



# WP DAP DIVIDEND GROWTH STRATEGY

Seeking stable and growing dividends

**A WPIM and WisdomTree Collaboration**



## Philosophy

---

The **WP DAP Dividend Growth Strategy** follows a transparent and repeatable process with the goal of identifying **US large-cap companies** that have the profitability and growth characteristics to be able to sustain and grow their dividends over time.

# An Experienced Team



**Professor Jeremy Siegel, PhD**

Senior Economist to Wisdom Tree and Emeritus Professor of Finance, The Wharton School of the University of Pennsylvania



**Jeremy Schwartz, CFA**

Global CIO



**Christopher Gannatti, CFA**

Global Head of Research



**Kevin Flanagan**

Head of Fixed Income Strategy



**Jeff Weniger, CFA**

Head of Equity Strategy



**Rick Harper**

CIO, Fixed Income & Model Portfolios



**Alejandro Saltiel, CFA**

Head of Indexes, U.S.



**Brad Krom**

Head of U.S. Research



**Liqian Ren**

Director of Modern Alpha

---

## WisdomTree Research Team

Globally integrated research team focused on all major asset classes including equities, fixed income, commodities, and alternatives.



**\$112.6B\***

Exchange-Traded products  
Globally

**30+**

Professionals on Global  
research team

**15+**

PhD, CFA, & CIMA  
Designations

\*As of September 30, 2024

# An Experienced Team

## WealthPlan Partners

---

The WealthPlan investment team brings decades of investment and trading experience designing, analyzing and managing investment strategies in alignment with the needs and goals of individual investors and institutions.

## In-House Investment Team\*

---

- CIO, Christopher Shea, CFA
- Head Trader, James Robinson
- CEO, Patrick Brewer, CFA
- Investment Analyst, Tyler Johnson

\*These advisors are registered to provide advisory services through WealthPlan Investment Management (WPIM) and are not affiliated with Osaic Wealth.

**WEALTHPLAN**  
— GROUP —

## WealthPlan Partners By the Numbers\*

---

**Total Assets**  
Wealth Management

**\$2.8B**  
In Assets

**Headquartered**  
Omaha, NE

**46**  
Licensed States

**36 Years**  
in business

**87**  
Total Staff

\*The numbers above represent a combination of WealthPlan Partners (WPP) and WealthPlan Investment Management, which are separate Registered Investment Advisors that comprise WealthPlan Group (WPG).

# WisdomTree Modern Alpha<sup>®</sup>

Modern Alpha combines the outperformance potential of active with the benefits of passive – to offer investors strategies that are built to perform.

## Legacy Alpha

- Higher Cost
- Black Box
- Subjective (Human Judgment)
- Key Man Risk
- Capacity Constrained
- Outperformance Potential



## Legacy Beta

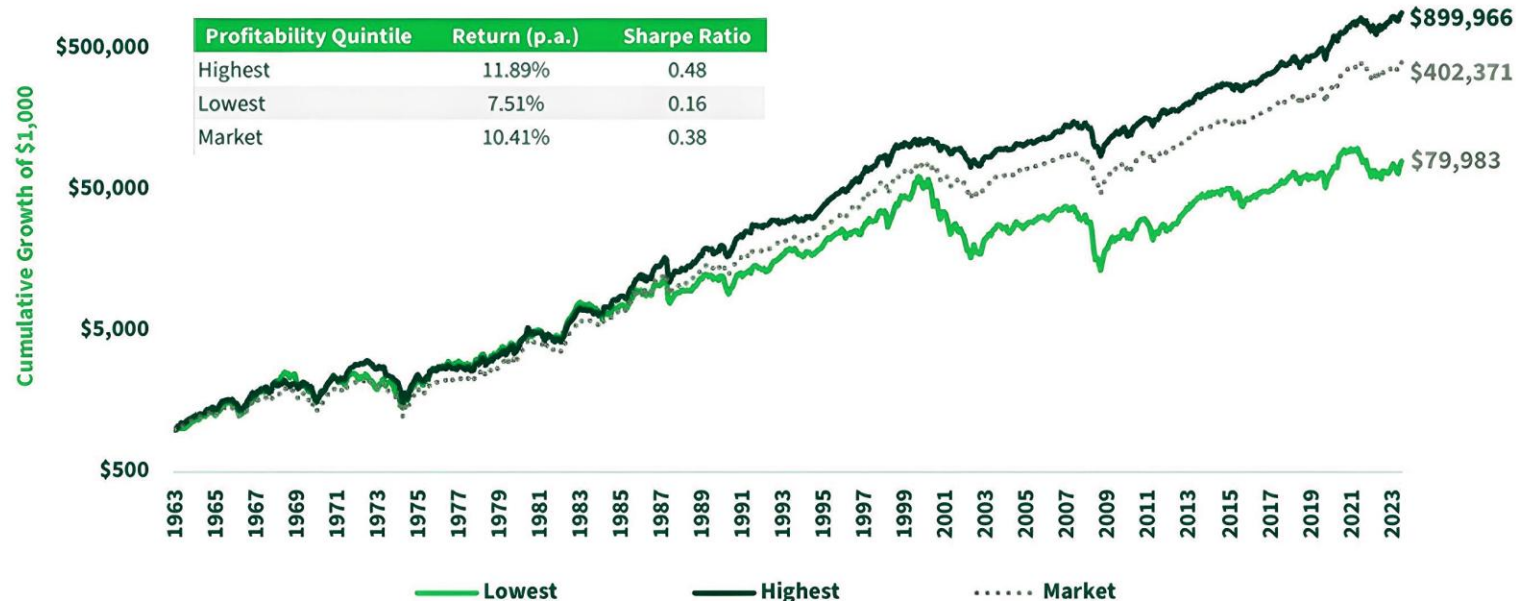
- Low Cost
- Transparent Investment Process
- Objective (Market Cap Weighted)
- No Rebalancing
- Scalable
- Market Performance

