

WisdomTree Dynamic International Equity Fund

DDWM

Historically, currency movements have been a meaningful driver of returns in international equity allocations for U.S. investors. In recent years, the direction of the U.S. dollar has often been the primary determinant of total returns. While static hedging removes currency risk, it can also forfeit meaningful return potential when foreign currencies appreciate. Conversely, unhedged exposure leaves portfolios vulnerable during periods of sustained dollar strength.

WisdomTree Dynamic International Equity Fund's (DDWM) dynamic approach seeks to optimize, not eliminate, currency exposure, positioning the strategy as a more efficient core international allocation. DDWM provides developed international equity exposure with an embedded, rules-based dynamic currency hedge designed to improve risk-adjusted returns by managing one of the largest sources of return variability in foreign investing: foreign exchange (FX) risk.

Strategy Overview

DDWM tracks the WisdomTree Dynamic International Equity Index, providing broad developed market exposure (ex-U.S. and Canada) to dividend-paying companies with a rules-based dynamic currency hedge. The Index is dividend-weighted, tilting toward cash-generating, fundamentally resilient companies and potentially supporting lower drawdowns and a quality bias versus cap-weighted alternatives.

DDWM's framework dynamically adjusts hedge ratios monthly based on quantitative signals:

- + Broad U.S. Dollar Trend: overall dollar sentiment
- + Momentum: persistence in short-to-medium currency trends
- + Interest Rate (Carry): return advantage of higher-yielding currencies via capital flows
- + Low Volatility: Foreign exchange trend persistence and stability

Hedge ratios vary by currency from 0 to 100%, allowing the portfolio to increase protection during periods of USD strength and to reduce hedges when foreign currencies show improving fundamentals or positive momentum. This systematic framework seeks to capture returns while reducing uncompensated currency volatility.



Why FX Hedging Matters

Research shows that currency risk has become a larger component of total international equity portfolio risk. A strong dollar can sharply reduce the realized return on foreign assets even when the underlying equities perform well in local currency terms. Currency risk has historically contributed volatility comparable to that of underlying equities, making FX risk a significant driver of risk-adjusted returns.

Historically, currency has added or detracted from international returns with near equal frequency, amplified drawdowns during dollar bull cycles and increased portfolio volatility without a persistent long-term return premium.

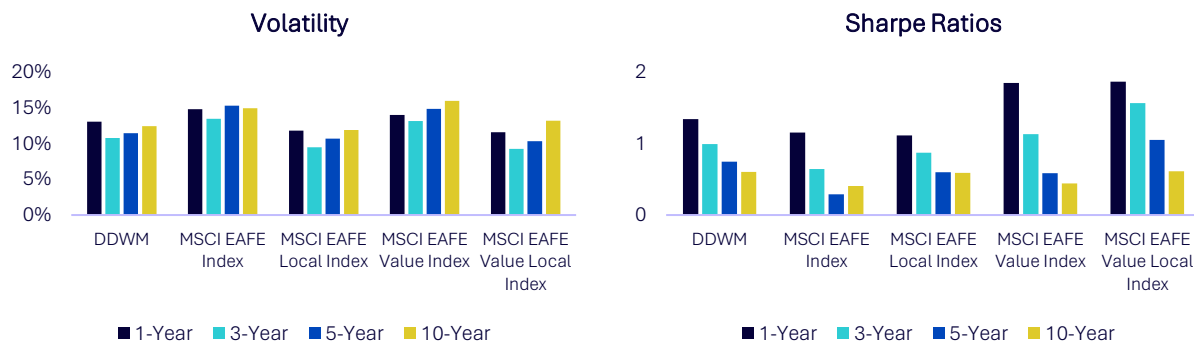
Dynamic vs Static Hedging

| Approach | Limitation |
|--------------------|--|
| Unhedged | + Full exposure to USD strength + Higher volatility |
| Fully Hedged | + Misses gains from foreign currency appreciation |
| Dynamically Hedged | + Adapts to macro regimes + Balances risk mitigation and upside participation |

Portfolio Role

From a portfolio construction standpoint, DDWM serves as a developed market international equity allocation with an integrated currency risk management overlay. Traditional unhedged international exposures carry structural FX risk that can materially impact USD returns and erode diversification benefits during periods of dollar strength.

By dynamically adjusting hedge ratios, DDWM seeks to isolate local equity performance while reducing FX-driven volatility. As a result, the allocation functions as a purer source of equity diversification relative to U.S. holdings, complementing domestic exposures by broadening economic and sector participation without introducing a persistent directional currency bias.



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

Conclusion

DDWM moves beyond the traditional hedged versus unhedged currency debate by positioning international equity exposure as a systematic, adaptive risk-management strategy. By pairing dividend-weighted developed market equities with quantitatively driven FX hedging, the fund seeks to mitigate currency driven volatility, making it a compelling option for a strategic core allocation for investors seeking diversification without uncompensated currency risk.

| Standardized Annual Returns (as of 03/31/2026) | | | | | |
|--|--------|--------|--------|---------|-----------------|
| Fund/Index | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
| WisdomTree Dynamic International Equity Fund (NAV) | 21.76% | 15.70% | 12.04% | 9.81% | 9.82% |
| WisdomTree Dynamic International Equity Fund (Price) | 23.12% | 16.43% | 12.35% | 9.95% | 10.04% |
| WisdomTree Dynamic International Equity Index | 22.06% | 15.89% | 12.28% | 10.04% | 10.03% |
| MSCI EAFE Index | 21.27% | 13.62% | 7.91% | 8.38% | 8.45% |
| MSCI EAFE Value Index | 30.05% | 19.86% | 12.19% | 9.34% | 9.32% |
| MSCI EAFE Local Currency Index | 17.38% | 13.25% | 9.88% | 9.35% | 8.98% |

Source: WisdomTree, FactSet. A fund or portfolio may differ significantly from the securities included in the index. Fund inception date 1/7/2016.

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 for WisdomTree Funds.

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 ("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.

| Quick Facts (as of 03/31/2026) | |
|--------------------------------|--|
| Ticker | DDWM |
| Exchange | CBOE |
| Expense Ratio | 0.40% |
| Exposure | Dividend paying companies in the developed international world, ex-U.S. and Canada |
| Reconstitution | Annual |

For more information on DDWM, contact your WisdomTree representative or visit WisdomTree.com/investments.

Please see the [WisdomTree Glossary](#) for definition of terms.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. For a prospectus or, if available, the summary prospectus containing this and other important information about the fund, call 866.909.9473 or visit WisdomTree.com/investments. Read the prospectus or, if available, the summary prospectus carefully before investing.

There are risks associated with investing, including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. The Fund invests in derivatives in seeking to obtain a dynamic currency hedge exposure. Derivative investments can be volatile, and these investments may be less liquid than other securities, and more sensitive to the effects of varied economic conditions. Derivatives used by the Fund may not perform as intended. A Fund that has exposure to one or more sectors may be more vulnerable to any single economic or regulatory development. This may result in greater share price volatility. The composition of the Index underlying the Fund is heavily dependent on quantitative models and data from one or more third parties, and the Index may not perform as intended. 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 or take defensive positions in declining markets. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

You cannot invest directly in an index.

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