

# HEDJ

## WisdomTree Europe Hedged Equity Fund

### Fund Description

HEDJ tracks an index of Eurozone dividend-paying companies that derive a majority of revenue from exports outside of Europe. The fund is hedged against the euro for US investors.

### FactSet Analyst Report

HEDJ targets dividend-paying firms and uses forward contracts to remove euro currency exposure for US investors. The fund comes with another twist it screens in favor of firms that get at least half of their sales from exports outside the Eurozone. Such firms should do well when the euro is weak or weakening, and the hedge works in this scenario to protect local gains from getting lost in translation back to greenbacks. The other side is that in a strengthening euro environment, the fund, hit by poor local returns and no FX gain, would lag an unhedged fund by an even greater amount. As a subset of WisdomTree International Equity Index, the underlying index excludes companies with potential higher risk by applying a composite risk factor screen based on financial quality metrics and momentum factor. Additionally, the index is dividend-weighted, capping individual weights at 5% and sector and country weights at 20%. The index is rebalanced and reconstituted annually.