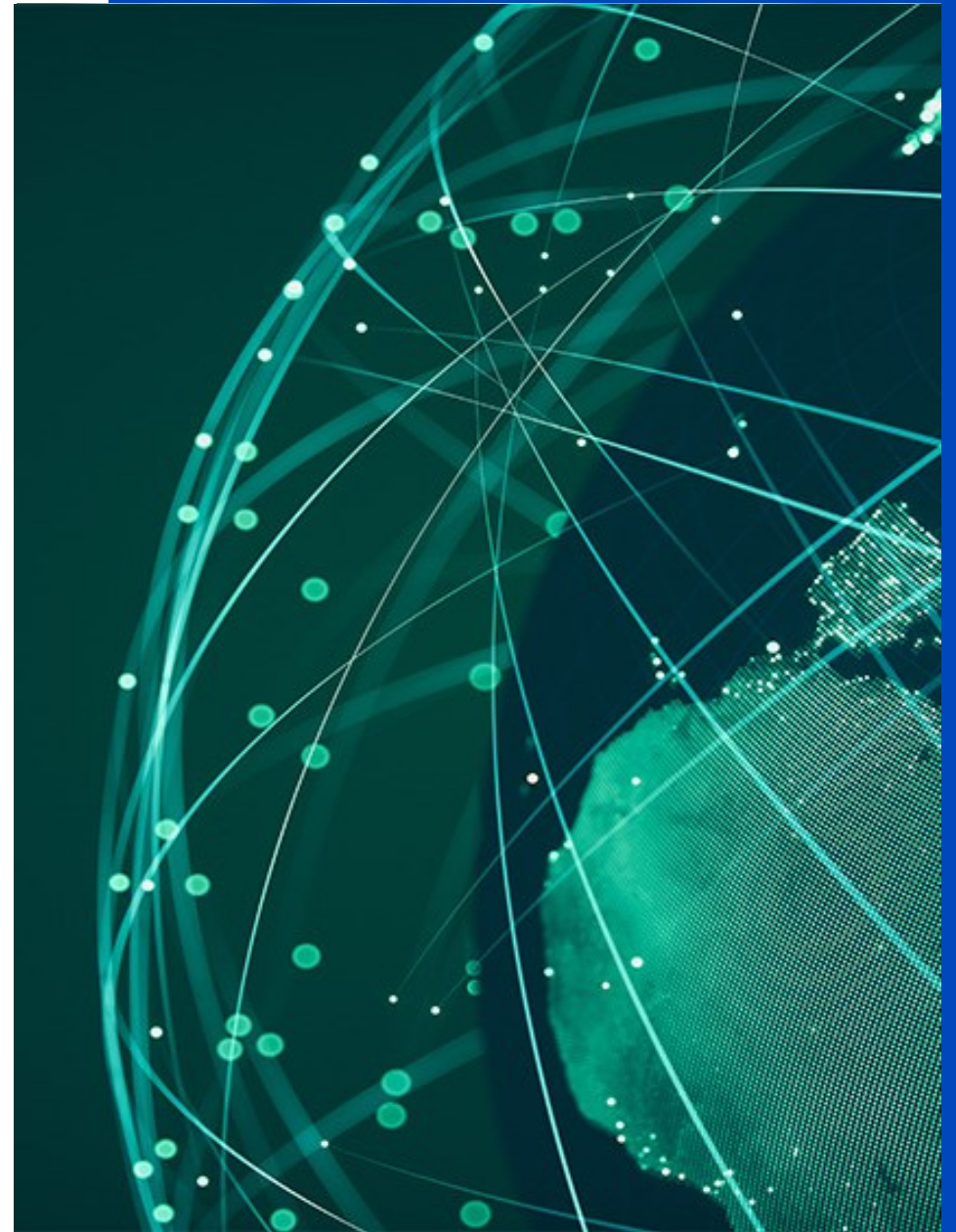




March 2026

Managing Currency Exposure in International Investments (IHDG)



Understanding Currency's Role in International Equity Returns



+ Without hedging currency exposure, its effect on investment returns can be summarized as:

