

WISDOMTREE U.S. EARNINGS 500 FUND (EPS)

Risk: **Med**

Zacks ETF Rank **3 - Hold**

\$30.02 USD



Fund Type	Style Box - Large Cap Value
Issuer	WISDOMTREE
Benchmark Index	WISDOMTREE U.S. EARNINGS 500 INDEX
Date of Inception	02/23/2007
AUM (million)	\$213.14
Number of holdings in the ETF	495
Assets in top ten holdings	23.11%
Expense Ratio	0.28%
Dividend Yield	1.89%

Price Fundamentals of EPS

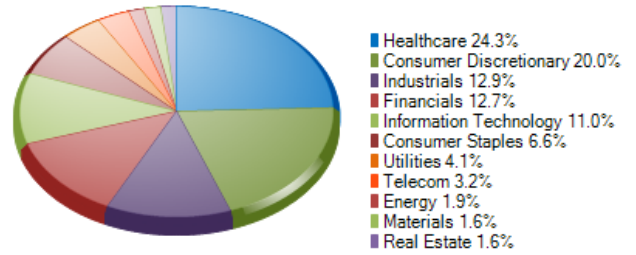
Current Price	\$30.02
52-Week High	\$33.13
52-Week Low	\$26.55
NAV (12/31/2018)	\$28.19
1Yr ETF Ret (01/18/2019)	-4.94%

Risk Statistics

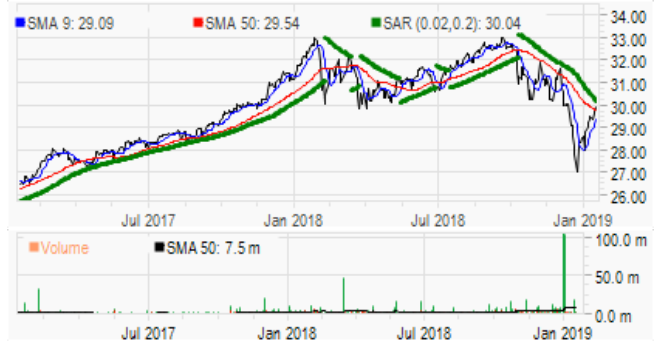
Beta (against S&P 500)	1.02
Standard Deviation	12.78%
R ²	97.13%

Fundamentals	EPS	VTV	IWD
Zacks Rank	3	1	1
Price	\$30.02	\$103.79	\$118.12
AUM (million)	\$213.14	\$43,927.04	\$38,725.64
Expense Ratio	0.28%	0.05%	0.20%
Dividend Yield	1.89%	2.57%	2.55%
Assets in top 10	23.11%	20.63%	21.98%
Beta	1.02	0.94	0.95
YTD % Price Change	7.09%	6.14%	6.57%

EPS Sector Weights



Price Chart



2-Year Comparative



EPS Top 5 Holdings

EPS Top 5 Holdings	Weight %
IBM	4.52%
HD	2.80%
DIS	2.58%
ORCL	2.49%
CSCO	2.42%

Zacks Commentary

Description

If you're interested in broad exposure to the Large Cap Value segment of the US equity market, look no further than the WisdomTree U.S. Earnings 500 Fund (EPS), a passively managed exchange traded fund launched on 02/23/2007.

The fund is sponsored by Wisdomtree. It has amassed assets over \$207.68 M, making it one of the average sized ETFs attempting to match the Large Cap Value segment of the US equity market.

Why Large Cap Value

Companies that find themselves in the large cap category typically have a market capitalization above \$10 billion. Considered a more stable option, large cap companies boast more predictable cash flows and are less volatile than their mid and small cap counterparts.

Value stocks are known for their lower than average price-to-earnings and price-to-book ratios, but investors should also note their lower than average sales and earnings growth rates. When you look at long-term performance, value stocks have outperformed growth stocks in nearly all markets. But in strong bull markets, growth stocks are more likely to be winners.

Costs

When considering an ETF's total return, expense ratios are an important factor, and cheaper funds can significantly outperform their more expensive counterparts in the long term if all other factors remain equal.

Annual operating expenses for this ETF are 0.28%, putting it on par with most peer products in the space.

It has a 12-month trailing dividend yield of 1.95%.

