

DDWM

WisdomTree Dynamic Currency Hedged International Equity Fund

Fund Description

DDWM tracks a dividend-weighted index of dividend-paying developed-market equities outside the US and Canada. The index dynamically hedges currency exposure for USD investors based on three equal-weighted signals.

FactSet Analyst Report

DDWM offers exposure to dividend-paying international stocks with a dynamic currency hedge for US investors. The fund holds stocks from developed markets outside the US and Canada. Like many WisdomTree funds, DDWM only holds dividend-paying stocks, weighted by total cash dividends over the past 12 months. DDWM departs from its sibling funds by setting currency hedge levels anywhere from 0-100%, reset monthly. To determine the hedge amount, the fund uses three equally weighted inputs: differences in interest rates (the cost of the hedge), momentum (based on 10- and 240-day moving averages) and long-term valuation (purchasing power parity). Variable hedging offers at least the possibility of enjoying more currency upside than downside. Overall, the fund should appeal to investors who want dividend-themed equity exposure with variable, rules-based currency hedging. The index is reconstituted annually.