

FIFTH CONSECUTIVE YEAR OF DOUBLE DIGIT DIVIDEND GROWTH

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WisdomTree conducts the annual [rebalance](#) of its U.S. dividend Index family in December, with the [annual screening date](#) occurring on the last trading day of every November. The annual screening process provides a plethora of data about how [dividends](#) for the U.S. equity markets have changed over time and gives important information about the underlying market [fundamentals](#). In the table below, we look at the [Dividend Stream®](#) for the [WisdomTree Dividend Index](#), WisdomTree's broadest and most inclusive dividend Index. Dividends, a key gauge of the market's underlying fundamentals, continue to set new highs with another year of double-digit growth. **Figure 1: WisdomTree Dividend**

Sector in WisdomTree Dividend Index (WTDI)	(WTDI) Dividend									Stream	
	November 30, 2007	November 30, 2008	November 30, 2009	November 30, 2010	November 30, 2011	November 30, 2012	November 30, 2013	November 30, 2014	Growth 11/30/2013-11/30/2014	Cumulative Growth: 11/30/2007-11/30/2014	
Consumer Discretionary	\$ 19.37	\$ 18.29	\$ 15.96	\$ 19.42	\$ 22.70	\$ 27.59	\$ 32.40	\$ 38.78	19.69%	100.20%	
Consumer Staples	\$ 33.13	\$ 34.88	\$ 36.92	\$ 39.88	\$ 43.55	\$ 45.02	\$ 49.39	\$ 52.55	6.39%	58.61%	
Energy	\$ 20.95	\$ 22.89	\$ 22.94	\$ 24.34	\$ 27.60	\$ 31.87	\$ 36.19	\$ 40.81	12.76%	94.79%	
Financials	\$ 95.72	\$ 62.23	\$ 29.36	\$ 33.03	\$ 45.33	\$ 54.79	\$ 65.25	\$ 79.16	21.32%	-17.30%	
Health Care	\$ 26.83	\$ 29.03	\$ 25.88	\$ 27.97	\$ 31.76	\$ 34.54	\$ 36.93	\$ 39.48	6.90%	47.15%	
Industrials	\$ 30.77	\$ 34.14	\$ 25.35	\$ 27.37	\$ 31.60	\$ 34.57	\$ 37.98	\$ 43.49	14.52%	41.33%	
Information Technology	\$ 16.17	\$ 17.89	\$ 19.27	\$ 22.18	\$ 27.51	\$ 44.01	\$ 51.96	\$ 55.85	7.48%	245.37%	
Materials	\$ 12.73	\$ 12.47	\$ 8.75	\$ 11.15	\$ 13.70	\$ 14.74	\$ 14.49	\$ 15.37	6.13%	20.76%	
Telecommunication Services	\$ 15.45	\$ 16.96	\$ 17.45	\$ 18.33	\$ 19.15	\$ 19.12	\$ 18.55	\$ 21.19	14.19%	37.13%	
Utilities	\$ 17.40	\$ 18.46	\$ 19.04	\$ 20.19	\$ 21.08	\$ 22.66	\$ 23.19	\$ 23.72	2.31%	36.34%	
Total Dividend Stream	\$ 288.53	\$ 267.25	\$ 220.92	\$ 243.86	\$ 283.98	\$ 328.92	\$ 366.32	\$ 410.40	12.03%	42.24%	
Total ex-Financials	\$ 192.81	\$ 205.02	\$ 191.56	\$ 210.83	\$ 238.64	\$ 274.13	\$ 301.07	\$ 331.35	10.05%	71.85%	
Year over Year dividend Growth (%)		-7%	-17%	10%	16%	16%	11%	12%			

Sources: WisdomTree, Bloomberg, as of 11/30/14. Past performance is not indicative of future results. *Dividend Stream* is reported in billions of U.S. dollars. You cannot invest directly in an index. Subject to change.

• New Record Dividend

Stream: 2014 marks the fifth consecutive year of double-digit growth for the U.S. *Dividend Stream*. Remarkably, the cumulative decline of more than 23% from 2007 to 2009 has been erased, and 2014 marks a new high—42% above the mark set in 2007.¹

• **Tech Titan Growth:** Information Technology sector dividends have grown a remarkable 245% since November 30, 2007. At the prior peak, this sector constituted only 5.6% of the *Dividend Stream*, whereas now it constitutes more than 13.6% and is the second-largest dividend-paying sector behind Financials.

