Diversifying within equities before diversifying away from them

Published 13 November 2026

Lucas Armada
Associate, Quantitative Research

Ayush Babel
Director, Quantitative Research

Key Takeaways

- The top 10 stocks account for 57.8% of the S&P 500's return since the 30 March low. 29% of constituents are down this year, and earnings growth is expected to halve in 2027.
- Being exposed to high dividend or quality companies could help in market downturns, as those stocks are usually more resilient when the market crashes
- WisdomTree's Composite Risk Score aims to avoid low Quality and Momentum stocks, and fundamental weighting reduces concentration.

2026 is a year for the books: record-breaking IPOs, markets pushing toward all-time-highs despite ongoing geopolitical tensions all around the world, and firms beating estimates on the backdrop of a race toward AI supremacy.

Such was the story until a few days ago. The week commencing 2 of November saw markets tumbling down: the S&P 500 fell 3% and the Nasdaq 6% on fears of tighter regulations on AI since the democrats won the house and senate earlier this week.

This selloff appeared to be very concentrated in AI and semiconductor stocks. Those same stocks are responsible for more than 50% of the Year-To-Date return of the S&P 500 Index (see Table 1).

Table 1: Which stocks drove the rebound? Top 10 contributors to the S&P 500's total return from the 30 Mar 2026 low to 06 Nov 2026

Source: Bloomberg, data from 30/03/2026 to 05/11/2026 (latest available data), using SPY as a proxy for the S&P 500 Index.

The story for the other 490 companies is different: 29%1 of the 500 companies are down this year, and roughly 75% are down more than 10% from their all-time-highs.

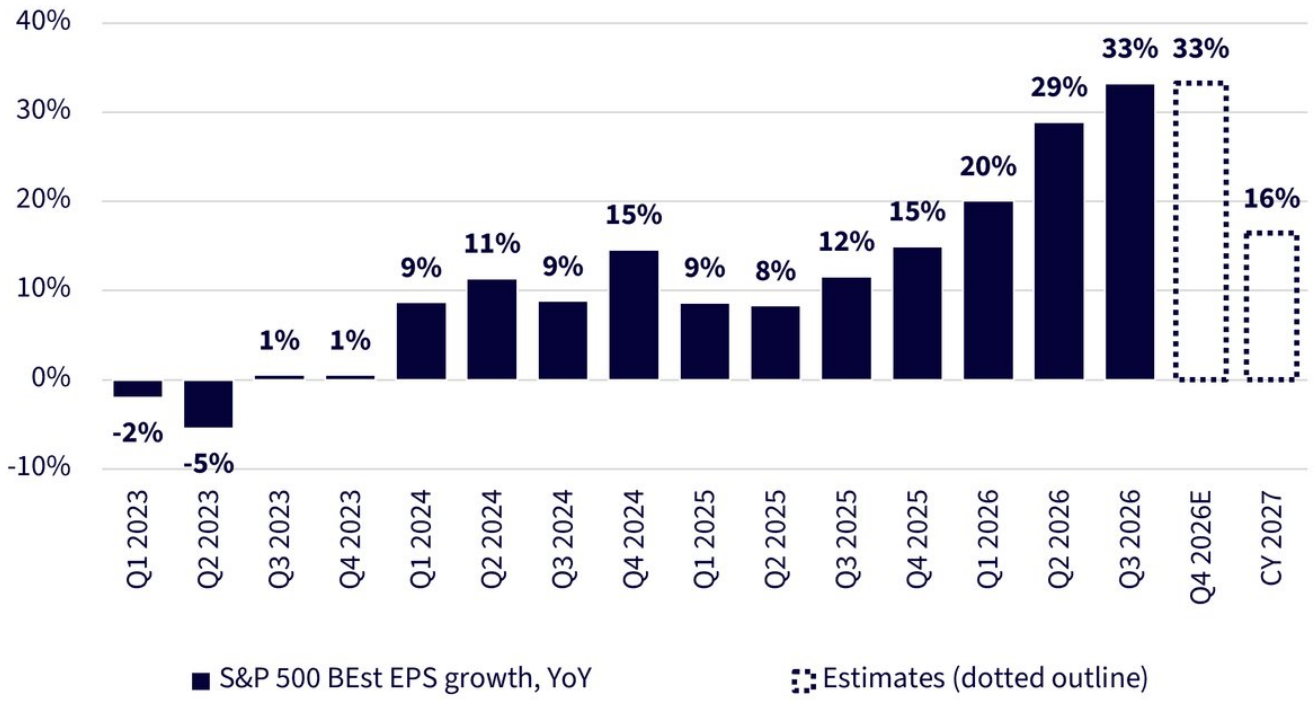
Table 2: How broad is the S&P 500's performance?