Returns from International Investments

**Local Market
Equity Return**

+

**Currency
Return**

=

**Investor's
Return in USD**

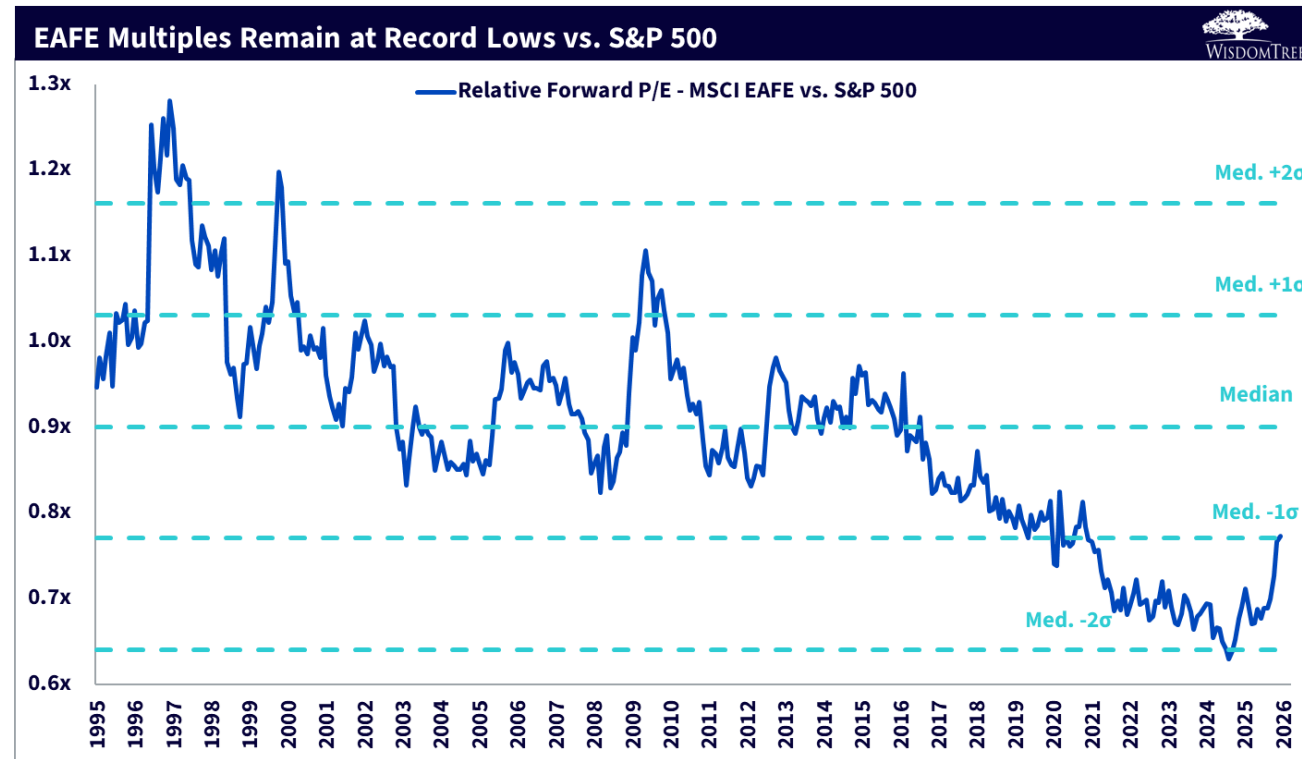


International investments introduce an additional, uncertain influence on portfolio returns. Dollar strength would hurt performance, while USD weakness would aid it.

Building a Bull Case for EAFE: **Valuations**



- + As S&P 500 multiples remain elevated, relative forward price-to-earnings (P/E) multiples remain at historic lows.
- + EAFE trades at a deep discount to the U.S. equity market. Its relative multiple is one standard deviation below its historic median.



Source: WisdomTree, MSCI, FactSet as of 3/31/2026. You cannot invest directly in an index.

Building a Bull Case for EAFE: **Key Regions Look Promising**



Japan

- + Though the Bank of Japan (BoJ) today is a monetary policy outlier, earnings growth in the region may help alleviate headwinds from potential rate hikes.
- + Rising rates would aid the yen, but the BoJ would need several hikes of large magnitude to meaningfully erode the existing gap to U.S. rates supporting the dollar. In the interim, the yen may remain weak enough to benefit Japanese exporters.

Europe

- + Though the ECB may be forced to raise rates to combat the inflationary pressures stemming from oil price spikes amid the ongoing conflict in the Middle East, **an economic expansion is still expected.**
- + The recently-approved fiscal package in Germany should accelerate the stagnant economic growth environment.
- + Credit demand remains strong. The European Central Bank's (ECB) 4Q'25 Bank Lending Survey revealed further demand among enterprises, and especially for housing among consumers. In aggregate, lending standards in the euro area only slightly tightened.

Source: WisdomTree, as of 3/31/2026.

Overview: Why Currency-Hedge International Equity Exposure?



+ Three Myths of Currency-Hedging:

Fiction: “Currency exposure is a wash in the long run.”

Fact: Over the short-term, currency changes can be highly uncertain and volatile. There is no expected return model that says a currency like the euro should always appreciate versus the dollar, but most of time currency volatility adds extra risk to international investments.

Fiction: “Currency-Hedging is Expensive to Implement.”

Fact: Based on prevailing interest rate differentials, investors are **paid** (via positive cost of carry) to hedge. Likewise, forward contracts on the yen (JPY), euro (EUR), and pound (GBP) versus the dollar are among the most liquid in the world and command narrow bid/ask spreads.

