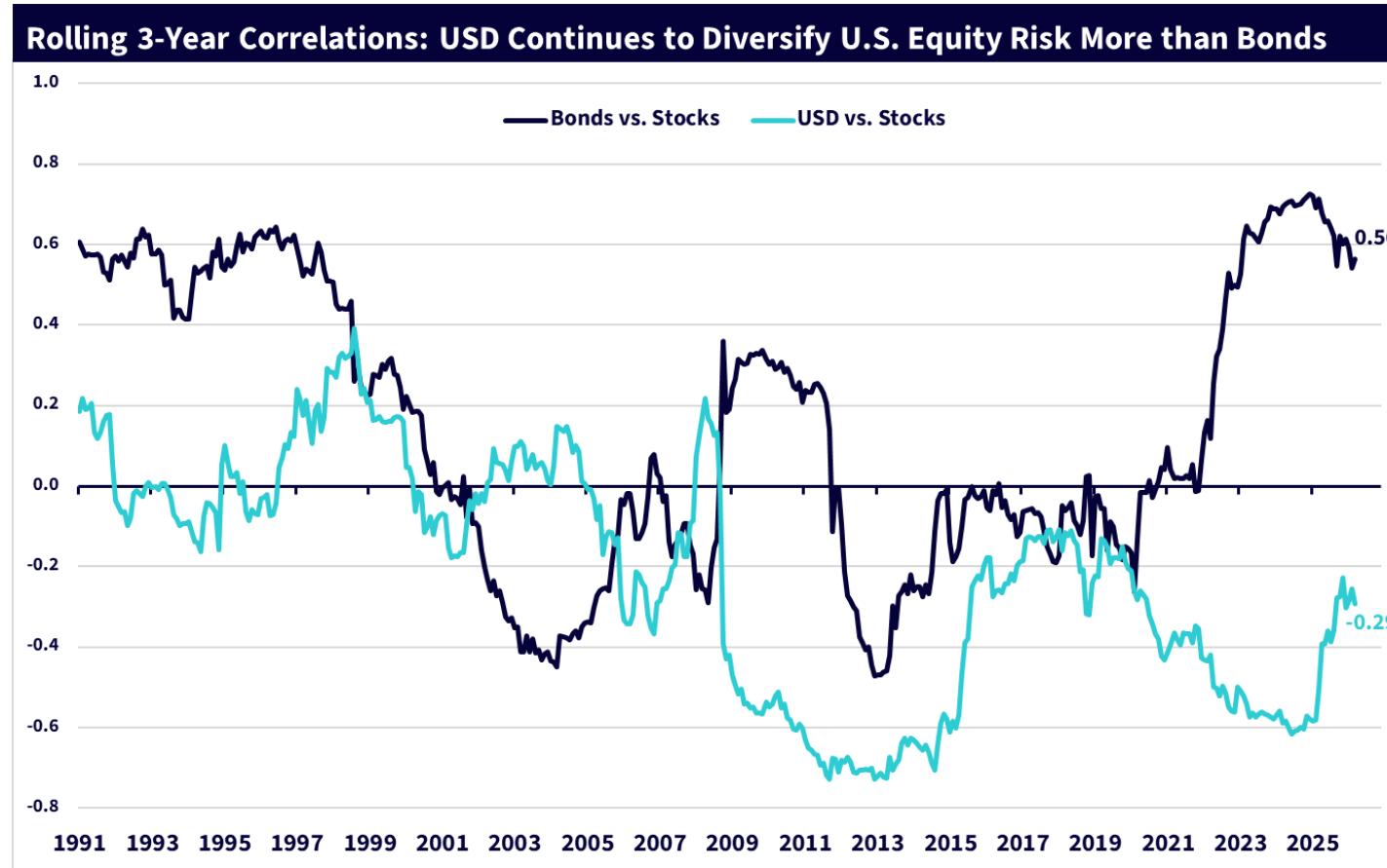
Period	Annualized Returns			Annualized Volatility			Incremental Volatility (in Std. Dev.)	Incremental Volatility (% Increase)
	Equity + Currency	Equity Only	FX	Equity + Currency	Equity Only	FX		
3-Year	13.6%	13.2%	0.4%	13.5%	9.5%	7.2%	+4%	41.7%
5-Year	7.9%	9.9%	-2.0%	15.3%	10.7%	7.4%	+4.6%	43.2%
10-Year	8.4%	9.3%	-1.0%	15.0%	11.9%	6.5%	+3.1%	25.9%
15-Year	6.3%	8.3%	-2.0%	15.1%	12.1%	6.5%	+3%	25.1%
2/28/06 - 3/31/26	5.2%	5.6%	-0.5%	16.8%	13.5%	7.1%	+3.3%	24.7%

Source: WisdomTree, MSCI, S&P as of 3/31/2026. Equity+Currency represented by the net returns of the MSCI EAFE (USD) Index. Equity represented by the net returns of the MSCI EAFE (Local) Index. Currency represented by the difference between the net returns of the MSCI EAFE (USD) and MSCI EAFE (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Diversifier for U.S. Investors.”



