Are Two Complementary Strategies Continuing to Create a Better Core in 2026?

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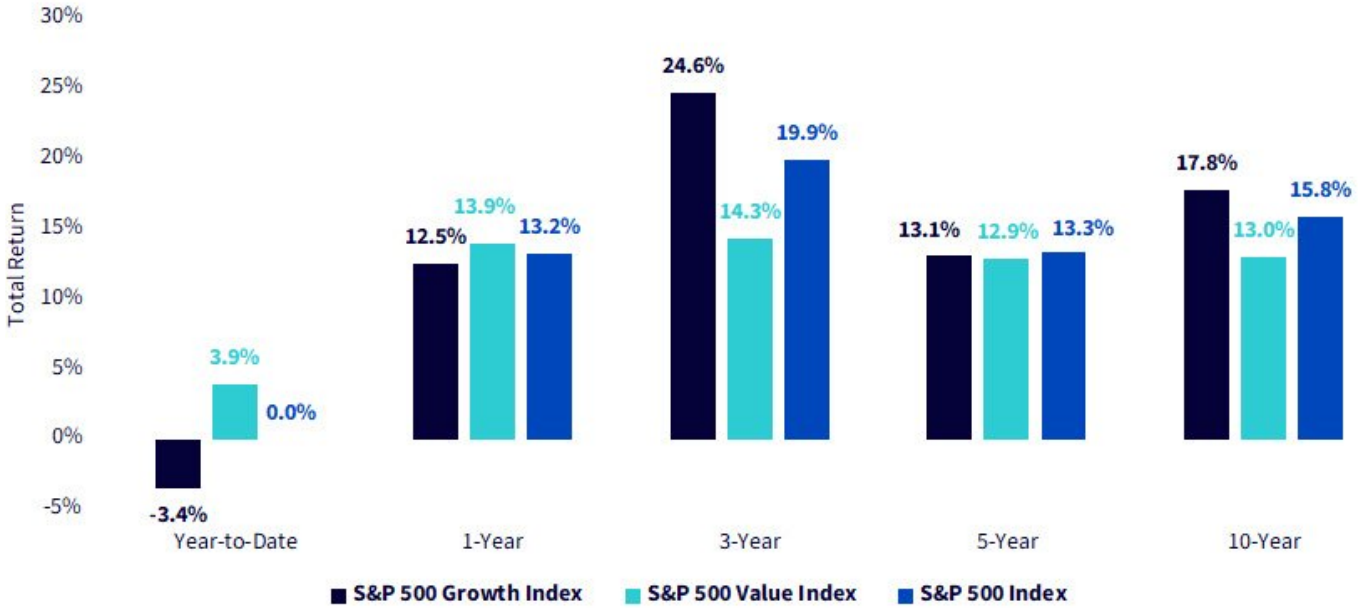
Key Takeaways

- With value outperforming growth year-to-date in early 2026, after a decade of dominance by mega-cap tech, a 50/50 blend of WisdomTree U.S. Quality Growth Fund (QGRW) and WisdomTree U.S. Value Fund (WTV) has maintained an edge over the S&P 500, underscoring the case for a style-balanced core as leadership rotates.
- Even as macro uncertainty and valuation sensitivity rise, the blend pairs QGRW's disciplined focus on high-quality earnings growers with WTV's emphasis on shareholder yield and relative quality, positioning investors to capture upside from either renewed growth momentum or a sustained value regime.
- Notably, the 50/50 allocation has delivered competitive performance across one-, three-year and longest common history periods while trading at meaningful discounts to the S&P 500 on price-to-earnings (P/E), price-to-book and price-to-sales, offering a structurally diversified core without paying benchmark-level multiples.