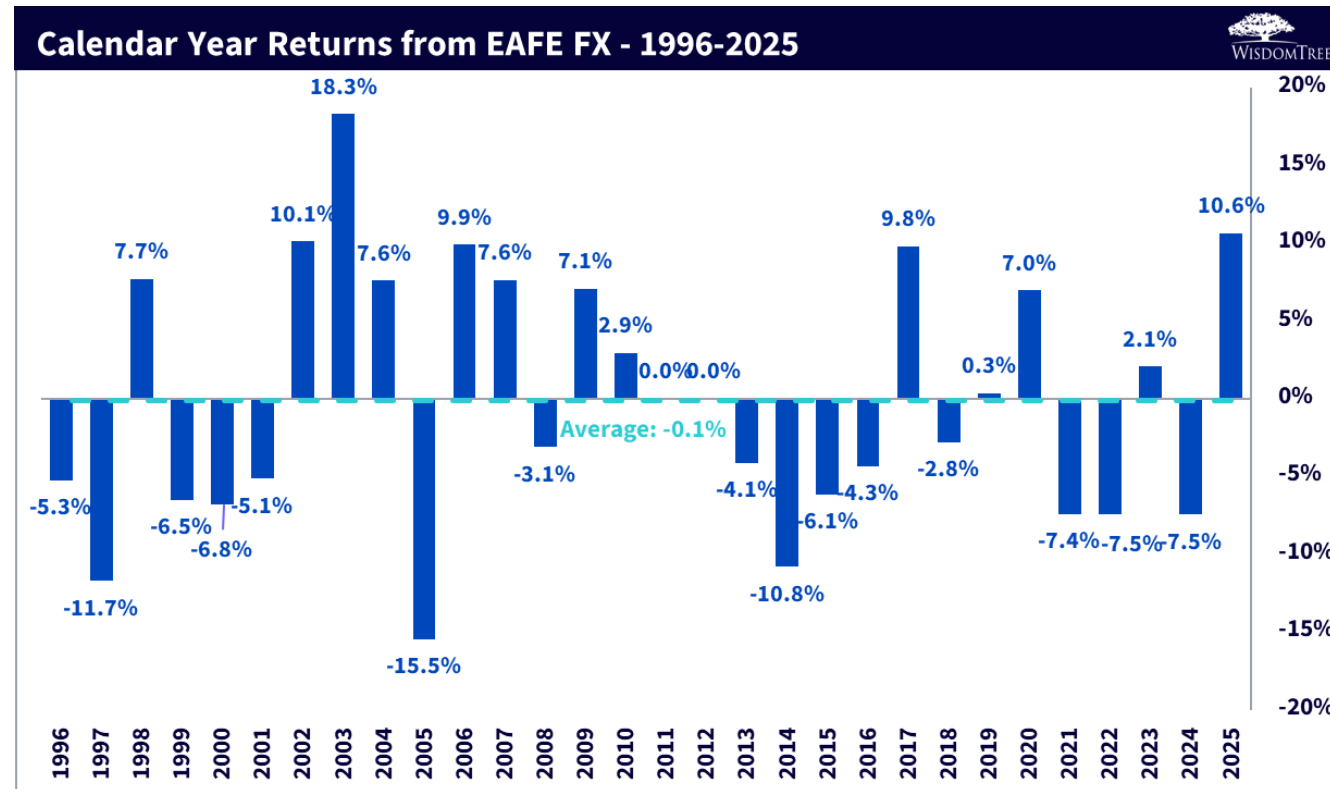
Fiction: “Having protection from a weakening U.S. dollar is a useful diversifier.”

Fact: U.S. equities have an embedded weak dollar bias due to earnings from overseas, and unhedged currency exposure compounds this. Hedging has better diversification potential during periods when the dollar is negatively correlated to U.S. equity markets (i.e., today).

Fiction: “Currency Exposure is a Wash in the Long Run.”



- + Currency exposure has historically been a coin flip for returns.
- + Over the past 29 calendar years, the EAFE FX basket produced positive returns against the dollar **only 50%** of the time.
- + Positive and negative returns, on average, have been of similar magnitude.