Source: Bloomberg, data as of 05/11/2026 (latest available data).

Earnings have kept on growing for the past four years and are starting to appear more and more saturated. For example, Google has recently reported sales and income per shares below what analysts estimated, wiping out 13% from its stock price in a single day (28 Oct 2026), Amazon fell more than 7% after reporting operating income below estimates and Intel fell nearly 30% after missing revenue targets.

Overall, S&P earnings growth seem to have reached a saturation with estimated earnings growth expected to slow to down to half of the current levels (see Figure 1)

Figure 1: S&P 500: year-over-year growth of quarterly consensus EPS (estimates in dotted outline)



Source: Bloomberg. EPS = Earnings Per Share. Quarterly YoY Earnings Growth – estimates for Q4 2026 and Calendar Year 2027. **Forecasts are not an indicator of future performance, and any investments are subject to risks and uncertainties.**

On the other hand though, bond markets are giving investors the possibility to lock in the highest yields seen in the past few years, which raises the question: is there a way for investors to navigate rough market conditions while still being exposed to equities?

We argue that defensive equities, in the form of High Dividend, Quality or Value stocks, provide one solution to the question raised.

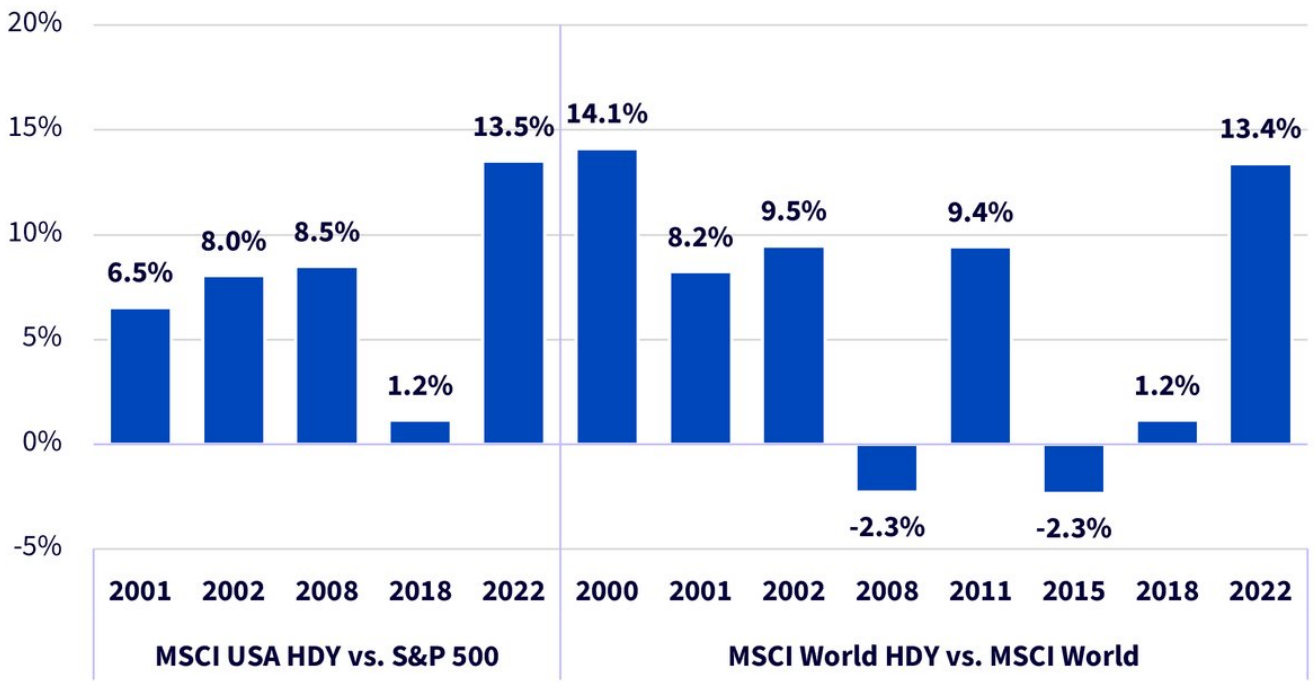
Three approaches to defensive equities

WisdomTree High Dividend Strategies

Dividend paying stocks have an inbuilt buffer that could help the company withstand choppy markets better than non-dividend paying stocks. Historically, dividends have provided a safety buffer when the broader market was down, helping hedge negative returns to some extent.