\*Ordinary Brokerage Commissions May Apply



# Why We Focus on Quality

## Historically, Investing in Higher-Quality Companies Enhanced Returns



Source: Kenneth French Data Library, with data as of 12/31/23. Period based on availability of annual operating profitability returns sorted into quintiles, which begins June 30, 1963. Market is the value-weight return of all CRSP firms incorporated in the U.S. and listed on the NYSE, AMEX, or NASDAQ that meet specified criteria. Top and bottom quintiles are shown for simplicity. Past performance is not indicative of future results.

- Higher operating profitability (i.e., higher quality) has outpaced lower quality over time.
- A quality factor is designed to ensure companies in the portfolio are healthy and can deliver results over time.
- A proprietary methodology identifies forward-looking dividend growth potential as a way of defining quality.

# A Tested Process for Identifying Companies to Invest in

## A FOUR STEP PROCESS

### Eligible Universe

Dividend-paying U.S. equities from the \*WisdomTree U.S. Dividend Index with a market-cap greater than \$2 billion.

### Step 1

Exclude companies with a dividend coverage ratio less than 1 (i.e., earnings yield < dividend yield).

### Step 2

Exclude companies with low momentum and low quality scores as well as potential Value Traps using WisdomTree's Composite Risk Score.

2 Step Dividend  
Sustainability Screening

### Step 3: Stock Selection

Select Top 300 eligible stocks based on:

Est. Earnings Growth (50%)  
Return on Equity (ROE) (25%)  
Return on Assets (ROA) (25%)

### Step 4: Portfolio Construction

Rebalanced Quarterly to include 30 largest stocks by Dividend Stream

Equal weighting in 3 tiers based on Dividend Stream weights:

**Tier 1:** 60% weight (6% each)

**Tier 2:** 25% (2.5% each)

**Tier 3:** 15% (1.5% each)

# Composite Risk Score (CRS)

- The Composite Risk Score uses Quality and Momentum scores to identify the riskiest companies
- + The CRS aims to remove or limit the selection of the riskiest companies from the strategy

Quality\*



50%

Static

- Last Return on Equity (ROE)
- Last Return on Assets (ROA)
- Last Gross Profits over Assets (GPOA)
- Last Cash Flows over Assets (CFOA)

Dynamic

- ROE Trend
- ROA Trend
- GPOA Trend
- CFOA Trend

Better quality stocks have tended to outperform

Selecting stocks based on the last but also the trailing 3-year ROE and ROA readings reward companies that currently have good but also improving quality attributes inside each of the industry groups.

Momentum



50%

Average of Risk-adjusted total returns for the last 6m and last 12m

Risk-adjusted total returns = Historical Return divided by Volatility

Momentum has tended to outperform

6-month and 12-month returns help capture medium- to long-term price trends. Adjusting returns for volatility avoids tilting towards stocks with high return but also high volatility.

\*Quality score is an equal weight of the 8 scores (6 data points at a minimum are needed per stocks to be included). Data is normalized with a cross sectorial Z Score in each industry groups. Trends are calculated as a 12 quarters historical Z Score in each industry groups. A Z Score is a statistic that helps to create a level playing field when assessing quality, risk, or other financial metrics across different companies within the same industry.

# Top 30 Holdings As Of October 18, 2024\*

Tier 1

Name	Sector	Weight	Tier
PepsiCo, Inc.	Consumer Staples	6.0%	Tier 1
Home Depot, Inc.	Consumer Discretionary	6.0%	Tier 1
Microsoft Corporation	Information Technology	6.0%	Tier 1
Apple Inc.	Information Technology	6.0%	Tier 1
Johnson & Johnson	Health Care	6.0%	Tier 1
Cisco Systems, Inc.	Information Technology	6.0%	Tier 1
Coca-Cola Company	Consumer Staples	6.0%	Tier 1
AbbVie, Inc.	Health Care	6.0%	Tier 1
Broadcom Inc.	Information Technology	6.0%	Tier 1
Procter & Gamble Company	Consumer Staples	6.0%	Tier 1

