

## **WisdomTree Launches Barclays Yield Enhanced U.S. Short-Term Aggregate Bond Fund (SHAG)**

### *SHAG Offers Strategy for Increased Income Potential While Reducing Interest Rate Risk*

New York, NY – (GlobeNewswire) – May 18, 2017 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the launch of the WisdomTree Barclays Yield Enhanced U.S. Short-Term Aggregate Bond Fund ([SHAG](#)), on the BATS Exchange. SHAG seeks to enhance yield by sourcing and reweighting subcomponents within the short end of the U.S. Aggregate (“Agg”) fixed income universe while maintaining similar risk characteristics and has a net expense ratio of 0.12%<sup>1</sup>.

### **The Case for SHAG in a Rising Rate Environment**

In today’s current fixed income market environment, it can be challenging to maintain an appropriate balance between risk and return. While strong U.S. economic growth may boost credit returns, it is also likely to lead to an increase in nominal interest rates. In addition, core fixed income benchmarks have experienced a dramatic shift from their historical composition over the last 20 years. For instance, because the government has outpaced corporations in debt issuance, market-capitalization weighted indexes are heavily weighted toward U.S. treasuries, which has resulted in historically low yields.

Through its relationship with Bloomberg Barclays as index provider, WisdomTree has developed an approach for SHAG that draws on the same universe as the Bloomberg Barclays U.S. Aggregate Index, but focuses on ways to reduce interest rate risk while at the same time boosting yield. Using a disciplined, rules-based approach, SHAG overweights credit securities and underweights low-yielding treasuries.

“In a market environment where every basis point counts, overweighting treasuries might not be your first stop on the road to income,” said Kevin Flanagan, Senior Fixed Income Strategist at WisdomTree. “SHAG may serve as a powerful tool for investors seeking to navigate a potential rising rate environment.”

### **An Alternative to Traditional Agg Exposure**

SHAG is WisdomTree’s second yield enhanced core fixed income strategy offering, following the launch of the WisdomTree Barclays Yield Enhanced U.S. Aggregate Bond Fund ([AGGY](#)) in 2015.

Both strategies seek to increase income potential of core fixed income, while continuing to benefit from the risk mitigation and diversification of a multi-sector portfolio. These strategies can serve as a complement or replacement for existing core fixed income strategies and are ideal for income-oriented investors looking to pragmatically enhance yield or for those seeking opportunities across different parts of the yield curve.

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<sup>1</sup>The Fund's net expense ratio of 0.12% reflects a contractual waiver of 0.08% through December 31, 2018.

“AGGY has delivered strong performance and we’ve seen great success with the Fund,” said Kevin Flanagan. “SHAG offers a solution for those investors who wish to shorten the duration of their fixed income portfolio while still focusing on income.”

### **SHAG Quick Facts**

**Fund Name:** WisdomTree Barclays Yield Enhanced U.S. Short-Term Aggregate Bond Fund

**Ticker:** SHAG

**Exchange:** BATS

**Expense Ratio:** 0.12%<sup>1</sup>

**Exposure:** U.S. dollar-denominated, investment grade short-term fixed income.

**Fund Objective:** By sourcing opportunities within the short maturity portion of the Agg, SHAG seeks to enhance the income potential of a core bond portfolio, while continuing to benefit from the diversification of a multi-sector portfolio.

**Index Methodology:** To enhance yield, the Bloomberg Barclays U.S. Short Aggregate Enhanced Yield Index adjusts weights across 13 subcomponents of the Short Agg Composite, subject to tracking error, exposure and turnover constraints. The index rebalances across the 13 subcomponents, adhering to the specified constraints, on a monthly basis.

Learn more about the WisdomTree Barclays Yield Enhanced U.S. Short-Term Aggregate Bond Fund (SHAG) [here](#).

Bloomberg Barclays U.S. Short Aggregate Enhanced Yield Index: a constrained, rules-based approach that reweights the sector, maturity, and credit quality of the Barclays U.S. Aggregate Index across various subcomponents in order to enhance yield of securities effectively maturing in 1 to 5 years.

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.

**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). Investors should read the prospectus carefully before investing.**

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. 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. Investing in mortgage- and asset-backed securities involves interest rate, credit, valuation, extension and liquidity risks and the risk that payments on the underlying assets are delayed, prepaid, subordinated or defaulted on. 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.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

Kevin Flanagan 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, Japan and Canada (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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