High Dividend indices have consistently outperformed the broader market in calendar years when it was down, like 2008 or 2022. In the most recent example of 2022, U.S. high dividend paying companies outperformed the market by nearly 14%, when the S&P 500 was down 18%.

Figure 2: High dividend yield out/(under)performance vs. the broad index in years the index fell

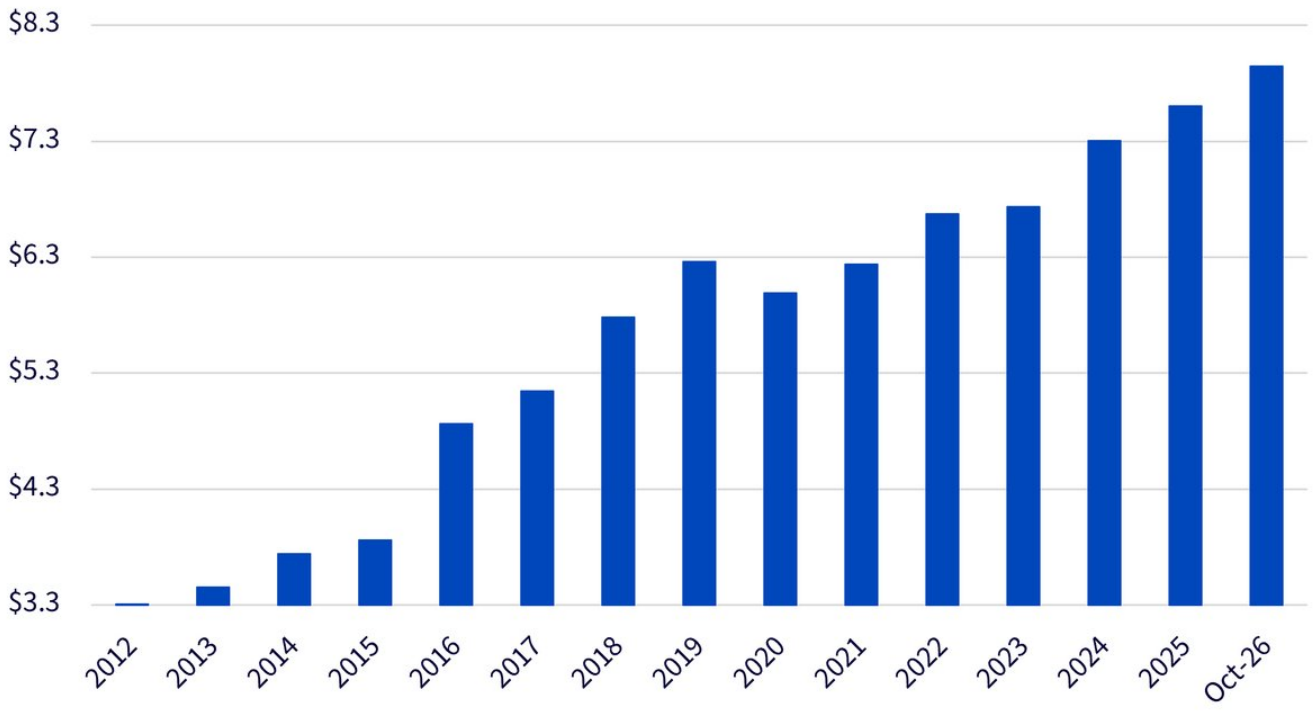


Source: Bloomberg, data from 31/12/1999 to 31/10/2026 (latest available data). HDY = High Dividend Yield. **Historical performance is not an indication of future performance and any investments may go down in value.**

The reason for this is twofold:

1. Dividends form part of the total return even when the markets go down (see figure 3).
2. Companies who can maintain a higher dividend, especially in times of market stress, will be companies with more robust balance sheets.