Fact: Today, the dollar has a strong negative correlation to U.S. stocks and offers better diversification potential than bonds, which have seen a positive spike in correlations to stocks due to inflation concerns.

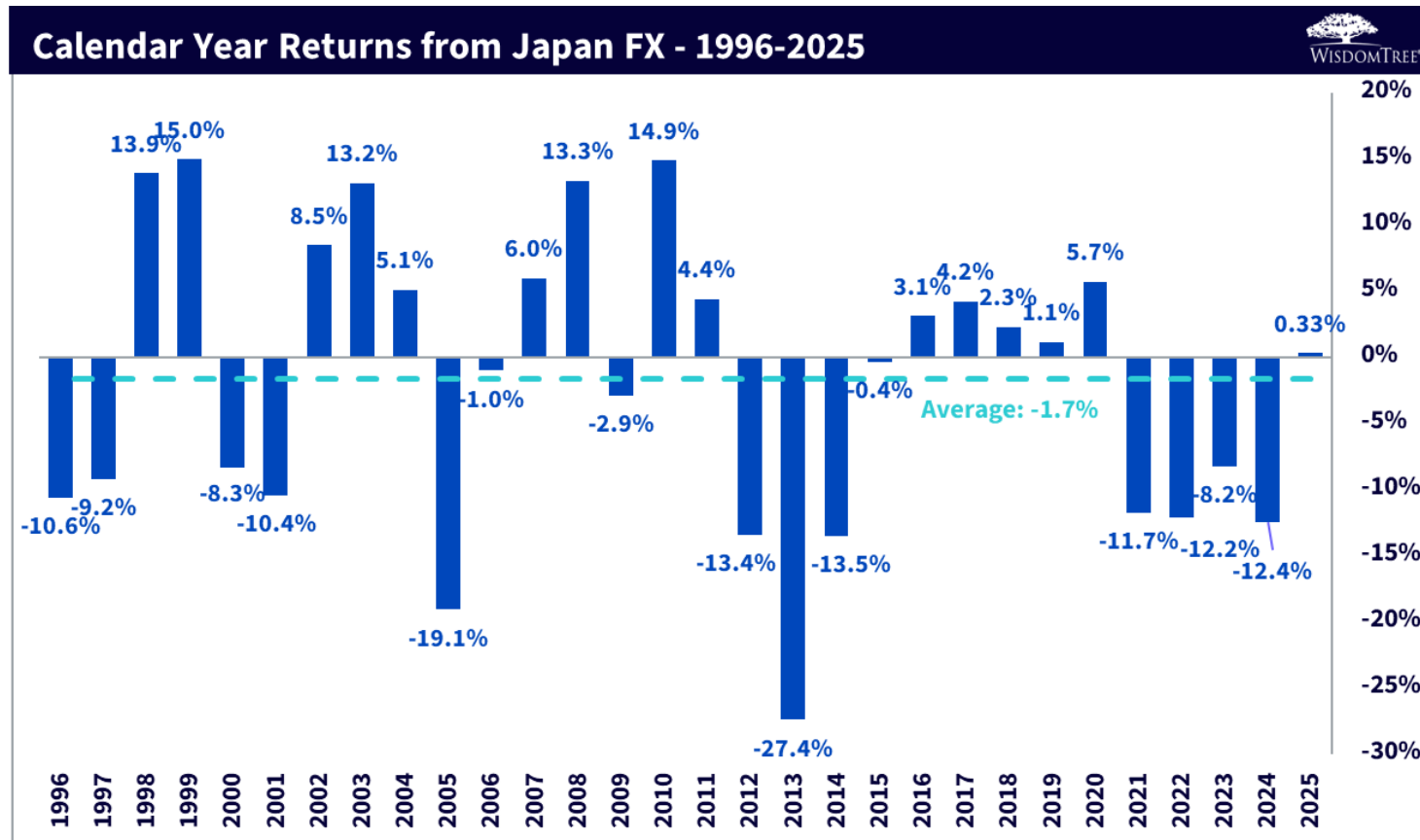


Source: WisdomTree, S&P, FactSet as of 3/31/2026. Stocks represented by the S&P 500 Index. USD represented by the Bloomberg U.S. Dollar Total Return Index. Bonds represented by the Bloomberg U.S. Aggregate Bond Index. You cannot invest directly in an index.

Hedging Regional Currencies: **Japan**



- + Yen returns over the past three decades have varied wildly, with negative returns more impactful than positive ones.