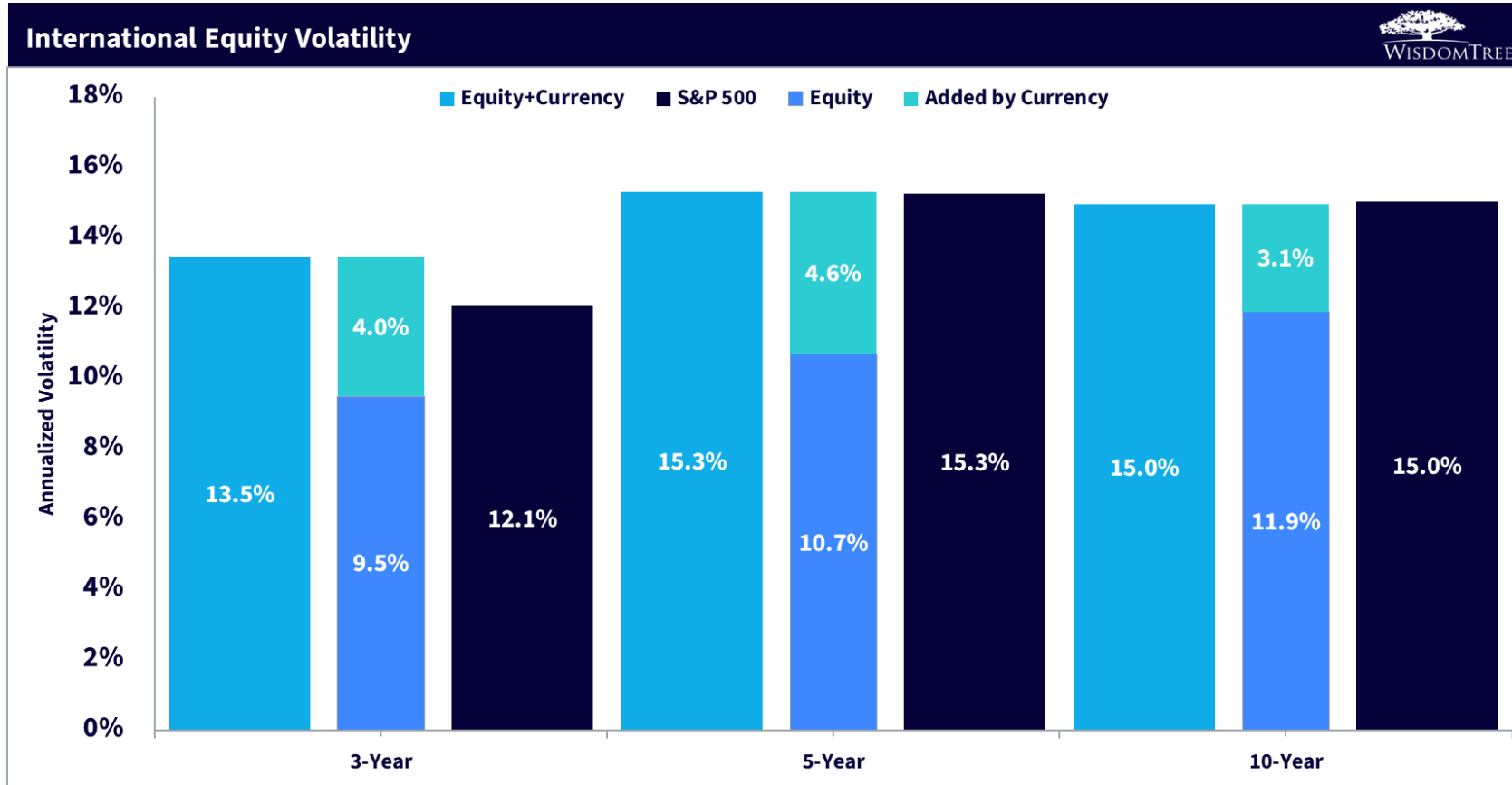


Source: WisdomTree, MSCI as of 12/31/2025. Currency performance represents the difference in net returns for the MSCI EAFE (USD) and MSCI EAFE (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Wash in the Long Run.”



Fact: Currency adds substantial volatility to international equities. Local stock markets consistently have lower risk than the S&P 500.



Source: WisdomTree, MSCI, S&P as of 3/31/2026. Equity+Currency represented by the net returns of the MSCI EAFE (USD) Index. Equity represented by the net returns of the MSCI EAFE (Local) Index. Currency represented by the difference between the net returns of the MSCI EAFE (USD) and MSCI EAFE (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Wash in the Long Run.”



Fact: Over the long-term, currency returns are negligible. Over the short-term, they’re highly uncertain. The only certainty, however, is additional volatility.

Period	Annualized Returns			Annualized Volatility			Incremental Volatility (in Std. Dev.)	Incremental Volatility (% Increase)
	Equity + Currency	Equity Only	FX	Equity + Currency	Equity Only	FX		
3-Year	13.6%	13.2%	0.4%	13.5%	9.5%	7.2%	+4%	41.7%
5-Year	7.9%	9.9%	-2.0%	15.3%	10.7%	7.4%	+4.6%	43.2%
10-Year	8.4%	9.3%	-1.0%	15.0%	11.9%	6.5%	+3.1%	25.9%
15-Year	6.3%	8.3%	-2.0%	15.1%	12.1%	6.5%	+3%	25.1%
2/28/06 - 3/31/26	5.2%	5.6%	-0.5%	16.8%	13.5%	7.1%	+3.3%	24.7%

Source: WisdomTree, MSCI, S&P as of 3/31/2026. Equity+Currency represented by the net returns of the MSCI EAFE (USD) Index. Equity represented by the net returns of the MSCI EAFE (Local) Index. Currency represented by the difference between the net returns of the MSCI EAFE (USD) and MSCI EAFE (Local) indexes. Past performance is not indicative of future results. You cannot invest directly in an index.

Fiction: “Currency-Hedging is Expensive to Implement.”