Figure 3: Cash dividends received each year on $100 invested at end-2012 for the MSCI USA High Dividend Index



Source: Bloomberg, data from 31/12/2012 to 31/10/2026 (latest available data). **Historical performance is not an indication of future performance and any investments may go down in value.**

Assuming USD 100 as the base value, the dividend received each would have increased from roughly USD 3.4 in 2013 to nearly USD 8 in 2026.

Despite market drawdowns that impacted the price of the underlying stocks, the dividend payments have been resilient and risen steadily over time.

The WisdomTree High Dividend UCITS Indexes offer a way to be exposed to liquid and high dividend paying companies by selecting the stocks that pay the highest dividends.

These indexes exclude companies with a low Quality and Momentum score using a proprietary Composite Risk Score (CRS) screening mechanism. The rationale behind it is simple: strategies targeted towards Value and dividend stocks could select ones where the trend and fundamentals might not be supported. WisdomTree strategies aim to avoid Value traps by adding a risk management layer in the form of CRS.

The companies are weighted by the actual cash dividend paid, which provides an innovative and robust way of being exposed to such stocks.

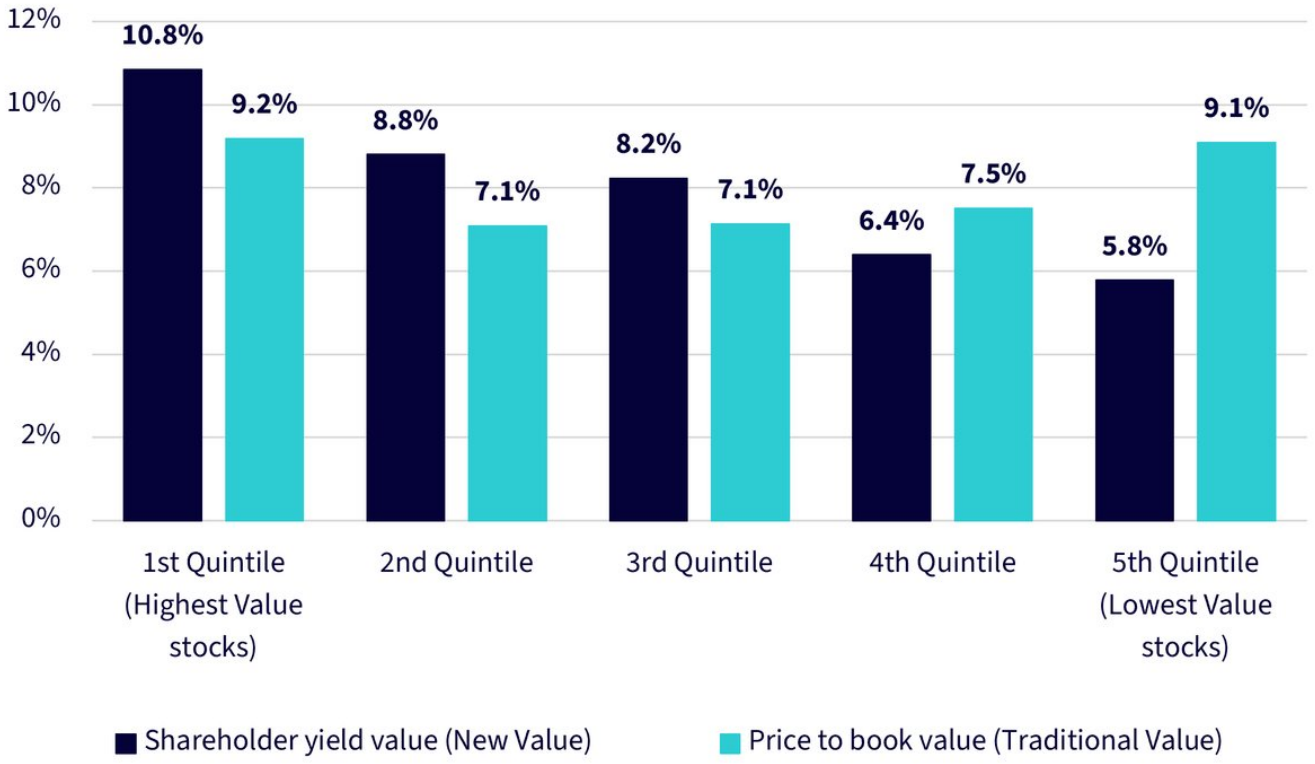
WisdomTree Value strategies

While dividend remains an important metric to measure what companies return to shareholders, it's not the only way. In the early 2000s, buybacks exceeded the total notional of dividends by S&P 500 companies, making them the preferred way for companies to return value to shareholders.

