

WisdomTree LargeCap Dividend Fund Outperformed Active Managers in 2014

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During 2014 we've noticed that large caps¹ tended to outperform both mid-caps² and small caps³ in U.S. equity markets. While there are a lot of active managers⁴ focused on different ways to select and build portfolios of U.S. large caps, exchange-traded funds (ETFs) designed to track the returns of large-cap indexes after costs, fees and expenses are also becoming more prevalent. To illustrate how the two approaches compare, we looked at how the [WisdomTree LargeCap Dividend Fund \(DLN\)](#) has done against active managers in 2014. We chose DLN because by design it provides exposure to some of the largest dividend-paying companies in the U.S.

Average Annual Returns of DLN

As of 9/30/2014

As of 3/30/2024

Fund Information				Total Return NAV (%)					Market Price (%)				
Ticker	Exp. Ratio	Inception Date	YTD	1-Year	3-Year	5-Year	Since Fund Inception	YTD	1-Year	3-Year	5-Year	Since Fund Inception	
WisdomTree LargeCap Dividend Fund	DLN	0.28%	6/16/2006	8.62%	18.90%	20.70%	15.65%	7.19%	8.68%	18.96%	20.66%	15.69%	7.16%
S&P 500 Index				8.34%	19.73%	22.99%	15.70%	7.91%	8.34%	19.73%	22.99%	15.70%	7.91%
Russell 1000 Value Index				8.07%	18.89%	23.93%	15.26%	6.81%	8.07%	18.89%	23.93%	15.26%	6.81%

DLN against U.S. Large-Cap Managers, as of October 31, 2014

	Average Annual Return				YTD 2014	Calendar Year Return										
	3-Year	5-Year	Since DLN Inception ¹	10-Year	YTD 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
WisdomTree LargeCap Dividend Fund	18.50%	16.69%	7.29%	N/A	11.41%	27.35%	12.88%	9.47%	15.00%	18.22%	-35.86%	2.99%	N/A	N/A	N/A	
Russell 1000 Value	20.42%	16.49%	6.79%	7.90%	10.50%	32.53%	17.51%	0.39%	15.51%	19.69%	-36.85%	-0.17%	22.25%	7.05%	16.49%	
S&P 500	19.77%	16.69%	7.93%	8.20%	10.99%	32.39%	16.00%	2.11%	15.06%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.88%	
Did More than 50% of Managers Outperform?																
WisdomTree LargeCap Dividend Fund	No	No	Yes	N/A	No	Yes	Yes	No	No	Yes	No	Yes	N/A	N/A	N/A	
Russell 1000 Value	No	No	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	No	
S&P 500	No	No	No	No	No	No	No	No	No	Yes	No	Yes	No	Yes	Yes	
Percentage of Managers Beaten by the Specified Index																
WisdomTree LargeCap Dividend Fund	54.34%	80.63%	49.52%	N/A	91.03%	11.05%	24.78%	98.63%	60.05%	8.50%	71.75%	22.84%	N/A	N/A	N/A	
Russell 1000 Value	87.51%	76.89%	37.89%	52.83%	81.25%	52.76%	80.45%	64.13%	65.00%	12.96%	62.82%	11.18%	96.64%	55.98%	88.22%	
S&P 500	78.63%	80.66%	68.41%	62.23%	87.91%	51.40%	63.87%	80.84%	60.72%	40.22%	60.77%	40.86%	64.26%	32.33%	47.56%	
Number of Managers	4343	4066	3752	3487	4754	4737	4909	4924	4792	4703	4587	4437	4284	4089	3948	

¹"Since DLN Inception" within this table refers to 7/1/06–10/31/14 since Zephyr StyleADVISOR can only run performance for full-month periods. Source: Zephyr StyleADVISOR, with managers comprised of the Morningstar Large Value, Large Blend and Large Growth universes to cover U.S. large-cap managers in total and not those managing any particular style. Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted. Investment returns 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. Performance data for the most recent month-end is available at www.wisdomtree.com. WisdomTree shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total returns are calculated using the daily 4:00 p.m. EST net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times. You cannot invest directly in an index.

For definitions of terms and Indexes in the chart, visit our [glossary](#). • **DLN Outperformed More Than 91% of Large-Cap Active Managers in 2014:** For the year-to-date period through October 31, 2014, DLN's performance against U.S. large-cap active managers was impressive. We believe the primary reason for this is that DLN has more than 99% of its weight in securities greater than \$10 billion in market capitalization. Large-cap U.S. stocks have been performing well, and DLN by design does not have exposure to other market capitalization size segments. • **2008 or 2009?** Something we've heard over time is that in tough markets active managers can potentially take a portion of their assets and go into cash, thereby providing a mitigation of downside risk. For this reason you may think active managers would have tended to outperform DLN in 2008, but that was not the case. As a matter of fact, DLN outperformed nearly 72% of the large-cap active managers in 2008. One caveat is that DLN tends to participate less on the upside. For example, the Fund faced a much greater headwind from its competition in 2009, when it beat less than 10% of large-cap active managers. • **What Happened in 2011?** DLN beat almost 99% of active managers in 2011—a much higher percentage than either of its market capitalization-weighted benchmarks. Focusing on dividends during this period led to a less than 10% average weight to Financials, a sector that tended to be much more heavily represented within the market capitalization-weighted benchmarks. Within both of these benchmark Indexes, Financials was one of the worst-performing sectors during this period, so DLN's under-weight to this sector was helpful to relative returns. **To learn more about the WisdomTree LargeCap Dividend Fund (DLN), visit our website.** Learn about our approach to dividends- read "The Dividends of a Dividend Approach" white paper.

1Source: Bloomberg. Refers to the [S&P 500 Index](#) from 12/31/13–10/31/14.

2Source: Bloomberg. Refers to the [S&P MidCap 400 Index](#) from 12/31/13–10/31/14.

3Source: Bloomberg. Refers to the [S&P SmallCap 600 Index](#) from 12/31/13–10/31/14.

4Refers to the active managers within the Morningstar Large Value, Large Blend and Large Growth categories, which for the period 12/31/13–10/31/14 totaled more than 4,750.

Important Risks Related to this Article

There are risks associated with investing, including possible loss of principal. 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. Please read the Fund's prospectus for specific details regarding the Fund's risk profile. Dividends are not guaranteed, and a company's future ability to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time. High double-digit returns were achieved primarily during favorable market conditions. Investors should not expect that such favorable returns can be consistently achieved. A fund's performance, especially for short periods, should not be the sole factor in your investment decision.