Income that lasts: WisdomTree's 2026 Global High Dividend Index rebalance

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Key Takeaways

- The rebalance replaced 133 of the 300 constituents, with one-way turnover of 38%.
- Energy fell from 5.0% to 2.7%, while Financials rose to 25.1% as the mix shifted from banks towards insurers and asset managers.
- The US weight rose to 49.3% and Switzerland is now the largest non-US country at 7.3%, while Japan fell 2.1 points to 5.4%.
- The trailing dividend yield rose to 3.90% from 3.57%, and return on equity rose to 16.9% from 14.7%, while the price-to-earnings ratio fell to 14.9x from 16.2x.
- Total shareholder yield rose to 5.33% from 5.07%, with more of the cash return now coming from dividends.

Last week, we explored how an energy-driven inflation shock is keeping central banks cautious, why third-quarter (Q3) earnings growth remains strong but concentrated, and what the accompanying dividend announcements reveal about the durability of income. The message was that dividend growth is broad, but it is strongest where balance sheets are strongest. Read the full blog here.

Against this backdrop, the 2026 annual rebalance of the WisdomTree Global High Dividend UCITS Index offers a timely opportunity to assess how its positioning has evolved. In this blog, we examine the changes to its sector and country exposures and underlying fundamentals, and what these mean for investors seeking dividend income in the current environment.

Inside the 2026 rebalance of the WisdomTree Global High Dividend UCITS Index

The WisdomTree Global High Dividend UCITS ETF (Ticker: WDIV) tracks the WisdomTree Global High Dividend UCITS Index (Ticker: WTGDHYU), a proprietary, fundamentally-weighted index designed to deliver exposure to high dividend yielding companies across developed global markets.

It is rebalanced once a year. Companies from developed markets must pass WisdomTree's environmental, social and governance (ESG) screen and rank in the top 30% by dividend yield. A composite risk score, built from Quality and Momentum factors, excludes the weakest names, including high yielders whose

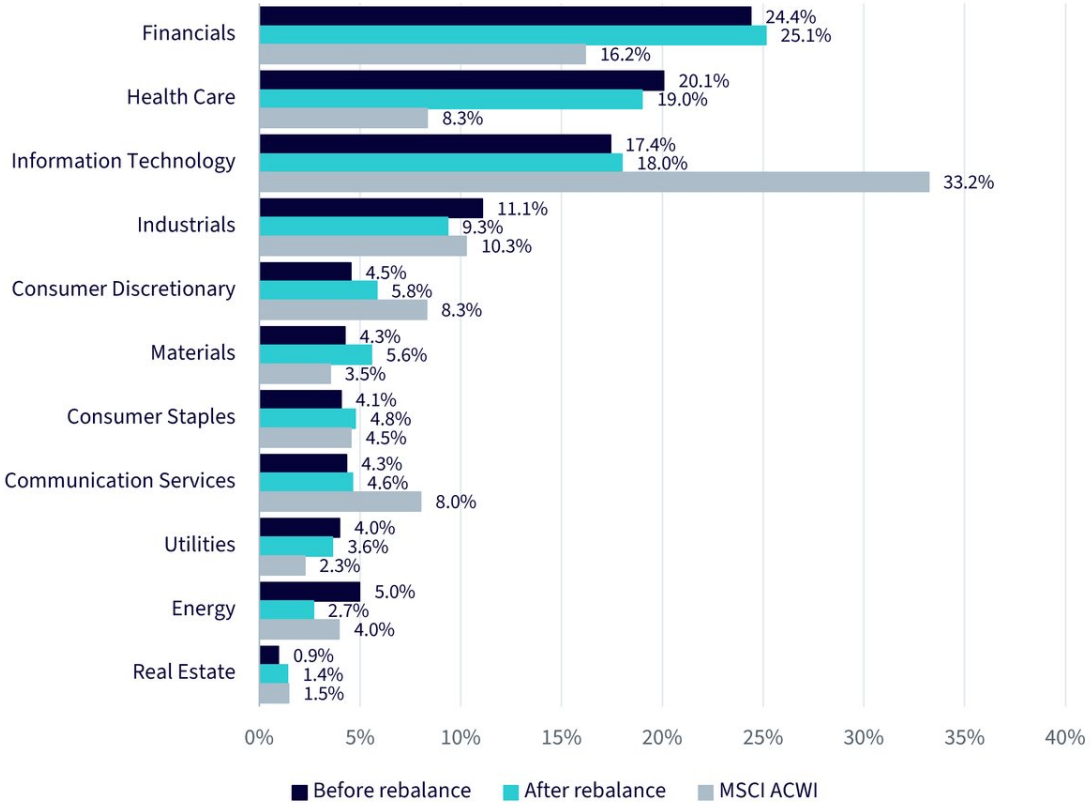
score suggests the dividend is at risk. The Index then holds up to 300 companies, weighted by the cash dividends they pay, with a tilt towards companies with the best composite risk scores. The ESG screen excludes, among others, controversial weapons, tobacco, thermal coal, unconventional oil and gas, small arms and companies that violate United Nations and OECD[1] guidelines.