Source: WisdomTree, MSCI as of 12/31/2025. Currency performance represents the difference in net returns for the MSCI Japan (USD) and MSCI Japan (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Understanding Currency's Role in International Equity Returns



- + The **International Investor's Paradox**: Most investors want to invest overseas for return potential and portfolio diversification benefits but prefer to avoid the additional volatility associated with FX fluctuations. Is the former possible without the latter?
- + **Solution**: Currency Hedging

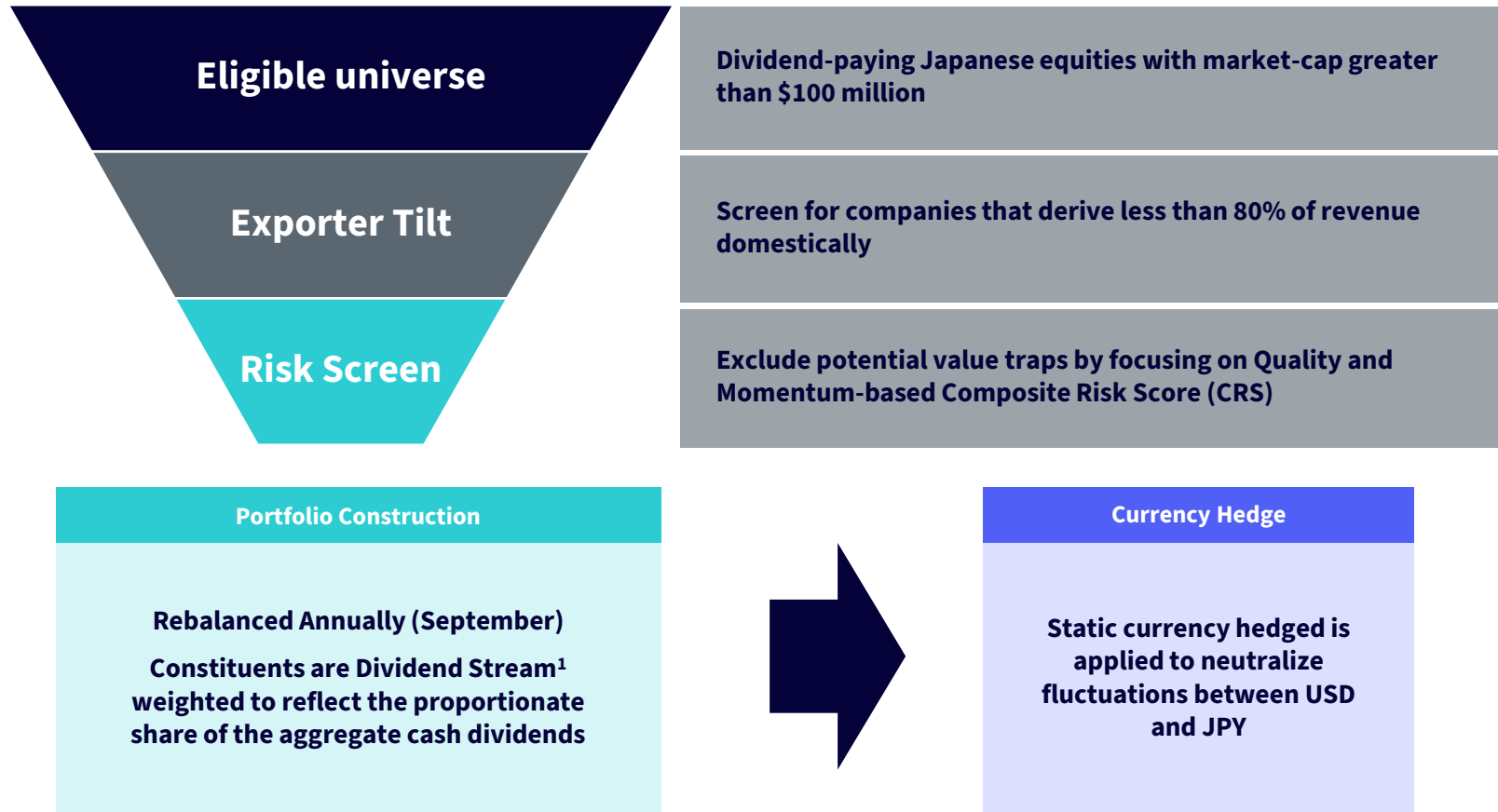
Deriving Returns from Currency-Hedged International Investments

$$\text{Local Market Equity Return} + \text{Currency Return} - \text{Forward Currency Return} = \text{Local Investor's Return}$$



Forward contracts on currencies can be used to neutralize the effect of FX fluctuations and replicate the local equity market's return.