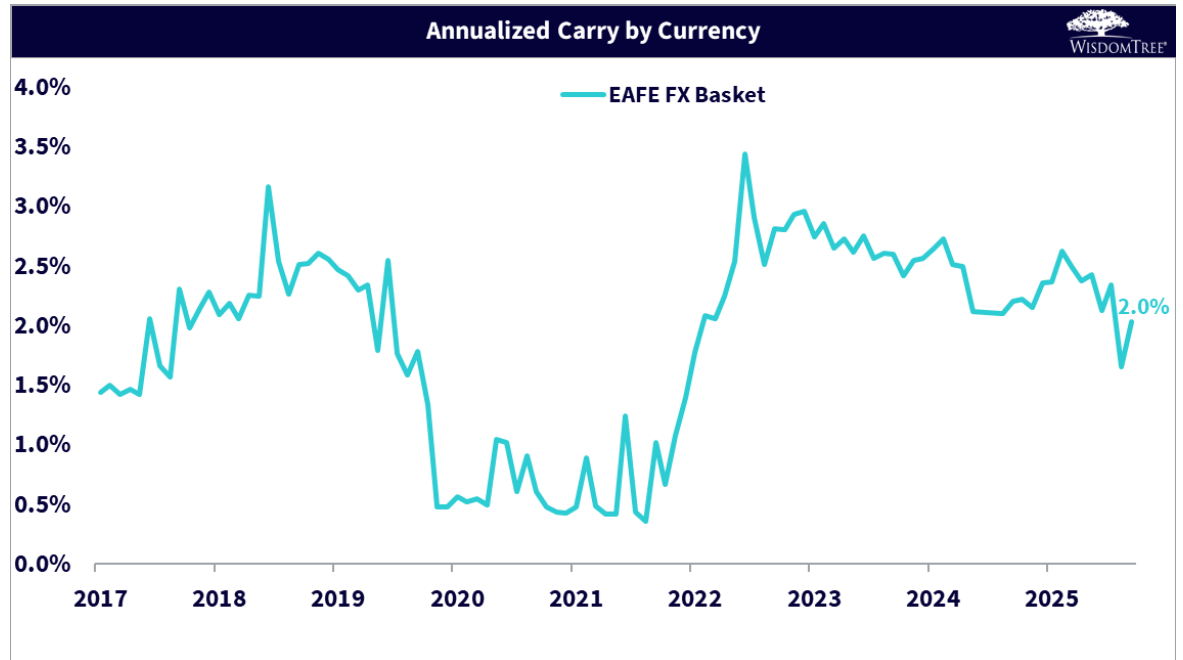


Fact: Based on prevailing 1-month interest rate differentials between the U.S. and the foreign market, investors are **paid** (via positive cost of carry) to hedge.

Carry involves borrowing in one currency that requires a low interest rate payment and investing the proceeds in a currency earning a higher interest rate to earn the differential.

There is a minimal cost to transact forward contracts on EAFE currencies versus the dollar, as they’re among the most liquid in the world.

Today, the annualized carry rate remains about 0.60% higher than its recent average.