Sector Exposure and Top Holdings

It is important to delve into an ETF's holdings before investing despite the many upsides to these kinds of funds like diversified exposure, which minimizes single stock risk. And, most ETFs are very transparent products that disclose their holdings on a daily basis.

This ETF has heaviest allocation to the Healthcare sector--about 24% of the portfolio. Consumer Discretionary and Industrials round out the top three.

Looking at individual holdings, Apple Inc (IBM) accounts for about 4.52% of total assets, followed by Berkshire Hathaway Inc (HD) and Microsoft Corp (DIS).

The top 10 holdings account for about 23.11% of total assets under management.

Performance and Risk

EPS seeks to match the performance of the WisdomTree U.S. Earnings 500 Index before fees and expenses. The WisdomTree U.S. Earnings 500 Index is a fundamentally weighted index that measures the performance of earnings-generating companies within the large-capitalization segment of the U.S. Stock Market.

The ETF has added roughly 3.72% so far this year and is down about -6.23% in the last one year (as of 01/11/2019). In the past 52-week period, it has traded between \$26.55 and \$33.13.

The ETF has a beta of 1.02 and standard deviation of 12.94% for the trailing three-year period, making it a medium risk choice in the space. With about 495 holdings, it effectively diversifies company-specific risk.

Alternatives

WisdomTree U.S. Earnings 500 Fund carries a Zacks ETF Rank of 3 (Hold), which is based on expected asset class return, expense ratio, and momentum, among other factors. Thus, EPS is a sufficient option for those seeking exposure to the Style Box - Large Cap Value area of the market. Investors might also want to consider some other ETF options in the space.

The iShares Russell 1000 Value ETF (IWD) and the Vanguard Value ETF (VTV) track a similar index. While iShares Russell 1000 Value ETF has \$38.63 B in assets, Vanguard Value ETF has \$42.66 B. IWD has an expense ratio of 0.20% and VTV charges 0.05%.

Bottom-Line

Retail and institutional investors increasingly turn to passively managed ETFs because they offer low costs, transparency, flexibility, and tax efficiency; these kind of funds are also excellent vehicles for long term investors.

To learn more about this product and other ETFs, screen for products that match your investment objectives and read articles on latest developments in the ETF investing universe, please visit [Zacks ETF Center](#).

Glossary

ACTIVE MANAGEMENT:	A portfolio management strategy where the manager uses variety of skills and attributes (like top-down approach, bottom-up approach, value investing, growth investing or absolute returns strategy) in the portfolio so that the fund outperforms the benchmark index.
ALPHA:	A measure of outperformance that can be calculated as the return of the fund minus the benchmark's return. A positive alpha indicates the fund has outperformed the benchmark index whereas negative alpha means underperformance.
AMERICAN DEPOSITORY RECEIPT:	A negotiable non-US security that trades in the US financial market.
AUTHORIZED PARTICIPANTS:	An entity chosen by an ETF sponsor to undertake the responsibility of obtaining the underlying assets needed to create an ETF. Authorized participants are typically large institutional organizations, such as market makers or specialists.
AVERAGE YIELD TO MATURITY:	The expected rate of return on a fund's portfolio if it is held until the maturity while reinvesting all coupon payments at the bond yield.
BASKET:	A portfolio of several stocks or securities that are selected for the inclusion in the fund with different weightings.
BETA:	A measure of risk compared to the market benchmark. A beta of less than 1 indicates that the fund is less volatile than the market and vice versa.
BID/ASK SPREAD:	The difference between the highest price that a buyer is willing to pay (often called bid price) for the underlying assets of securities of the fund and the lowest price that a seller is willing to accept (often called as offer or ask price) for it.
CONTRARIAN:	An investment style that goes against prevailing market trends (i.e. against the thinking of many) by buying assets that are performing poorly and then selling when they perform well.
CREATION UNIT:	A set of securities or underlying assets that can be created or redeemed by Authorized Participants for a certain number of ETF shares with the fund or trust. The creation units can vary in size ranging from 25,000 to 600,000 shares each.
DIVIDEND YIELD:	A financial ratio that measures how much a company pays out in dividends each year relative to its share price. It can be calculated as annual dividend per share divided by price per share.
EFFECTIVE DURATION:	A measure of a fund's interest-rate sensitivity. The longer the duration, the more sensitive is the fund to the changes in interest rates.
ENHANCED INDEXING:	An investment idea that attempts to amplify the returns of an underlying asset or the fund with lower tracking error. Enhanced indexing combines elements of both passive and active management.
EXCHANGE TRADED FUND:	The fund represents a basket of securities (that typically track an index), and is listed and trades like stocks on an exchange. ETFs can be traded throughout the day in amounts as little as one share.
EXCHANGE-TRADED NOTE:	The note is a senior, unsecured, unsubordinated debt issued by a major bank. It has a maturity date and is backed only by the credit of the issuer. The ETN however, do not actually hold any security, instead an issuing bank promises to pay to investors the amount reflected by the index's performance (minus fees).
EXPENSE RATIO:	An annual fee that the fund or ETF charge from the investors in order to provide exposure to the underlying asset.
FUND OF FUNDS:	A fund that invests in other funds instead of investing directly in stocks, bonds or other securities.
FUNDAMENTAL INDEXING:	A type of equity index in which stocks or securities are selected based on fundamental metrics such as revenue, dividend rates, earnings or book value.