This year's rebalance replaced 133 of the 300 constituents, with one-way turnover of 38%. About two-thirds of the deletions by weight, including Johnson & Johnson, no longer ranked in the top 30% by yield, while Verizon, Pfizer and Accenture joined after passing the risk score that excluded them last year[2].

Sector changes: less energy, more materials and consumer names

Energy saw the largest reduction, from 5.0% to 2.7%. Financials remain the largest sector and rose 0.8 points to 25.1%, but the mix shifted from banks towards insurers and asset managers. Materials rose 1.3 points to 5.6%, mainly because BHP's weight increased from 1.4% to 2.3%, making it the second-largest holding. Information technology remains the largest underweight against MSCI ACWI, at 15.2 points.

Figure 1: Sector weights before and after the 2026 rebalance



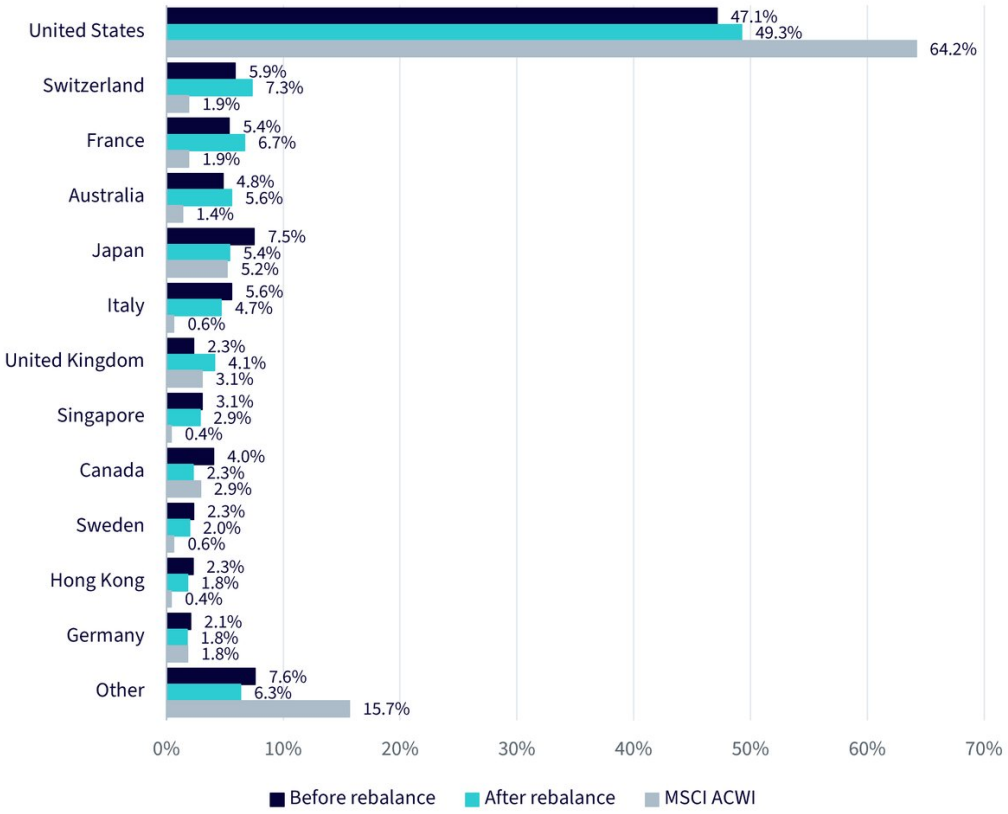
Source: WisdomTree, FactSet. Before = index constituents prior to the 2026 annual rebalance; after = constituents following the rebalance on 28 October 2026. MSCI ACWI weights as at the same date. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