Equity market leadership rarely moves in a straight line. Instead, it rotates, sometimes gradually, sometimes abruptly, between Growth and Value. The past decade has been defined by an extraordinary run for Growth stocks, particularly U.S. large-cap technology. In Figure 1, that dominance is clear in the longer-term data: over three- and ten-year periods, Growth meaningfully outpaced Value, reflecting powerful structural tailwinds from digital transformation, cloud computing and AI-driven business models.[1]

But leadership is cyclical. In shorter windows, the balance can shift. The year-to-date figures in early 2026 show Value taking the lead, reversing the pattern that defined much of the previous cycle. Even over the most recent one-year period, performance dispersion has narrowed considerably, signaling a potential transition.

Figure 1: The Pendulum Swings: Value Steps Forward After Growth's Long Run



Sources: WisdomTree, Morningstar and FactSet, specifically data from the Fund Comparison Tool in the PATH suite of tools, accessed February 14, 2026 with returns as of February 13, 2026.

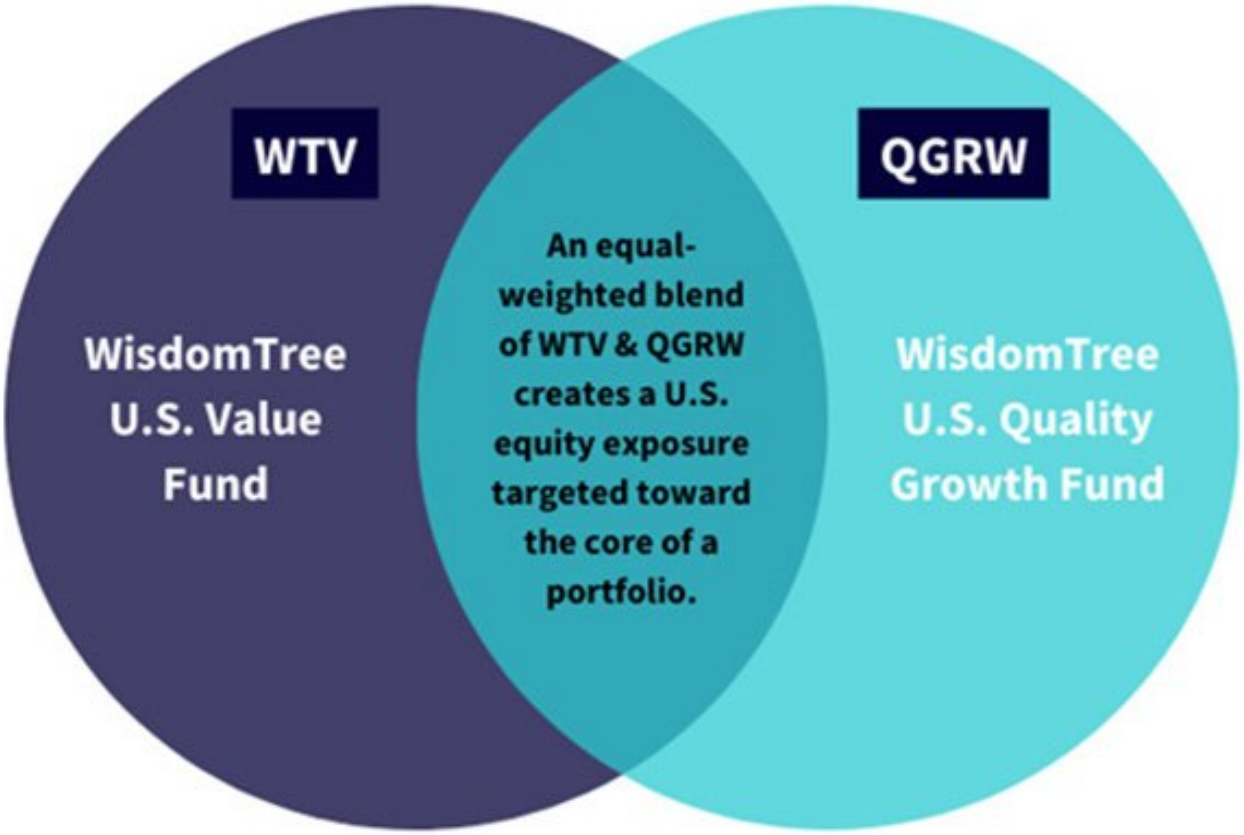
WisdomTree's Value & Quality Growth Strategies

