
TOP AND BOTTOM PERFORMERS EXPOSE MARKET TRENDS

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We are firm believers of full transparency and periodically share our top- and bottom-performing strategies to both uncover market trends and show potential pockets of value.

We just launched a *new way* to help showcase, over various time periods, [how our investment solutions have performed](#), with an interactive feature to change time periods and display both top and bottom performers overall or just for a particular asset class.

For those investors looking for positive [momentum](#) trends, the top performers can give an idea of what strategies are standing out, while contrarians and [value](#) investors might look for the bottom end of the range to see what has come under pressure.

Top 10 Performers Year-To-Date

During this time period, a number of emerging market-focused strategies have been top performers, including high-dividend emerging markets, broad emerging market dividends and emerging market [small caps](#). The single top-performing Fund in the WisdomTree lineup is the [WisdomTree Middle East Dividend Fund \(GULF\)](#)—rising oil prices are supporting the regional markets, despite the fact that direct Energy sector exposure is limited in that region because the major oil companies are private.

In addition to emerging markets, we also see [high-yield](#) bonds with negative [duration](#) on the top-performers list, as well as a negative duration strategy performing well with the rise in long-term [interest rates](#).

The [WisdomTree U.S. Multifactor fund \(USMF\)](#) also has shone through in 2018, with the best performance of WisdomTree equities strategies for the U.S. markets in early 2018.

Bottom Performers Year-to-Date

- On the bottom-performers list, we see lagging strategies focused on U.S. high-dividend stocks, where rising interest rates are putting pressure on some of the stocks sensitive to interest rates, such as in the Utilities and Consumer Staples sectors.
- Other bottom performers have been Japan-focused strategies, with the rising yen causing pressure on Japanese markets. This might be an area where [valuations](#) make this an attractive contrarian idea, particularly if you think the trends in interest rates might cause the yen's strong performance to be temporary.

10 Years of Strong Performance

This new interactive performance chart can also showcase our strong performers going back a decade. In the 10 year view of the chart below, we see at the top of our list mid- and small-cap earnings strategies. What is interesting about these [mid-](#) and small-cap earnings strategies is that valuations are in 2018 still lower than large-cap equities generally. The [price-to-earnings ratios](#) for both strategies are between 13.5x and 15x on current estimated earnings, and the lower corporate tax rates should continue to support the more local economy for U.S. midcaps and small caps.

We encourage you to use this new interactive chart to keep tabs on what investment strategies stand out over various time periods—and we look forward to showcasing further features of these tools in the near future.

To see the various time periods mentioned above, please click the appropriate navigation tabs.

Access our top- and bottom-performing exchange-traded funds at any time [here](#).

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

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You cannot invest directly in an index.

DEFINITIONS

Momentum : Characterized by assets with recent price increase trends over time. This term is also associated with the Momentum Factor which associates these stock characteristics with excess return vs the market over time.

Value : Characterized by lower price levels relative to fundamentals, such as earnings or dividends. Prices are lower because investors are less certain of the performance of these fundamentals in the future. This term is also related to the Value Factor, which associates these stock characteristics with excess returns vs the market over time.

Small caps : new or relatively young companies that typically have a market capitalization between \$200 million to \$2 billion.

High Yield : Sometimes referred to as “junk bonds,” these securities have a higher risk of default than investment-grade securities.

Duration : A measure of a bond's sensitivity to changes in interest rates. The weighted average accounts for the various durations of the bonds purchased as well as the proportion of the total government bond portfolio that they make up.

Interest rates : The rate at which interest is paid by a borrower for the use of money.

Valuation : Refers to metrics that relate financial statistics for equities to their price levels to determine if certain attributes, such as earnings or dividends, are cheap or expensive.

Mid-Cap : Characterized by exposure to the next 20% of market capitalization (after the top 70% have been removed) within the Value, Blend or Growth style zones with the majority of the fund's weight.

Price-to-earnings (P/E) ratio : Share price divided by earnings per share. Lower numbers indicate an ability to access greater amounts of earnings per dollar invested.