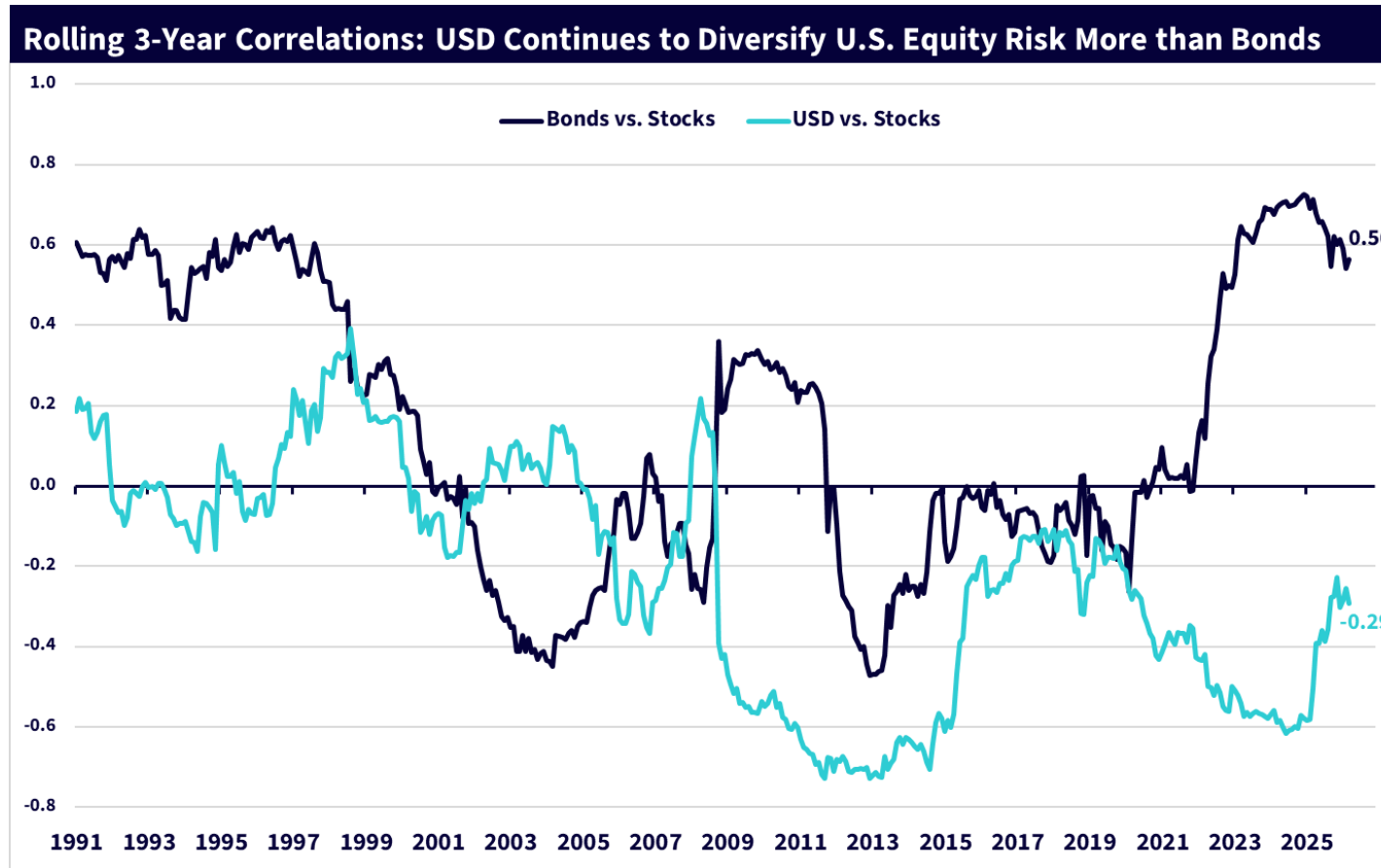


Source: WisdomTree, MSCI as of 3/31/2026. Carry measures the interest rate differential between the US dollar and foreign currencies embedded in the difference in spot and forward FX rates. MSCI EAFE Index carry series begins on 12/31/15. You cannot invest directly in an index.

Fiction: “Currency Exposure is a Diversifier for U.S. Investors.”



Fact: Today, the dollar has a strong negative correlation to U.S. stocks and offers better diversification potential than bonds, which have seen a positive spike in correlations to stocks due to inflation concerns.



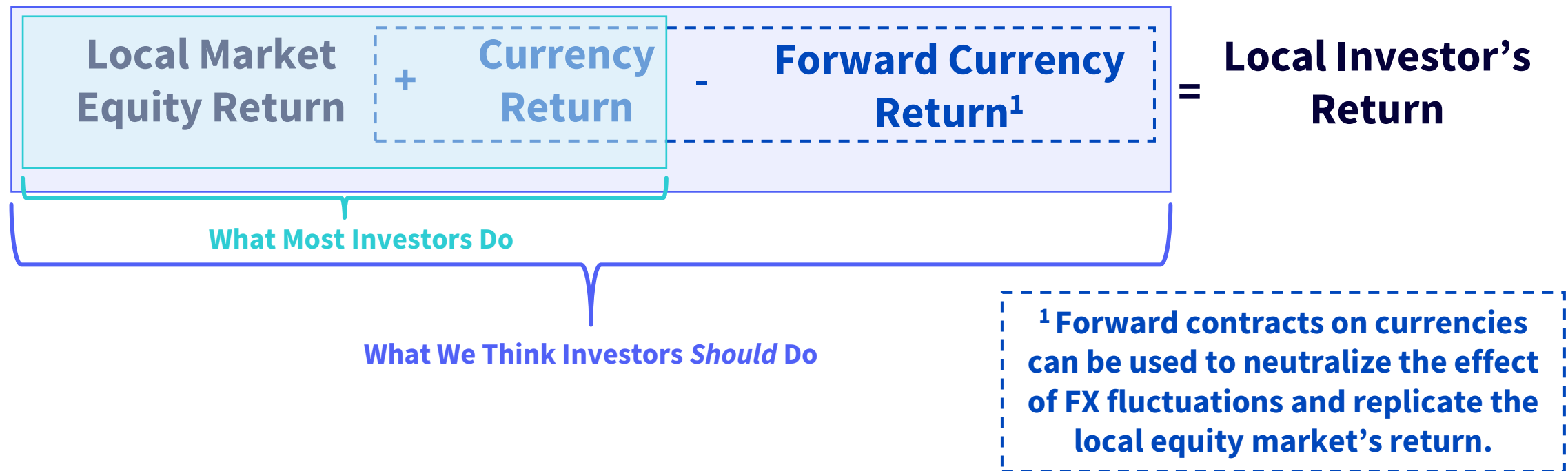
Source: WisdomTree, S&P, FactSet as of 3/31/2026. Stocks represented by the S&P 500 Index. USD represented by the Bloomberg U.S. Dollar Total Return Index. Bonds represented by the Bloomberg U.S. Aggregate Bond Index. You cannot invest directly in an index.

