

DXJS

WisdomTree Japan Hedged SmallCap Equity Fund

Fund Description

DXJS tracks a dividend-weighted index of Japanese small-cap stocks. The fund is hedged for currency fluctuations between the USD and JPY.

FactSet Analyst Report

DXJS is the first currency-hedged product to target Japanese small-caps. The fund selects and weights its constituents based on dividends paid, and then hedges its exposure to the JPY, thereby taking the fluctuations between the JPY and USD out of the equation. In employing this hedging strategy, the index sells JPY forward contracts on a monthly basis. In essence, DXJS is simply a currency-hedged version of WisdomTree's DFJ, a dividend-focused fund of small-cap Japanese equities. By neutralizing its exposure to the JPY relative to the USD, investors can expect a purer exposure to Japanese small-caps. The index rebalances annually so that no individual security has a weight greater than 5% and each sector has a maximum weight of 25%.