

XSOE

WisdomTree Emerging Markets ex-State-Owned Enterprises Fund

Fund Description

XSOE tracks a market-cap-weighted index of emerging market companies, excluding state-owned enterprises.

FactSet Analyst Report

XSOE is designed around the premise that private corporations run more effectively than those controlled by the government. The fund aims to provide broad emerging market exposure, excluding state-owned enterprises (SOEs) that tend to dominate the financial and energy sectors in most emerging market economies. The fund defines an SOE as one with more than 20% government ownership. The selection universe starts with the emerging market companies from across various sectors that meet its market cap, liquidity, and tradability screens. From this, the fund removes all state-owned enterprises (SOEs) and all remained securities are then weighted by market capitalization, subject to adjustments relative to country and sector weights prior to the removal of SOEs. The index constituents rebalance annually.