Stock buybacks are usually viewed as a vote of confidence from the company management in the stocks and is an important metric when assessing a value portfolio. Unlike some traditional metrics which rely on price and enterprise value multiples, and can be industry specific, shareholder yield captures value across a wide range of market segments.

Our research shows that shareholder yield - defined as the combination of dividend yield and buyback yield can capture a tangible risk premium that traditional metrics like price to book have failed to capture in the era of rising intangible assets.

Figure 4: Value as defined by high Shareholder Yield outperforms



Source: WisdomTree, MSCI, from 31/12/2007 to 30 Sep 2026. Quintile portfolios created using end of December data each year and constituents are equally weighted. Shareholder yield = 1st quintile (highest shareholder yield) within the MSCI World Index. Price-to-Book = 1st quintile (lowest P/B) within the MSCI World Index. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investment may go down in value. Historical performance is not an indication of future performance and any investments may go down in value.**

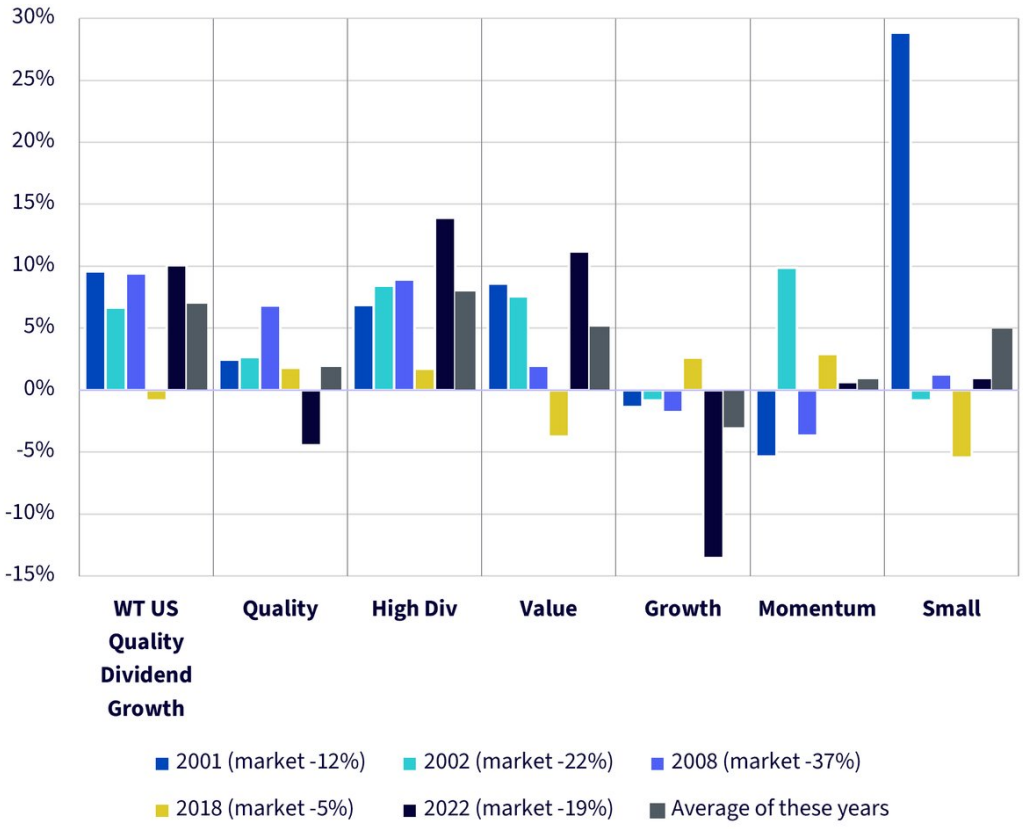
WisdomTree Value UCITS Indexes select stocks with the highest shareholder yield within respective regions and sectors while screening for Value traps with CRS (defined above). Constituents are then weighted by shareholder yield that allows the strategies to have high active share with the benchmark indexes.