Understanding Currency's Role in International Equity Returns



- + The **International Investor's Dilemma**: Most investors claim they do not want to speculate on currencies, yet default to betting on the euro/yen/pound ultimate rising *forever* in unhedged allocations.
- + **Solution**: Currency Hedging

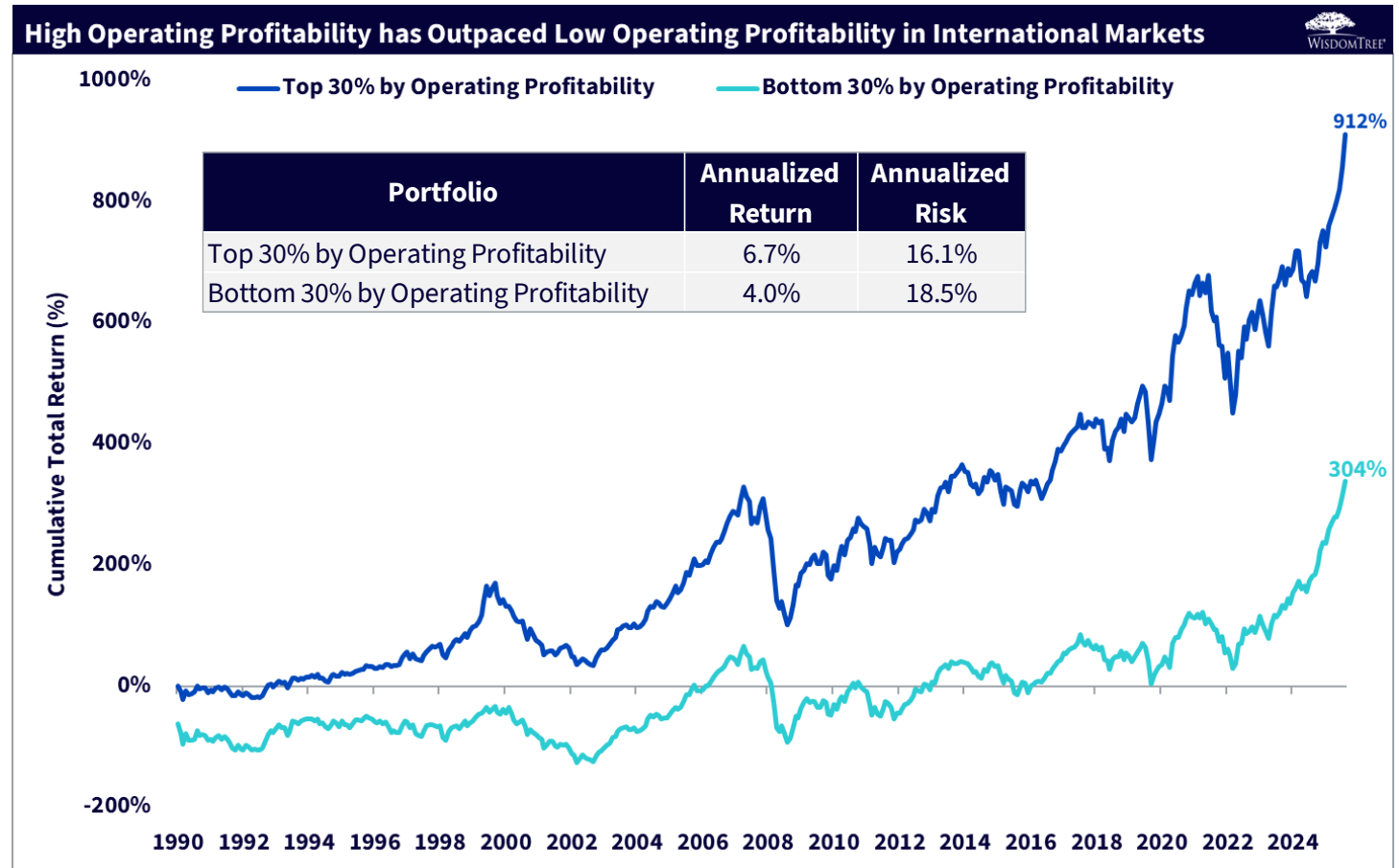
Deriving Returns from Currency-Hedged International Investments



Quality has Rewarded in Developed International Equity Markets



- + Higher operating profitability (i.e., higher quality) has outpaced lower quality over time.
- + A quality factor is designed to ensure companies in the portfolio are healthy and can deliver results over time.
- + Our proprietary methodology identifies forward-looking dividend growth potential as a way of defining quality.



Source: Kenneth French Data Library, with data as of 2/28/2026, which represents the most recently available data. Period based on availability of annual operating profitability returns sorted into quintiles, which begins June 30, 1990. Market is the value-weight return of all CRSP firms listed in developed markets (ex. US) that meet specified criteria. Portfolios shown are from the high market-cap portfolio which is the top 90% of securities by market value. Past performance is not indicative of future results.