• **Financials Displayed Highest Growth:** The sector grew its dividends more than 21% since last year's screening and has averaged more than 20% growth over the past five years. Even after the impressive growth since the 2009 lows, the sector's dividends are still more than 17% below their 2007 highs, and it's the only sector whose *Dividend Stream* remains below its 2007 highs.

• **Consumer Discretionary Grew close to 20%:** The sector grew close to 20% since last year's screening and has grown its dividends over 100% on a cumulative basis since 2007, ranking second after Information Technology. The sector's dividends fell more than 17% during the recession, lagging only the Financials and Materials sectors during the crisis, but Consumer Discretionary has clearly rebounded much more quickly than those two sectors. This sector is also in focus this year as one that may stand to benefit the most from recent declines in oil prices—as consumers have more discretionary income they can spend on other items.

Number of Dividend Payers Also Increases The November 30, 2014, rebalance screening makes it clear that the *Dividend Stream* has grown significantly, and one reason for that growth is the increased number of companies paying dividends. The table below helps illustrate how these new dividend payers are continuing to be a very significant part of the [Russell 3000 Index](#) market cap.

Figure 2:

WisdomTree Dividend Index (WTDI) Historical Trends

Date	WTDI # of Constituents	WTDI Total Market Cap (\$ trn)	Russell 3000 Total Market (\$ trn)	WTDI Percent of Russell 3000 Index
12/31/2006	1522	12.75	16.40	77.71%
12/31/2007	1443	12.45	16.88	73.77%
12/31/2008	1207	7.73	10.19	75.91%
12/31/2009	1179	9.34	12.82	72.85%
12/31/2010	1239	10.64	15.09	70.51%
12/31/2011	1297	10.94	14.74	74.21%
12/31/2012	1348	12.80	16.64	76.90%
12/31/2013	1398	17.10	21.82	78.37%
11/30/2014	1463	18.19	23.96	75.93%

Sources: WisdomTree, Bloomberg, as of 11/30/14. WTDI information based of most recent screening. Past performance is not indicative of future results. You cannot invest directly in an index. Subject to change.

• **Over 100 Additions:** There were over 100 additions to WTDI this year, and they contributed \$7.2 billion to the *Dividend Stream*. This year's rebalance saw more than 100 additions for the second year in a row, but the total number of constituents is still below its prerecession highs. Two of the largest additions were General Motors and Intercontinental Exchange Inc., contributing \$1.9 billion and \$293 million, respectively.²

• **A Large Majority of Constituents Exhibited *Dividend Stream* Growth:** Excluding the additions, over 98% of the current constituents remained in the Index, meaning 98% of the constituents have indicated they will continue to pay dividends. Of the constituents remaining in the Index, approximately 88% have increased their indicated *Dividend Stream* since last year's screening. Household names like Verizon Communications, Bank of America, General Electric, Wells Fargo and Microsoft were some of the leaders in the indicated *Dividend Stream* growth³.

Conclusion WisdomTree interprets this year's aggregate dividend growth of more than 12% as a very positive indicator of underlying market fundamentals. Even more impressive is the fact that this was the fifth consecutive year of double-digit dividend growth. We take comfort in the fact that the overall [valuations](#) of dividend stocks have not become overly stretched as a result of this strong dividend growth and believe future dividend growth could provide a notable foundation for potential future gains.

¹Each calendar year mentioned refers to the November 30 screening date for that year. ²General Motors' and Intercontinental Exchange Inc. projected rebalance weights in the WisdomTree Dividend Index are 0.47% and 0.07%, respectively. ³The projected rebalance weights of the mentioned companies in the WisdomTree Dividend Index are as follows: Verizon Communications, 2.22%; Bank of America, 0.51%; General Electric, 2.15%; Wells Fargo, 1.77%; Microsoft, 2.49%.

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DEFINITIONS

Rebalance : An index is created by applying a certain set of selection and weighting rules at a certain frequency. WisdomTree rebalances, or re-applies its rules based selection and weighting process on an annual basis.

Annual screening date : The screening date refers to the date upon which characteristics of eligible constituent firms are measured, whereas the rebalance refers to when the results from the screening date are implemented by way of Index weights and constituents.

Dividend : A portion of corporate profits paid out to shareholders.

Fundamental value : The value of a firm that is related to a company's actual operations and production as opposed to changes in share price.

Russell 3000 Index : Measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

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.