
2023 GLOBAL DIVIDEND REBALANCE

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WisdomTree conducts an annual rebalance of its [Global Dividend Index](#) each October.

At this year's reconstitution there were 5,410 selected companies (including [large](#), [mid](#) and [small caps](#)) from the U.S., 21 eligible developed market countries and 18 eligible [emerging markets](#) countries.

Constituents are weighted based on their contribution to the total [Dividend Stream](#)[®]. The largest dividend payer as of the screening date was Microsoft, with a \$22 billion dividend.

A few notable year-over-year changes:

- **Taiwan Semiconductor**—Much like the U.S. tech giants Microsoft and Apple, Taiwan Semiconductor has been a consistent dividend grower over the last several years. In May, it declared an increase of its quarterly dividend from 2.75 to 3 Taiwan new dollars, contributing a nearly \$2 billion increase to the *Dividend Stream* of the [WisdomTree Global Dividend Index](#).
- **HSBC**—The largest increase to the *Dividend Stream* came from HSBC as the bank re-initiated its regular quarterly dividend for the first time since the pandemic.
- **BHP Group**—As with many Materials and Energy companies, BHP reduced its dividend by roughly 50% due to a profit decline coinciding with sliding [commodity](#) prices.

Top 20 Global Dividend Payers

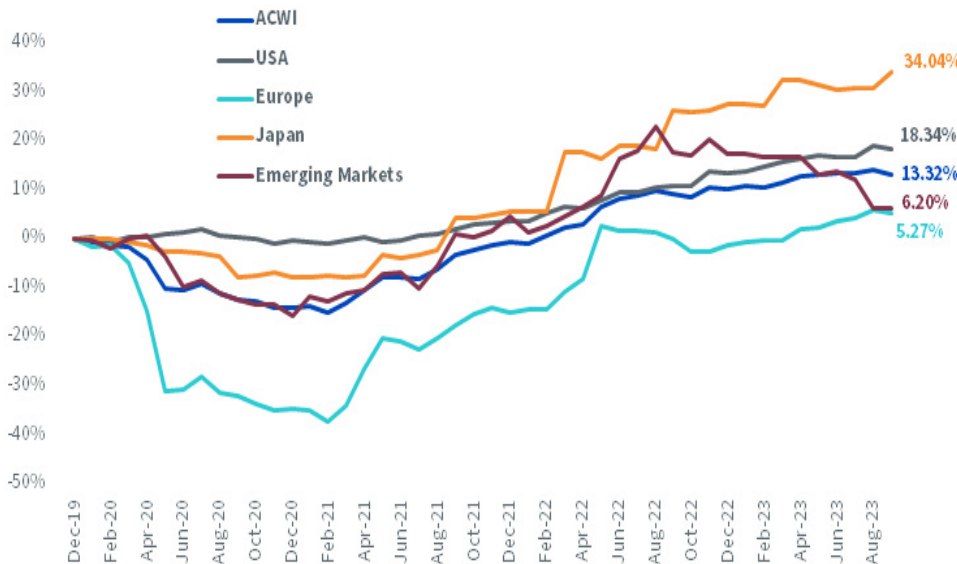
Name	Sector	Country	Market Cap (\$Bn)	Dividend Stream (\$Bn)	Dividend Yield
Microsoft Corporation	Information Technology	US	\$2,330.27	\$22.14	0.95%
Apple Inc.	Information Technology	US	\$2,668.61	\$14.96	0.56%
Exxon Mobil Corporation	Energy	US	\$478.26	\$14.81	3.10%
JPMorgan Chase & Co.	Financials	US	\$428.91	\$12.42	2.90%
Chevron Corporation	Energy	US	\$325.45	\$11.66	3.58%
Johnson & Johnson	Health Care	US	\$377.77	\$11.55	3.06%
Verizon Communications Inc.	Communication Services	US	\$136.84	\$11.23	8.21%
AbbVie, Inc.	Health Care	US	\$268.73	\$10.67	3.97%
Pfizer Inc.	Health Care	US	\$181.18	\$8.96	4.94%
Procter & Gamble Company	Consumer Staples	US	\$344.97	\$8.90	2.58%
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	TW	\$394.94	\$8.68	2.20%
HSBC Holdings Plc	Financials	GB	\$157.49	\$8.60	5.46%
Nestle S.A.	Consumer Staples	CH	\$299.76	\$8.52	2.84%
BHP Group Ltd	Materials	AU	\$142.03	\$8.45	5.95%
Home Depot, Inc.	Consumer Discretionary	US	\$305.12	\$8.44	2.77%
Philip Morris International Inc.	Consumer Staples	US	\$144.45	\$8.11	5.62%
Novartis AG	Health Care	CH	\$232.85	\$7.94	3.41%
Coca-Cola Company	Consumer Staples	US	\$241.34	\$7.93	3.29%
AT&T Inc.	Communication Services	US	\$107.31	\$7.93	7.39%
Shell Plc	Energy	GB	\$217.34	\$7.90	3.63%