# Top 30 Holdings As Of October 18, 2024

Tier 2

Name	Sector	Weight	Tier
United Parcel Service, Inc. Class B	Industrials	2.5%	Tier 2
Eli Lilly and Company	Health Care	2.5%	Tier 2
McDonald's Corporation	Consumer Discretionary	2.5%	Tier 2
NVIDIA Corporation	Information Technology	2.5%	Tier 2
Goldman Sachs Group, Inc.	Financials	2.5%	Tier 2
Texas Instruments Incorporated	Information Technology	2.5%	Tier 2
Oracle Corporation	Information Technology	2.5%	Tier 2
UnitedHealth Group Incorporated	Health Care	2.5%	Tier 2
Amgen Inc.	Health Care	2.5%	Tier 2
Morgan Stanley	Financials	2.5%	Tier 2

# Top 30 Holdings As Of October 18, 2024

Tier 3

Name	Sector	Weight	Tier
EOG Resources, Inc.	Energy	1.5%	Tier 3
Union Pacific Corporation	Industrials	1.5%	Tier 3
Lockheed Martin Corporation	Industrials	1.5%	Tier 3
Gilead Sciences, Inc.	Health Care	1.5%	Tier 3
QUALCOMM Incorporated	Information Technology	1.5%	Tier 3
Honeywell International Inc.	Industrials	1.5%	Tier 3
Abbott Laboratories	Health Care	1.5%	Tier 3
T-Mobile US, Inc.	Communication Services	1.5%	Tier 3
ConocoPhillips	Energy	1.5%	Tier 3
Visa Inc. Class A	Financials	1.5%	Tier 3

# WP DAP DIVIDEND GROWTH STRATEGY CHARACTERISTICS

---

Typically holding  
between **25 – 30 stock  
positions**

---

Quarterly and as-  
needed portfolio  
rebalancing

---

Expect to maintain a  
tracking-error to the  
strategy's **benchmark  
of 2% - 4%**

---

Can serve as a core  
large-cap allocation  
providing broad  
exposure to profitable  
U.S. large cap dividend  
payers

# Disclosures

The WisdomTree U.S. Dividend Index is a fundamentally weighted index designed to measure the performance of the dividend-paying portion of the U.S. equity market. The Index includes U.S. companies listed on a U.S. stock exchange that meet specific liquidity and capitalization criteria, and which have paid regular cash dividends in the 12 months preceding the annual index screening date. Eligibility Criteria: Companies must have a market capitalization of at least \$100 million as of the annual Index screening date and an average daily dollar trading volume of at least \$100,000 for the three months prior to this date. Weighting Methodology: The Index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share. This means companies expected to pay higher dividends receive a larger weight in the Index.

Annual Reconstitution: The Index undergoes annual reconstitution to adjust for changes in dividend payments and to maintain alignment with the Index's methodology. The screening date for this process is typically in November, with the weighting date in December. Sector Caps: To ensure diversification, the maximum weight of any one sector in the Index at the time of the annual screening is capped at 25%. However, sector weights may fluctuate above this cap due to market movements or the application of volume factor adjustments. Volume Factor Adjustments: If a company no longer meets certain trading volume thresholds at the annual screening, its weight in the Index is reduced, and the reduction is reallocated pro rata among other securities. Prior to June 30, 2017, the WisdomTree U.S. Dividend Index was known as the WisdomTree Dividend Index. Index Performance: The Index's performance is tracked to provide an indication of the return on investment one might expect from the portion of the U.S. equity market focused on dividend-paying stocks. It is not possible to invest directly in an index. Dividend Yield: The Index Dividend Yield, which is a measure of the annual dividends of the shares of all Index components divided by the Index value, provides insight into the income generation capability of the Index. This description is intended for informational purposes regarding the Index's construction and objectives. For more detailed information, including current components and weights, please refer to the WisdomTree website or consult the most recent SEC filings. Additional index information is available at [wisdomtree.com/investments](http://wisdomtree.com/investments).

Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time.

References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities.

Advisors are solely responsible for making investment recommendations and/or decisions with respect to an end client, and should consider the end client's individual financial circumstances, investment time frame, risk tolerance level and investment goals in determining the appropriateness of a particular investment or strategy. There is no assurance that investing in the strategy will provide positive performance over any period. Any content or information included in or related to the strategy, including descriptions, allocations, data, strategy details and disclosures are subject to change and may not be altered by an advisor or other third party in any way.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's ("S&P"), a division of The McGraw-Hill Companies, Inc., and is licensed for use by WisdomTree, Inc. Neither MSCI, S&P nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits), even if notified of the possibility of such damages.

Advisory services offered through WealthPlan Investment Management, LLC ("WPIM"). WPIM and WealthPlan Partners ("WPP") are both registered investment advisors and subsidiaries of WealthPlan Group, LLC.

Registered Representatives offer securities through Osaic Wealth, Inc., Member FINRA/SIPC. WealthPlan Partners and Osaic Wealth are separate entities.