WisdomTree Quality Dividend Growth strategies

When the market takes a turn, certain factors tend to underperform. Growth, value, size or momentum tend to be hit harder than other factors. Others, like the high dividend one covered in the last section, or quality, tend to be more resilient in such market conditions. Quality along with dividend provides investors an additional layer of protection in the form of profitability.

WisdomTree's Quality Dividend Growth UCITS Indexes provide exposure to profitable dividend-paying companies, targeting ones which can grow their dividends over time. As can be seen on figure 6 below, in years where the market fell, the WisdomTree Quality Dividend Growth index provided resilient and consistent outperformance.

Figure 5: factor return relative to the market in the years the market fell



Source: Bloomberg, data from 31/12/2000 to 31/10/2026 (latest available data). "Factors" correspond to MSCI USA indices. "Years when market fell" corresponds to calendar years where the S&P 500 Total Return Index had a negative return. **Historical performance is not an indication of future performance and any investments may go down in value.**

Stocks are also excluded based on their CRS score, described in the previous section. The resulting ones are selected using three metrics:

- estimated earnings growth, trailing 5Y earnings growth and sales growth (50%)
- return on equity (25%)

- return on assets (25%)

This methodology allows to gain exposure to high quality companies, and the weighting methodology allows an investor to be more exposed to companies that will pay a higher dividend.

Conclusion

With geopolitical tensions and AI trades unfolding all around the globe, investors may find in defensive equities a convenient way of being exposed to more resilient companies while still maintaining exposure to the equity market.

Investors have several choices to be exposed to such stocks. Dividends, buybacks and Quality can help in navigating rough market conditions by providing investors with an extra layer of security when markets tumble. Avoiding value traps is a crucial aspect of building such strategies – WisdomTree uses a proprietary Composite Risk Score (CRS) to avoid low quality and low price-momentum companies.

WisdomTree's High Dividend, Value and Quality Dividend Growth ranges provide a solution to be exposed to companies that have inbuilt buffer through dividends, buybacks or profitability to withstand market turmoil better. Stocks in these strategies are not weighted by market capitalisation which creates another buffer at portfolio level leading to better diversification and less concentration versus market capitalisation weighted indexes.

During this volatile and painful week for US markets, the WisdomTree US High Dividend Index has returned -1.16%, up +1.33% compared to the S&P 500 – the WisdomTree US Quality Dividend Growth Index has returned -1.79%, up +0.70% compared to the S&P 500 – finally, the WisdomTree US Value Index has returned -0.92%, up +1.57% compared to the S&P 5002.

1 Bloomberg, as of 05/11/2026.
2 Bloomberg, from 02/11/2026 to 05/11/2026.

IMPORTANT INFORMATION

Marketing communications issued in the European Economic Area ("EEA") & Switzerland: This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

Marketing communications issued in jurisdictions outside of the EEA, except Switzerland: This document has been issued and approved by WisdomTree UK Limited or Atlantic House Investments Limited, which are both authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited, WisdomTree UK Limited and Atlantic House Investments Limited are referred to as "WisdomTree" (as applicable) throughout. Our Conflicts of Interest Policy and Inventory are available on request.

This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at wisdomtree.eu. WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.

This marketing communication should be read in conjunction with the relevant WisdomTree products' Prospectus, Key Investor Information Document ("KIID"), Key Information Document ("PRIIPS KID") as relevant. In particular, investors should carefully read the specific risks detailed under the section entitled 'Risk and Reward Profile' in the KIID, 'What are the risks and what could I get in return?' in PRIIPs KID and under the section entitled 'Risk Factors' in the Prospectus of the Issuer for further details of risks associated with an investment in the product(s) detailed herein. Further information regarding the WisdomTree exchange-traded product(s) detailed herein, such as a detailed list of the underlying investments and the indicative net asset value, can be obtained by visiting the WisdomTree website at (www.wisdomtree.eu).

An investment in WisdomTree exchange-traded products ("ETPs") is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. An investment in WisdomTree funds is dependent on the performance of the underlying investments, less costs.