Source: WisdomTree, 9/29/23. Index Screening date was 9/29/23. Universe is preliminary eligible constituents for the WisdomTree Global Dividend Index. Market Cap and Dividend Stream data is adjusted for investability for emerging markets dividend payers. Market Cap based on share market cap.

Though not included on the previous list of largest global payers, Japanese equities have gained a lot of attention this year. Stock prices have soared for a variety of reasons: the fall in the yen benefitting the export-dependent economy, Warren Buffett declaring his continued confidence in his Japanese trading house investments and the major Japanese stock exchange announcing guidelines aimed at improving shareholder value.

For investors looking for tangible evidence of Japan’s corporate governance reforms, look to the dividend growth of Japanese equities. Since the end of 2019, Japan dividends have grown by more than any other market—and almost twice as much as the U.S.

Dividend Growth by Region since December 2019



Sources: WisdomTree, MSCI, 12/31/19-9/29/23. Dividends are trailing 12-month, measured in local currencies. Regions represented by respective MSCI Indexes. You cannot invest directly in an Index.

The Global Dividend Stream

In aggregate, global equities have a *Dividend Stream* of \$1.5 trillion. The U.S. provides 44% of dividends, far less than its 61% share of the global market cap.

If we look at *Dividend Stream*-weighted versions of U.S. equities, we see a yield of 3.5% –twice as high as the 1.6% yield on the market cap-weighted index.

For global equities, the market cap-weighted yield is 2.1% relative to a 4.5% *Dividend Stream*-weighted yield.

Global Dividend Stream Summary

Region	Dividend Stream (\$bn)	Dividend Weight	Market Cap (\$ bn)	Market Cap Weight	% Market Cap Dividend Payers	Dividend Yield	
						Dividend Stream-Weighted	Market Cap-Weighted
United States	\$657.5	44.1%	\$41,858.5	61.0%	73.5%	3.5%	1.6%
Europe	\$358.5	24.1%	\$10,936.6	15.9%	94.9%	5.0%	3.3%
Japan	\$95.3	6.4%	\$4,176.4	6.1%	98.4%	3.0%	2.3%
Canada	\$65.1	4.4%	\$2,002.3	2.9%	90.7%	4.9%	3.2%
Developed Asia	\$86.3	5.8%	\$2,012.1	2.9%	93.8%	5.2%	4.0%
Emerging Markets	\$227.8	15.3%	\$7,600.7	11.1%	85.9%	7.1%	2.8%
Global	\$1,490.5	100.0%	\$68,586.7	100.0%	80.9%	4.5%	2.1%

Sources: WisdomTree, MSCI, as of 9/29/23. Universe is MSCI ACWI IMI. Israel Included in Europe. Developed Asia Includes Singapore, Australia, Hong Kong and New Zealand. U.S. dividends are indicated. International dividends are trailing. Dividend Stream and market cap totals are adjusted for investability factors. You cannot invest directly in an Index.

WisdomTree Global Dividend Index

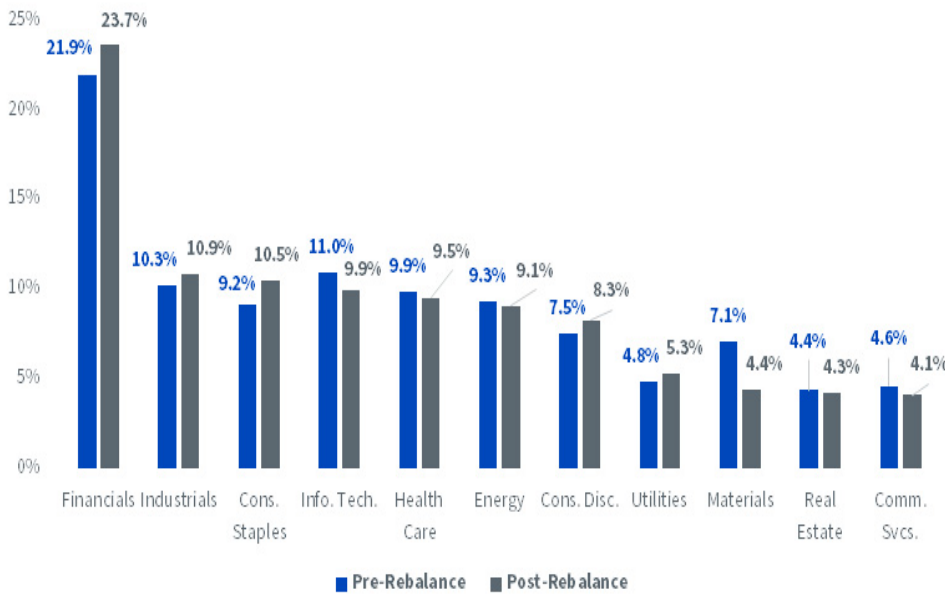
The wisdomTree Global Dividend Index underwent its annual reconstitution at the close on October 18.