Country changes: more US, UK and Switzerland, less Japan and Canada

The US weight rose to 49.3%, with 119 US holdings against 112 before. Even so, the Index remains 14.9 points underweight the US relative to MSCI ACWI. Europe, including the UK, rose to 32.0% from 30.7%. Switzerland is now the largest non-US country at 7.3%, after Zurich joined and Roche's weight increased.

The largest reductions were Japan and Canada. Japan fell 2.1 points to 5.4%, as Mitsubishi Corporation, Sumitomo Corporation, NTT, SoftBank Corp and Komatsu no longer ranked in the top 30% by yield.

Figure 2: Country weights before and after the 2026 rebalance



Source: WisdomTree, FactSet. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

Fundamentals: higher yield and profitability, lower valuation

The fundamental profile improved on most measures. The trailing dividend yield rose to 3.90% from 3.57%, and the estimated dividend yield to 4.16% from 3.81%. Return on equity rose to 16.9% from 14.7%, and return on assets to 2.1% from 1.9%. The price-to-earnings ratio fell to 14.9x from 16.2x, and price-to-sales to 1.52x from 1.61x.

The trade-offs are modest. Price-to-book rose to 2.53x from 2.39x, consistent with higher returns on equity. The consensus long-term earnings growth estimate eased to 8.8% from 9.3%. The net buyback yield slipped to 1.43% from 1.50%, while total shareholder yield, dividends plus net buybacks, rose to 5.33% from 5.07%. More of the portfolio's cash return now comes from dividends.

Table 1: Index characteristics before and after the rebalance

Characteristic	Before	After	Change
Number of constituents	294	300	+6
Dividend yield (trailing)	3.57%	3.90%	+0.33 %
Estimated dividend yield	3.81%	4.16%	+0.35 %
Net buyback yield	1.50%	1.43%	-0.07 %
Shareholder yield	5.07%	5.33%	+0.26 %
Price-to-earnings	16.15x	14.90x	-1.25x
Price-to-book	2.39x	2.53x	+0.14x
Price-to-sales	1.61x	1.52x	-0.09x
Price-to-cash flow	9.01x	9.21x	+0.20x
Return on equity	14.66%	16.89%	+2.23 %
Return on assets	1.90%	2.13%	+0.23 %
Est. long-term earnings growth	9.28%	8.81%	-0.47 %

Source: WisdomTree, FactSet as of 28 October 2026. The dividend yields shown relate to the underlying Index and do not represent the yield or distributions received by investors in the ETF. Actual returns and distributions may differ and are affected by fees and other factors. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investments may go down in value.**

Conclusion

The 2026 rebalance moved the Index towards the qualities that the current backdrop rewards. Its dividend yield and return on equity rose, its price-to-earnings ratio and Energy weight fell, and more of its cash return now comes from dividends. With an energy supply shock keeping central banks cautious, the source and durability of income matter more than its headline level.

Investing in high dividend equities involves risks, including equity market volatility and the possibility that companies may reduce or suspend dividend payments. A higher dividend yield does not necessarily indicate a more sustainable income stream, and the value of investments can fall.

[1] Organisation for Economic Co-operation and Development.
[2] WisdomTree, FactSet. 2026 annual rebalance of the WisdomTree Global High Dividend UCITS Index as of 28 October 2026.

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