

## WisdomTree Launches Fundamental U.S. Corporate Bond ETF Suite

### *Qualitative Approach to Fixed Income Investing Using Fundamentals to Screen for Quality and Tilt toward Income*

New York, NY – (GlobeNewswire) – April 27, 2016 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the launch of four U.S. Corporate Bond ETFs on the BATS Exchange:

- WisdomTree Fundamental U.S. Corporate Bond Fund (WFIG)
- WisdomTree Fundamental U.S. Short-Term Corporate Bond Fund (SFIG)
- WisdomTree Fundamental U.S. High Yield Corporate Bond Fund (WFHY)
- WisdomTree Fundamental U.S. Short-Term High Yield Corporate Bond Fund (SFHY)

WFIG and SFIG seek to provide investors with the potential to capture the performance of selected issuers in the U.S. investment-grade corporate bond market—they each have a net expense ratio of 0.18%<sup>1</sup>. WFHY and SFHY seek to provide investors with the potential to capture the performance of selected issuers in the U.S. high yield corporate bond market—they each have a net expense ratio of 0.38%<sup>2</sup>.

### **Smart Beta: An Intuitive Alternative to Market Cap Weighted Fixed Income**

Over the last decade, fundamentally weighted or ‘smart beta’ strategies have gained popularity among equity investors as an alternative to market capitalization-weighted indexes. However, most fixed income benchmarks still weight by market capitalization, in effect assigning the greatest weight to companies with the most debt. Many bond investors using market cap strategies are blindly allocating to the largest debtors, regardless of valuations or their ability to pay.

“While investors may have recognized the shortcomings associated with cap-weighted fixed income, there hasn’t been urgency for an alternative. However, historically low yield levels and an increased sensitivity to interest rate risk have refocused investor attention. WisdomTree has created a suite of U.S. corporate bond ETFs that take an alternative—and more intuitive—approach by screening for bonds with fundamentals and liquidity, then tilting toward those with attractive income and valuation characteristics,” said Rick Harper, WisdomTree Head of Fixed Income and Currency.

### **Back-to-Basics Investing: Screening for Quality, Tilting Toward Income**

Through a qualitative and systematic approach, the WisdomTree U.S. corporate bond ETF suite uses fundamental indicators to isolate and remove weaker and potentially troubled creditors followed by a liquidity screen and risk-adjusted income score to tilt market value. The valuation

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<sup>1</sup> WFIG and SFIG's gross expense ratio of 0.28% and the net expense ratio of 0.18% reflect a contractual waiver of 0.10% through 10/31/17.

<sup>2</sup> WFHY and SFHY's gross expense ratio of 0.48% and the net expense ratio of 0.38% reflect a contractual waiver of 0.10% through 10/31/17.

and income tilt complement the fundamental screening process by potentially helping to create a better balance between return and risk.

For WFIG and SFIG focused on U.S. investment-grade corporate bonds, WisdomTree has identified deteriorating cash flows, rising leverage and weakening profitability compared to peers as effective markers for potential credit concerns. WisdomTree believes eliminating these issuers can generate a considerable improvement in the strategy's downside risk protection.

For WFHY and SFHY focused on U.S. high-yield corporate bonds, the presence of negative cash flows over several years has provided a warning signal for speculative credits. The strategies focus on issuers exhibiting more favorable cash flow characteristics to mitigate downside risk and significantly reduce overall volatility.

“We went back-to-basics and focused on what we believe investors truly want in their portfolios: quality bonds that pay an attractive level of income. WisdomTree's approach represents the future of smart beta fixed income by combining the intuition of an active approach with the transparency and rigor of passive management,” added Harper.

The ETFs will seek to track the performance of their respective WisdomTree Fundamental U.S. Corporate Bond Index.

These Funds are new and have a limited operating history.

**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](http://wisdomtree.com) to view or download a prospectus. Read the prospectus carefully before you invest.**

There are risks associated with investing, including possible loss of principal. Fixed income investments are subject to interest rate risk; their value will normally decline as interest rates rise. High-yield or “junk” bonds have lower credit ratings and involve a greater risk to principal. Fixed income investments are also subject to credit risk, the risk that the issuer of a bond will fail to pay interest and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. While the Funds attempt to limit credit and counterparty exposure, the value of an investment in the Funds may change quickly and without warning in response to issuer or counterparty defaults and changes in the credit ratings of the Funds' portfolio investments. Please read the Funds' prospectus for specific details regarding the Funds' risk profiles.

Neither WisdomTree Investments, Inc., nor its affiliates, nor Foreside Fund Services, LLC, and its affiliates, provide tax advice. Information provided herein should not be considered tax advice. Investors seeking tax advice should consult an independent tax advisor.

Rick Harper is a registered representative of Foreside Fund Services, LLC.  
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**About WisdomTree**

WisdomTree Investments, Inc., through its subsidiaries in the U.S., Europe and Japan (collectively, “WisdomTree”), is an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager headquartered in New York. WisdomTree offers products covering equities, fixed income, currencies, commodities and alternative strategies. WisdomTree currently has approximately \$45.1 billion in assets under management globally. For more information, please visit [www.wisdomtree.com](http://www.wisdomtree.com) or follow us on Twitter [@WisdomTreeETFs](https://twitter.com/WisdomTreeETFs).

WisdomTree® is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide.

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