The fundamentals-based rebalancing process generally results in giving greater weight in companies increasing their payouts and decreasing weight in companies that have lowered payouts.

From a sector perspective, the biggest change was a decrease of over 3% in weight in the

Materials sector. After a commodities boom in 2021 and 2022 that led to increased dividends, many large Materials companies cut dividends in 2023 (as we saw with BHP) alongside a drop in profits and cash flows.

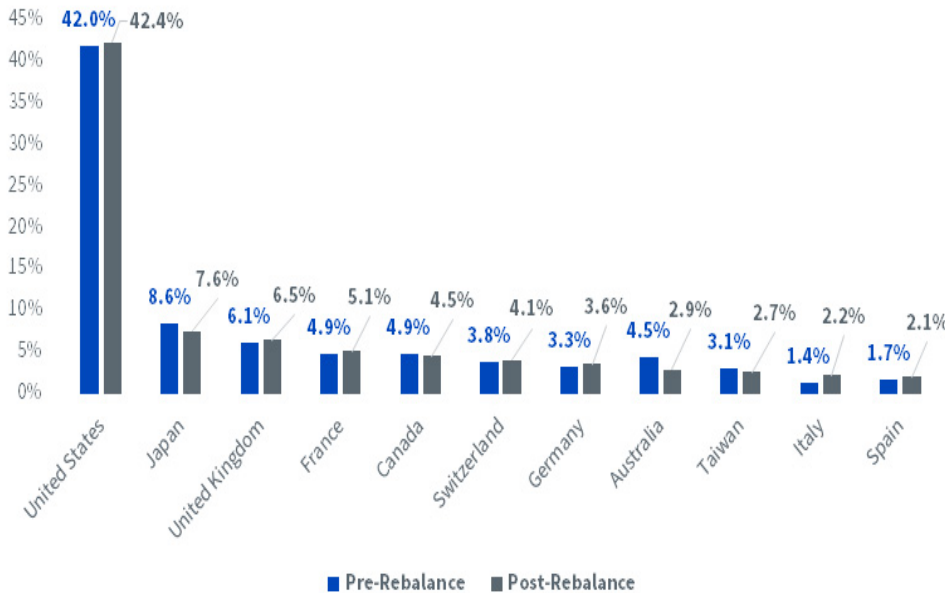
WisdomTree Global Dividend Index Sector Weights



Source: WisdomTree. Index screening date was 9/29/23. Index pre-rebalance weights as of 10/18/23. Index post-rebalance weights as of 10/29/23. You cannot invest directly in an Index.

From a country perspective, there were similarly modest changes. The U.S. remains the largest weight, at 42%, ahead of the 8% exposure to Japan. Those weights compare to a 61% weight for the U.S. and 6% weight for Japan in the market cap-weighted [MSCI ACWI Index](#).

WisdomTree Global Dividend Index Country weights



Source: WisdomTree. Index screening date was 9/29/23. Index pre-rebalance weights as of 10/18/23. Index post-rebalance weights as of 10/19/23. You cannot invest directly in an Index.

WisdomTree Global High Dividend Index

The wisdomTree Global High Dividend Index is a subset of the wisdomTree Global Dividend

Index by selecting the highest 30% of companies by dividend yield from each region: the U.S., the developed and emerging markets.

A regional adjustment factor is applied so that regional weights are equal to the [float-adjusted market capitalization](#) weight of the universe of dividend and non-dividend payers of the U.S., developed and emerging markets.