Both WisdomTree ETPs and funds involve numerous risks including among others, general market risks relating to any relevant underlying index, credit risks on the provider of index swaps utilised in ETPs, exchange rate risks, interest rate risks, inflationary risks, liquidity risks, derivatives risk and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

WisdomTree Issuer ICAV

Certain funds referred to in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the Shares.

The summary of investor rights associated with an investment in the fund is available in English on WisdomTree Europe's website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

For Investors in El Salvador:

This document has been produced for the purpose of providing information about the exchange traded products (ETPs). This document is made available on the condition that it is for the use only by the recipient and may not be passed on to any other person or be reproduced in any part. The ETPs have not been and will not be offered in the course of a public offering or of equivalent marketing in El Salvador and therefore, the provisions of the Stock Market Law of 1994 (Ley del Mercado de Valores) as amended, relating to registration requirements and to prospectus requirements do not apply. The ETPs have thus neither been registered for public distribution in El Salvador with the Stock Superintendency nor been the subject matter of a prospectus compliant with the Stock Market Law. Any subscription application by any person other than the initial recipient of the document will be rejected.

For Investors in Brazil:

These Shares may not be offered or sold to the public in Brazil. Accordingly, the offering of the Shares has not been nor will be submitted to the Brazilian Securities Commission - CVM for approval. Documents relating to such offering, as well as the information contained herein and therein may not be supplied to the public, as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

This is a strictly privileged and confidential communication between WisdomTree and its selected client. This communication contains information addressed only to a specific individual and is not intended for distribution to, or use by, any person other than the named addressee. This communication (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any securities or any related financial instruments, and (iii) should not be construed in any manner as a public offer of any securities or any related financial instruments. If you are not the named addressee, you should not disseminate, distribute or copy this communication. Please notify the sender immediately if you have mistakenly received this communication.

For Investors in Chile:

Date of the offer: WisdomTree Issuer ICAV prospectus is dated 15 June 2026.

(i) This offer is made pursuant to Rule 336 issued by the Comisión para el Mercado Financiero of Chile (CMF);

(ii) This offer deals with securities that are not registered in the Securities Registry nor in the Foreign Securities Registry kept by the CMF, and that are, therefore, not subject to the supervision of the CMF;

(iii) Given that the securities are not registered, there is no obligation for the issuer to disclose in Chile public information about said securities; and

(iv) The securities may not be publicly offered as long as they are not registered in the corresponding Securities Registry.

Fecha de inicio de la oferta: WisdomTree Issuer ICAV prospecto está fechado el 15 de junio de 2026

(i) La presente oferta se acoge a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile.

(ii) La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización;

(iii) Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores; y

(iv) Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

For Investors in Colombia:

This document does not have the purpose or the effect of initiating, directly or indirectly, the purchase of a product or the rendering of a service by the ETF's to Colombian residents. The ETF products and/or services may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia. Neither the ETF's nor any related person or entity has received authorization or licensing from the Financial Superintendency of Colombia or any other governmental authority in Colombia to market or sell the Shares within Colombia.

Colombian residents acknowledge that (1) the receipt of this document does not constitute a solicitation from the Fund for its products and/or services, and (2) they are not receiving from the Fund any direct or indirect promotion or marketing of financial products and/or services. This document is strictly private and confidential and may not be reproduced or used for any purpose other than evaluation of a potential investment in the Fund by the intended recipient or provided to any person or entity other than the intended recipient.

For Investors in Costa Rica:

This is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendence of Securities ("SUGEVAL"), pursuant to article 6 of the Regulations on the Public Offering of Securities ("Reglamento sobre Oferta Pública de Valores"). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica.

The Shares being offered are not intended for the Costa Rican public or market and neither are registered or will be registered before the SUGEVAL, nor can be traded in the secondary market.

For Investors in Mexico:

The ETF's have not been, and will not be, registered under the Mexican Securities Market Law (Ley del Mercado de Valores) and may not be publicly offered or sold in the United Mexican States. This document relating to the ETF's Offering may not be distributed publicly in Mexico. Certain Shares of the Issuer are listed on the Bolsa Mexicana de Valores, S.A.B. de C.V. ("BMV") in pesos and trades can be initiated through a local broker. Please confirm with your brokers that you are allowed to trade the Shares.