Methodology: WisdomTree Japan Hedged Equity Index



¹Dividend Stream®: refers to the regular dividends per share multiplied by the number of shares outstanding. You cannot invest directly in an index.

WisdomTree Japan Hedged Equity Fund (DXJ)



+ DXJ offers three components that may benefit in the prevailing market environment:

1. **Allocates to exporters** to access the drivers of the Japanese economy and potentially take advantage from a weak yen
2. **Dividend Stream[®]-weighted** to capture growth in shareholder-friendly payments and initiatives
3. **Yen-hedged** to compound benefits from export-oriented equity basket and potentially insulate from currency volatility

Fundamentals as of 3/31/2026									
Fund/Index	Overall Morningstar Rating	Dividend Yield	Price-to-Earnings (P/E)	Est. P/E	Price-to-Book (P/B)	Return-on-Equity (ROE)	Return-on-Assets (ROA)	Return-on-Sales (ROS)	Leverage
DXJ	★★★★★	2.5%	16.1x	16.5x	1.5x	9.1%	1.7%	8.0%	5.4x
MSCI Japan	--	2.0%	18.0x	17.4x	1.8x	9.8%	1.5%	9.5%	6.6x

Top 10 Holdings	
Name	Weight
Mitsubishi UFJ Financial Group, Inc.	4.9%
Toyota Motor Corp.	4.7%
Tokio Marine Holdings, Inc.	3.2%
Sumitomo Mitsui Financial Group, Inc.	3.2%
Mitsubishi Corporation	3.2%
Mitsui & Co., Ltd	2.5%
Japan Tobacco Inc.	2.5%
NTT Inc	2.5%
Mizuho Financial Group, Inc.	2.4%
Takeda Pharmaceutical Co. Ltd.	2.1%

Standardized Performance as of 3/31/2026							
Fund/Index	Inception Date	Gross Expense Ratio	SEC 30-Day Yield	Annualized Performance			
				1-Year	3-Year	5-Year	10-Year
DXJ (NAV)	6/16/2006	0.48%	0.69%	43.53%	33.20%	23.88%	16.48%
DXJ (MKT)				46.24%	34.24%	24.35%	16.84%
MSCI Japan (Local)	--	--	--	33.92%	22.82%	14.62%	12.33%

Source: WisdomTree, FactSet as of 3/31/2026. Morningstar rating is based on risk-adjusted returns among the 36 funds in the Japan Stock category as of 2/28/2026. For complete disclosures and methodology pertaining to Morningstar Ratings™, please see the Important Information on slide 18. You cannot invest directly in an index. Holdings are subject to change. SEC 30-Day Yield: The yield figure reflects the dividends and interest earned during the period, after deduction of the Fund's expenses. This is also referred to as the "standardized yield." **Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the most recent month-end is available at wisdomtree.com/investments.**

Mechanics of Currency-Hedging using Forward FX Contracts

- + Establish **short positions** in 1-month forward contracts versus USD (to offset existing long positions from international equity investments)
 - + Non-deliverable forwards (NDFs) are rebalanced monthly, such that notional principal equals total assets
 - + Currency hedges can be adjusted intra-month to accommodate ETF creations and redemptions
- + Tax Implications:
 - + If gains arise from FX hedging, they are taxed as 60% long-term capital gains and 40% short-term capital gains
 - + If hedging generates *losses*, they can be carried forward in accordance with Internal Revenue Service (IRS) rules to potentially offset future gains

Trading WisdomTree Funds will generate tax consequences and transaction expenses. Tax consequences regarding dividend distributions may vary by investor. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC and its affiliates, provide tax advice. Information provided herein should not be considered tax advice. Investors seeking tax advice should consult an independent tax advisor.

Important Information



The Morningstar Rating™ for funds, or “star rating”, is calculated for funds and separate accounts with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. Star rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance (without adjusting for any sale load, if applicable), placing more emphasis on downward variations and rewarding consistent performance. 5 stars are assigned to the top 10%, 4 stars to the next 22.5%, 3 stars to the next 35%, 2 stars to the next 22.5%, and 1 star to the bottom 10%. Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. For more information about the Morningstar Fund Ratings, including their methodology, please go to global.morningstar.com/managerdisclosures.

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Please see the [WisdomTree Glossary](#) for definition of terms and indexes.

There are risks associated with investing, including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. The Fund focuses its investments in Japan, thereby increasing the impact of events and developments in Japan that can adversely affect performance. Derivative investments can be volatile and these investments may be less liquid than other securities, and more sensitive to the effect of varied economic conditions. As this Fund can have a high concentration in some issuers, the Fund can be adversely impacted by changes affecting those issuers. Due to the investment strategy of this Fund, it may make higher capital gain distributions than other ETFs. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index. Please read the Fund’s prospectus for specific details regarding the Fund’s risk profile.

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