In our opinion, a strong core allocation could allow investors to weather these swings in one simple strategy. To create our 50/50 core blend, we look to two specific WisdomTree Strategies, one that exemplifies U.S. large cap Growth and the other that exemplifies a broad-based approach to U.S. Value:

- **WisdomTree U.S. Quality Growth Fund (QGRW):** The strategy seeks to track the total return performance of, before fees and expenses, the WisdomTree U.S. Quality Growth Index. This market capitalization-weighted strategy focuses on 100 companies that deliver particularly strong earnings Growth and quality fundamental metrics. There is overlap between this strategy and the Nasdaq 100, but we believe our more disciplined focus on selecting consistent quality growers—rather than screening by primary listing venue—differentiates the approach
- **WisdomTree U.S. Value Fund (WTV):** The strategy seeks income and capital appreciation by investing primarily in U.S. equity securities that provide a high total shareholder yield with favorable relative quality characteristics. The Fund's objective changed effective December 18, 2017, Fund performance reflects the investment objective of the Fund when it tracked the performance, before fees and expenses, of the WisdomTree U.S. LargeCap Value Index.

The combination of these two strategies leads to a strong balance of sector exposures, attractive fundamental metrics and, while limited, a solid performance history.

Figure 2: Envisioning the 50/50 Blend



Source: WisdomTree.

Proving Core Exposure Through a Style Shift

The opening weeks of 2026 reflect a clear shift in leadership toward Value, a notable change after an extended period dominated by Growth. Even in this rotation, the balanced 50/50 allocation to **QGRW** and **WTV** has maintained an edge over the S&P 500 year-to-date, as shown in Figure 3a. More importantly, across one-year, three-year and longest common history periods, the strategy continues to show a consistent performance advantage, reinforcing its role as a durable core exposure designed to participate in Growth-led markets while remaining resilient when leadership turns.