For Investors in Panama:

These Shares have not been and will not be registered with the Superintendence of the Securities Market of Panama (Superintendencia del Mercado de Valores de la República de Panamá). Accordingly, (i) the Shares cannot be publicly offered or sold in Panama, except in transactions exempted from registration under the securities laws of Panama, (ii) the Superintendence of the Securities Market of Panama has not reviewed the information contained in this document, (iii) the Shares and the offering thereof are not subject to the supervision of the Superintendence of the Securities Market of Panama, and (iv) the Shares do not benefit from the tax incentives provided by Panamanian securities laws and regulations.

For Investors in Peru:

The Shares have not been and will not be approved by or registered with the Peruvian Superintendencia del Mercado de Valores (the "SMV"), the Lima Stock Exchange (the "BVL") or any other regulatory agency in Peru. Accordingly, the Shares may not be offered or sold in Peru or in any other jurisdiction except in compliance with the securities laws thereof. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

For Investors in Uruguay:

Shares of the ETF's are not available publicly in Uruguay and are offered only on a basis which constitutes a private placement in Uruguay. As such, the Shares are not required to be, and will not be, registered with the Central Bank of Uruguay. The Shares correspond to an investment fund that is not an investment fund regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

For US Offshore Investors:

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("the 1933 Act") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person". The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Offering materials for the offering of the Shares have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

For Investors in Switzerland:

This document/constitutes/an advertisement of the financial product(s) mentioned/herein.

The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree's website: https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports

For WisdomTree UCITS products only: the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch,/Talacker/50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of/jurisdiction/and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors.

For Investors in Malta:

This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

FOR INVESTORS IN FRANCE:

Further information regarding the WisdomTree exchange-traded product(s) detailed herein, such as a detailed list of the underlying investments and the indicative net asset value, can be obtained by visiting the WisdomTree website at (www.wisdomtree.eu).

The product is intended for retail investors who: (i) can withstand capital loss, are not seeking to preserve capital and are not seeking a capital guarantee; (ii) have specific knowledge or experience in investing in similar products and in the financial markets; and (iii) are looking for a product that provides exposure to the performance of the underlying asset(s) and have an investment horizon in line with the recommended holding period indicated in the KID.

In addition, the indicative net asset value is shown on the Reuters and Bloomberg pages of the product and may also be mentioned on the websites of the product's listing venues.

Units in a listed exchange-traded product purchased on the secondary market generally cannot be sold directly back to the listed exchange-traded product. For investors who are not authorised participants, the purchase and sale of units must be done on a secondary market with the help of an intermediary (e.g., a broker), and may therefore be subject to additional fees and taxes. In addition, it is possible that investors may pay more than the current net asset value when purchasing units and receive less than the current net asset value when selling them.

Investors should carefully read the specific risks detailed under the section entitled ‘What are the risks and what could I get in return?’ in the Key Information Document for Packaged Retail and Insurance-based Investment Products (PRIIPs KID) and under the section entitled ‘Risk Factors’ in the Prospectus of the Issuer for further details of risks associated with an investment in the product detailed herein.

Investors are advised that the prospectus is available in French and English.

This document is a promotional material relating to the financial product(s) mentioned herein. The prospectus and the Key Investor Information Document (KIID) are available on the WisdomTree website: https://www.wisdomtree.eu/resource-library/prospectus-and-regulatory-reports

The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Central Bank of Ireland as UCITS compliant with European regulations although it may not have to comply with the same rules as those applicable to a similar product approved in France.

The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, any supplements or addenda thereto, the Key Information Document, the latest annual reports and the instrument of incorporation) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS presents disproportionate communication on the consideration of non-financial criteria in its management.

For Investors in Monaco:

This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco.

For Investors in Israel:

Offering materials for the offering of the Shares and securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Israel Securities Law, 5728-1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 5754-1994 (“the Joint Investment Trusts Law “), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (“the Addendum”) to the Securities Law, “Sophisticated Investors”) who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a Sophisticated Investor).

Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed

investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.

Certain information contained herein (the “Information”) is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates (“MSCI”), or information providers (together the “MSCI Parties”) and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund’s assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided “as is” and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.