INDEX:	An imaginary portfolio of securities representing a particular market or a portion of it.
INVERSE ETF:	An ETF that provides opposite (inverse) exposure in the underlying index through use of various financial and money market instruments over a specified period of time. This ETF is similar to holding a short position in order to take profit from the falling prices.
INVESTMENT STYLE:	A different style of investing such as growth, value and blend in a basket of asset.
LEVERAGED ETF:	An ETF that uses various financial instruments to amplify the returns (up to 3 times) of the underlying index over a specified period of time.
LIQUIDITY:	The degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity.
MARKET CAPITALIZATION:	Represents the aggregate value of the fund or underlying asset.
NET ASSET VALUE:	Value of an ETF on per share basis and is calculated as total asset minus total liabilities divided by number of shares.
PASSIVE MANAGEMENT:	A portfolio management strategy where the fund is the mirror image of the performance of the benchmark index.
PORTFOLIO TURNOVER:	A percentage of underlying assets bought and sold in a given year.
R-SQUARED:	A measure of correlation with the market benchmark. An R-Squared of 100 indicates perfect correlation of the fund that of market while an R-Squared of 0 indicates no correlation.
SECTOR ROTATION:	A strategy that involves moving from one sector to another by selling the underlying assets or securities of a sector and purchasing securities or assets in another.
SEC YIELD:	A standard yield that the bond funds must pay to its shareholders based on the most recent 30-day period covered by the fund's filings with the SEC.
SHORT ETF:	An investment strategy that offers to take short position in the underlying index through various financial instruments.
STYLE BOX:	A visual representation of the fund, created by Morningstar, to determine risk-return structures of the portfolio. A style box is comprised of nine squares, or categories, that classify securities by size (small, mid and large cap) along the vertical axis and by value, growth and blend characteristics along the horizontal axis.
TARGET DATE FUND:	A fund that invests exclusively in the assets or securities with a certain defined maturity.
TRACKING ERROR:	A measure of how closely a portfolio follows the benchmark index. It is calculated as the difference between the returns of fund portfolio and the benchmark index.
TREASURY INFLATION PROTECTED SECURITIES:	The bonds that are issued by the U.S. Treasury to protect against inflation. These securities pay interest on an inflated-principal amount (principal rises with inflation) and when the securities mature, investors get either the inflation-adjusted principal or the original principal, whichever is greater.
VOLATILITY:	A measure of risk calculated by the annualized daily movement in the fund price. The lower the volatility of the fund the better it is.
VOLUME:	The number of shares traded in the market during a given period of time.
YIELD CURVE:	A line that plots the interest rates of bonds having equal credit quality but differing maturity dates. The yield curve provides an idea of future interest rate change and economic activity. It generally compares the three-month, two-year, five-year and 30-year U.S. Treasury debt
WEIGHTED MATURITY:	The remaining time to maturity of the underlying securities in a portfolio. A fund with a short average maturity is more sensitive to current interest rate fluctuations than one with longer average maturity.

Disclosure

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The data on the front page and all the charts (except the sector weights chart) in the report represent market data as of 01/18/2019, while the report's text and the sector weights chart are as of 01/20/2019.