Figure 3a: Maintaining an Edge as Leadership Rotates

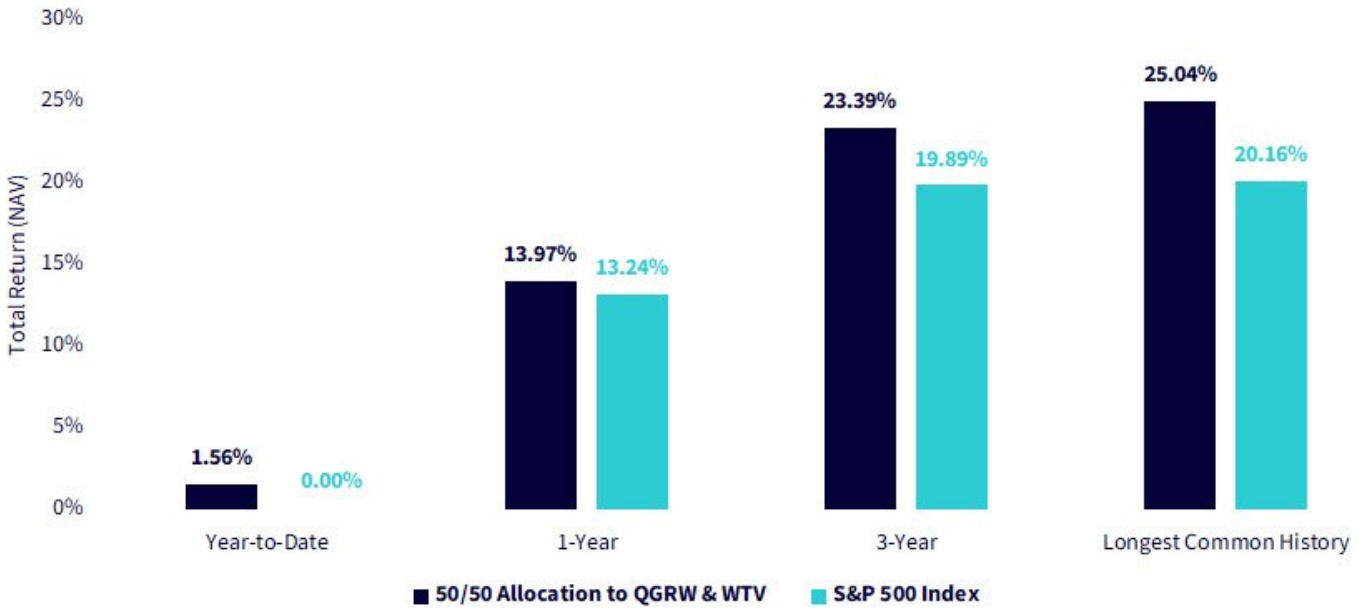


Figure 3b: Standardized Performance as of December 31, 2025

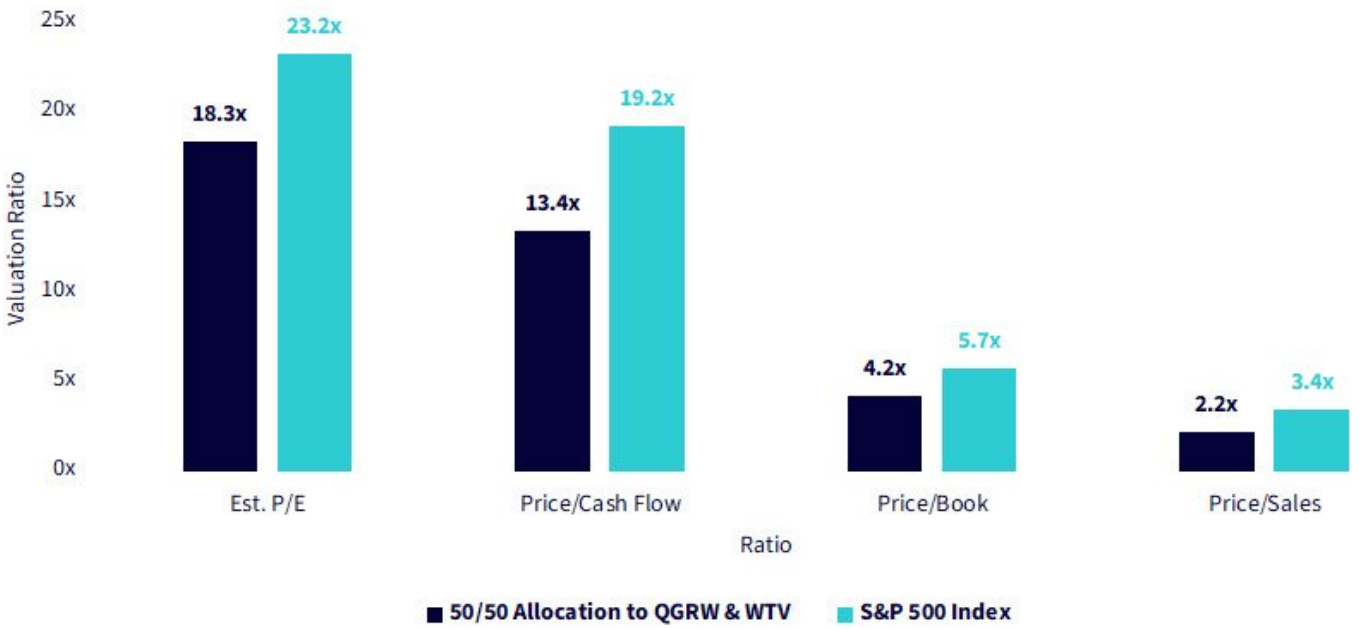
Blend/Fund/Index Name	Fund Ticker Symbol	Fund Inception Date	Fund Expense Ratio	Fund SEC 30-Day Yield	Year-to-Date	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
50/50 Allocation to QGRW & WTV (NAV)					16.49%	16.49%	27.95%	N/A	N/A	N/A
WisdomTree U.S. Value Fund (NAV)	WTV	2/23/07	0.12%	2.52%	13.72%	13.72%	19.83%	15.57%	13.32%	9.12%
WisdomTree U.S. Value Fund (MP)	WTV	2/23/07	0.12%	2.52%	13.65%	13.65%	19.83%	15.57%	13.30%	9.13%
WisdomTree U.S. Quality Growth Fund (NAV)	QGRW	12/15/22	0.28%	0.07%	19.26%	19.26%	35.85%	N/A	N/A	32.25%
WisdomTree U.S. Quality Growth Fund (MP)	QGRW	12/15/22	0.28%	0.07%	19.21%	19.21%	35.87%	N/A	N/A	32.25%
S&P 500 Index					17.88%	17.88%	23.01%	14.42%	14.82%	N/A