Top 10 Holdings

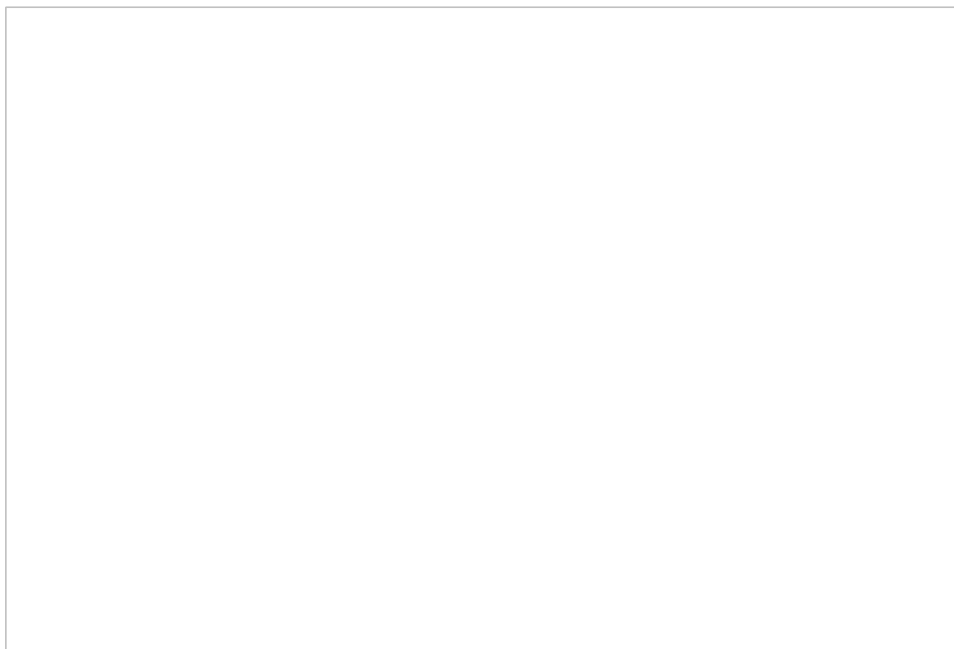
Name	Wgt	Dividend Yield	Sector	Country
AbbVie, Inc.	3.92%	3.97%	Health Care	United States
Coca-Cola	2.91%	3.29%	Consumer Staples	United States
Chevron	2.85%	3.58%	Energy	United States
Altria Group	2.56%	9.32%	Consumer Staples	United States
Pfizer Inc.	2.19%	4.94%	Health Care	United States
Philip Morris Int'l	1.99%	5.62%	Consumer Staples	United States
Bristol-Myers Squibb	1.75%	3.93%	Health Care	United States
Bank of America	1.55%	3.51%	Financials	United States
IBM	1.49%	4.73%	Info. Tech.	United States
Gilead Sciences	1.38%	4.00%	Health Care	United States

Sources: WisdomTree, FactSet, as of 10/19/23. You cannot invest directly in an Index.

For investors looking for a globally diversified income portfolio with a 4%–5% dividend yield, we believe the WisdomTree Global High Dividend Index would be a perfect place to look.

The [WisdomTree Global High Dividend Fund \(DEW\)](#) seeks to track the price and yield performance, before fees and expenses, of the WisdomTree Global High Dividend Index.

Index Dividend Yield



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For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

View the online version of this article [here](#).

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DEFINITIONS

Large-Capitalization (Large-Cap): A term used by the investment community to refer to companies with a market capitalization value of more than \$10 billion. Large cap is an abbreviation of the term “large market capitalization”. Market capitalization is calculated by multiplying the number of a company’s shares outstanding by its stock price per share.

Mid-Cap: Characterized by exposure to the next 20% of market capitalization (after the top 70% have been removed) within the Value, Blend or Growth style zones with the majority of the fund’s weight.

Small caps: new or relatively young companies that typically have a market capitalization between \$200 million to \$2 billion.

Emerging market: Characterized by greater market access and less potential for operational risks when compared to frontier markets, which leads to a larger base of potentially eligible investors.

Dividend Stream: Refers to the regular dividends per share multiplied by the number of shares outstanding.

WisdomTree Global Dividend Index: WisdomTree’s broadest measure of dividend-paying stocks, including firms incorporated in emerging markets, developed international markets and the United States, weighted by cash dividends.

Commodity: A raw material or primary agricultural product that can be bought and sold.

MSCI ACWI Index: A free-float adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets.

Float-adjusted market capitalization: Share price x number of shares outstanding, adjusted for the fact that in many emerging markets, not all of the shares outstanding regularly trade, which leads to a reduction in the number of shares outstanding used in the calculation.