Methodology: WisdomTree International Hedged Quality Dividend Growth Index



START WITH DIVIDEND-PAYING, INTERNATIONAL EQUITY UNIVERSE

SCREEN FOR FUNDAMENTALS AND QUALITY CHARACTERISTICS
Select companies with clean balance sheets, strong earnings growth and low underlying leverage via screens for ROE (25%), ROA (25%) and Estimated Earnings Growth (50%)¹.

WEIGHT BY FUNDAMENTALS
Dividend Stream^{®2, 3}

Apply Currency Hedge to Neutralize Fluctuations Between USD & EAFE Currencies

¹Companies classified in the Banks Industry will be ranked using a weighted combination of two factors: 50% weighted to the rank of medium-term estimated earnings growth, and 50% historical three-year average return on equity; the highest ranking 20% from the European and ex-European regions will be selected for inclusion. The rest of the companies to be included will be selected by their combined ranking of 50% weighted to the rank of medium-term estimated earnings growth, 25% weighted to the rank of the historical three-year average return on equity, and 25% weighted to the rank of the historical three-year average return on assets.

²Dividend Stream[®]: refers to the regular dividends per share multiplied by the number of shares outstanding.

³Country exposures will be adjusted to remain within +/- 5% of the float-adjusted market capitalization weight of the initial universe of eligible securities. Sector exposures will be adjusted to remain within +/- 10% of the float-adjusted market capitalization weight of the initial universe of eligible securities.

ROE = Return-on-Equity, ROA=Return-on-Assets. You cannot invest directly in an index.

WisdomTree International Hedged Quality Dividend Growth Fund (IHDG)



+ IHDG offers three components that may benefit in the prevailing market environment:

1. **Allocates to high Quality companies** clean balance sheets, strong earnings growth and low underlying leverage via screens for ROE, ROA and Estimated Earnings Growth in a region historically associated with Value
2. **Dividend Stream[®]-weighted** to retain an anchor to fundamentals
3. **Currency-hedged** to reduce volatility and benefit from above-average carry rates

Fundamentals as of 3/31/2026									
Fund/Index	Overall Morningstar Rating	Dividend Yield	Price-to-Earnings (P/E)	Est. P/E	Price-to-Book (P/B)	Return-on-Equity (ROE)	Return-on-Assets (ROA)	Return-on-Sales (ROS)	Leverage
IHDG	★★★★★	2.8%	17.0x	15.4x	2.6x	15.4%	2.4%	13.9%	6.3x
MSCI EAFE	--	2.8%	17.6x	15.5x	2.2x	12.2%	1.6%	13.2%	7.5x

Top 10 Holdings	
Name	Weight
Toyota Motor Corp.	5.3%
BP PLC	3.9%
LVMH Moët Hennessy Louis Vuitton SE	3.4%
Industria de Diseno Textil, S.A.	3.3%
Deutsche Telekom AG	2.9%
AstraZeneca PLC	2.9%
Banco Bilbao Vizcaya Argentaria, S.A.	2.9%
GSK plc	2.2%
ING Groep N.V.	2.2%
L'Oreal S.A.	2.2%

Standardized Performance as of 3/31/2026							
Fund/Index	Inception Date	Gross Expense Ratio	SEC 30-Day Yield	Annualized Performance			
				1-Year	3-Year	5-Year	10-Year
IHDG (NAV)	5/7/2014	0.58%	1.69%	12.15%	8.68%	7.37%	9.49%
IHDG (MKT)				13.08%	9.03%	7.61%	9.68%
MSCI EAFE (Local)	--	--	--	17.38%	13.25%	9.88%	9.35%
MSCI EAFE (USD)	--	--	--	21.27%	13.62%	7.91%	8.38%

Source: WisdomTree, FactSet as of 3/31/2026. Morningstar rating is based on risk-adjusted returns among the 360 funds in the Foreign Large Growth category as of 2/28/2026. For complete disclosures and methodology pertaining to Morningstar Ratings™, please see the Important Information on slide 16. You cannot invest directly in an index. SEC 30-Day Yield: The yield figure reflects the dividends and interest earned during the period, after deduction of the Fund's expenses. This is also referred to as the "standardized yield." **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 wisdomtree.com/investments.**

Mechanics of Currency-Hedging using Forward FX Contracts



- + Establish **short positions** in 1-month forward contracts versus USD (to offset existing long positions from international equity investments)
 - + Non-deliverable forwards (NDFs) are rebalanced monthly, such that notional principal equals total assets
 - + Currency hedges can be adjusted intra-month to accommodate ETF creations and redemptions
- + Tax Implications:
 - + If gains arise from FX hedging, they are taxed as 60% long-term capital gains and 40% short-term capital gains
 - + If hedging generates *losses*, they can be carried forward in accordance with Internal Revenue Service (IRS) rules to potentially offset future gains

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