Sources: WisdomTree, Morningstar and FactSet, specifically data from the Fund Comparison Tool in the PATH suite of tools, accessed February 14, 2026 with returns for Figure 3a as of February 13, 2026 and for Figure 3b as of December 31, 2025. NAV denotes total return performance at net asset value. MP denotes market price performance. In the case of WTV, the Fund's objective changed effective December 18, 2017. Prior to December 18, 2017, Fund performance reflects the investment objective of the Fund when it tracked the performance, before fees and expenses, of the WisdomTree U.S. LargeCap Value Index. **Past performance is not indicative of future results. Investment return 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. Current performance may be lower or higher than the performance data quoted. For the most recent month-end and standardized performance, click the relevant ticker: QGRW, WTV.**

Riding the Tailwinds of Strong Equity Markets

One of the more compelling aspects of the 50/50 blend that we see in Figure 4 is that it has maintained competitive performance while trading at meaningfully lower valuation multiples than the S&P 500 Index. Across estimated P/E, price-to-cash flow, price-to-book and price-to-sales, the allocation reflects a clear discount. This matters. It suggests the strategy has not relied on multiple expansion alone to drive returns, but instead has benefited from balanced exposure to earnings Growth and valuation discipline. In an environment where leadership is rotating and valuation sensitivity is rising, participating in performance without paying benchmark-level multiples strengthens the case for a structurally diversified core allocation.

Figure 4: Where Growth Meets Valuation Discipline



Sources: FactSet, Morningstar, WisdomTree, with data from WisdomTree's Fund Compare Tool from WisdomTree's PATH suite of tools. Figures as of January 31, 2026. **Subject to change.**

Conclusion: A Blueprint for Durable Equity Exposure

In a market defined by shifting regimes, concentration risk, and narrative-driven extremes, the 50/50 allocation to **QGRW** and **WTV** offers something rare: structural balance without sacrificing upside. We'll continue to monitor this through 2026, recognizing that we may be seeing the start of longer-term Value leadership—or another brief interruption before Growth reasserts dominance. The benefit of a core strategy is that it positions investors for either outcome.

[1] In Figure 1, 'Growth' refers to the S&P 500 Growth Index, and 'Value' refers to the S&P 500 Value Index.

Important Risks Related to this Article

There are risks associated with investing, including possible loss of principal. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

WTV: Value stocks, as a group, may be out of favor with the market and underperform growth stocks or the overall equity market.
Funds focusing their investments on certain sectors increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. While the Fund is actively managed, the Fund's investment process is heavily dependent on quantitative models and the models may not perform as intended.

QGRW: Growth stocks, as a group, may be out of favor with the market and underperform value stocks or the overall equity market. Growth stocks are generally more sensitive to market movements than other types of stocks. The Fund is non-diversified, as a result, changes in the market value of a single security could cause greater fluctuations in the value of Fund shares than would occur in a diversified fund. 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. The composition of the Index is governed by an Index Committee and the Index may not perform as intended.