WisdomTree Launches CBOE S&P 500 PutWrite Strategy Fund (PUTW)

PUTW Offers Strategy for Potential Volatility Mitigation & Potential for Higher Risk-Adjusted Returns Compared to S&P 500 Index

PUTW Tracks Index with Live Track Record Since 2007

New York, NY – (GlobeNewswire) – February 24, 2016 – WisdomTree (NASDAQ: WETF), an exchange-traded fund ("ETF") and exchange-traded product ("ETP") sponsor and asset manager, today announced the launch of the CBOE S&P 500 PutWrite Strategy Fund (PUTW), on the NYSE Arca. PUTW seeks to provide investment results that, before fees and expenses, generally correspond to the performance of the CBOE S&P 500 PutWrite Index (PUT) and has a net expense ratio of 0.38%.[1]

Index-based Strategy for Potential Volatility Mitigation and Risk Reduction

The S&P 500 Index (SPX) is one of the most widely followed indexes for U.S. stock market exposure. But when volatility rises, many investors search for ways to reduce volatility while maintaining—or enhancing—their returns.

Luciano Siracusano, WisdomTree Chief Investment Strategist, said, "Put writing has been used by investors for decades as a solution to potentially increase the yield and lower the volatility of equity returns over various market cycles. We've teamed up with the Chicago Board Options Exchange (CBOE), a leader in options investing, to provide access to an index developed with a live track record dating to 2007 that has shown lower volatility over time, relative to the S&P 500."

Historically PUT, the index PUTW tracks, had lower standard deviation than the S&P 500 Index; PUT provided 97% of the return of the S&P 500, but only 77% of the volatility from June 30, 2007 through year end 2015.[2] Past performance is not indicative of future results.

PUT Index: Historically Provides a Measure of Downside Protection

Siracusano said, "Returns for PUTW will largely be driven by the premiums received from selling put options and also income earned on the collateral. The fund, itself, does not own stocks. Given the recent volatility in the market, we believe PUTW can be used to potentially dampen equity volatility and serve as an alternative way to generate total return in the current low-yield environment."

Since 2007, PUT, the index PUTW tracks, outperformed 95% of the time when the S&P 500 Index experienced a daily negative return and 90% of the time during a negative monthly return.[3]

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[1] The Fund's gross expense ratio of 0.44% and the net expense ratio of 0.38% reflect a contractual waiver of 0.06% through 12/31/16.

[2] Sources: WisdomTree, CBOE. 6/30/07-12/31/15.

[3] Sources: WisdomTree, CBOE. 6/30/07-12/31/15.

PUTW: Under the Hood

- **Exposure**: Invests in one- and three-month Treasury bills, and sells or "writes" S&P 500 Index put options.
    - **Rationale/Potential Benefits:** The number of put options sold is chosen to ensure full collateralization. This is also referred to as a "cash secured put" and the amount of cash invested in Treasury bills is set to cover total losses that can be incurred from writing the puts. There is thus no leverage in the writing of these cash secured puts.
- **Rebalancing**: Portfolio is rebalanced on a monthly basis when the Fund rolls the monthly options
    - **Rationale/Potential Benefits:** Fund rolls options on a monthly bases – instead of quarterly or longer – to seek to capture more gross premium
- **Options**: Written "at the money" at the time of monthly roll, referred to as European-style
    - **Rationale/Potential Benefits:** Options are written "at the money" at the time of monthly roll in order to try to capture more gross premium; and the European-style seeks to reduce trading costs and an additional element of risk
- **Distributions:** income and capital gains are scheduled to be distributed to shareholders on an annual basis.
    - **Rationale/Potential Benefits:** Net profits derived from premiums received on option writing are not considered income; they are considered capital gains and will be combined with the gain or loss when the options are sold. If there are net gains, than they will be distributed once annually in December. In addition, net capital gain or loss from written option contracts on a broad-based index (such as the S&P 500 Index) will be characterized as 60% long-term and 40% short-term capital gain or loss under U.S. tax rules.

Learn more about The WisdomTree CBOE S&P 500 PutWrite Strategy Fund (PUTW) here.

S&P 500 Index (SPX): Market capitalization-weighted benchmark of 500 stocks selected by the Standard and Poor's Index Committee designed to represent the performance of the leading industries in the United States economy.

CBOE S&P 500 PutWrite Index (PUT): index that measures the performance of a hypothetical portfolio that sells S&P 500 Index (SPX) put options against collateralized cash reserves held in a money market account. The PUT strategy is designed to sell a sequence of one-month, at-the-money, S&P 500 Index puts and invest cash at one- and three-month Treasury bill rates. The number of puts sold varies from month to month, but is limited so that the amount held in Treasury bills can finance the maximum possible loss from final settlement of the SPX puts.

Collateral: something pledged as security for repayment in the event of a loss.

Option Premium: the current price of any specific option contract that has yet to expire.

Put Options: an option to sell assets at an agreed price on or before a particular date.

Leverage: total assets divided by equity. Higher numbers indicate greater borrowing to finance asset purchases; leverage can tend to make positive performance more positive and negative performance more negative.

Gross Premium: see Option Premium.

"At the money": option's strike price is identical to the price of the underlying security.

European-style: an option that can only be exercised on its expiration date.

This Fund is new and has limited operating history. You cannot invest directly in an index. Past performance is not indicative of future results. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or fund, or brokerage commissions on transactions in fund shares. Such fees, expenses and commissions could reduce returns**.** WisdomTree, its affiliates and their independent providers are not liable for any informational errors, incompleteness or delays or for any actions taken in reliance on information contained herein.

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Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call 866.909.WISE (9473) or visit wisdomtree.com. Investors should read the prospectus carefully before investing.

There are risks associated with investing, including possible loss of principal. The Fund will invest in derivatives, including S&P 500 Index put options ("SPX Puts"). Investments in derivative investments can be volatile, may be less liquid than securities and may be more sensitive to the effect of varied economic conditions. The value of the SPX Puts in which the Fund invests is partly based on the volatility used by market participants to price such options (i.e., implied volatility). The options values are partly based on the volatility used by dealers to price such options, so increases in the implied volatility of such options will cause the value of such options to increase, which will result in a corresponding increase in the liabilities of the Fund and a decrease the Fund's NAV. Options may be subject to volatile swings in price influenced by changes in the value of the underlying instrument. The potential return to the Fund is limited to the amount of option premiums it receives; however, the Fund can potentially lose up to the entire strike price of each option it sells. Due to the investment strategy of the Fund, it may make higher capital gain distributions than other ETFs. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

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Luciano Siracusano is a registered representative of Foreside Fund Services, LLC.

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