



WisdomTree Launches CBOE Russell 2000 PutWrite Strategy Fund (RPUT)

RPUT Offers Strategy for Potential Volatility Mitigation and Downside Protection

New York, NY – (GlobeNewswire) – February 1, 2018 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the launch of the WisdomTree CBOE Russell 2000 PutWrite Strategy Fund ([RPUT](#)) on the Cboe BZX U.S. Equities Exchange. RPUT seeks to track the price and yield performance, before fees and expenses, of the Cboe Russell 2000 PutWrite Index (PUTR) and has a net expense ratio of 0.43%¹.

Index-Based Strategy for Potential Risk Reduction and Downside Protection

The Russell 2000 Index® (RUT) is one of the most widely followed indexes for U.S. small-cap stock market exposure. Investors who are overweight U.S. small-cap stocks, however, are often faced with a challenge as these stocks have historically exhibited higher volatility than U.S. large-cap stocks.

As a result, investors frequently look for ways to lower volatility levels when investing in U.S. small caps. Rather than focusing on smart beta factors such as dividends or “low-vol factors,” WisdomTree believes there is a way to help lower volatility without increasing stock-specific risk over time.

Jeremy Schwartz, WisdomTree Director of Research, said, “RPUT provides investors with the opportunity to target the return of small-cap stocks ‘beta’ through a plain-vanilla options strategy. WisdomTree believes the premium income that RPUT receives from selling Russell 2000 Index put options can help in seeking to achieve the returns of small-cap stocks over time, while mitigating volatility associated with investing in the Russell 2000 Index alone. In addition, we’ve found that historically PUTR, the index RPUT tracks, exhibited lower risk levels than the Russell 2000².”

RPUT: What’s Under the Hood?

The Cboe Russell 2000 PutWrite Index tracks the value of a cash-secured (i.e., collateralized) put option sales strategy, which consists of selling (or “writing”) Russell 2000 Index put options (“RUT Puts”) and investing the sale proceeds in one-month Treasury bills. By selling a RUT Put, the Fund receives a premium from the options buyer, which increases the Fund’s return if the option is not exercised and expires worthless. The number of RUT Put options sold is chosen to ensure full collateralization, meaning the total value of the Treasury account must be equal to the maximum possible loss from the final settlement of the put options at expiration. In addition:

- Options are written “at the money.”
- Options are written monthly, instead of quarterly or longer, to capture more gross premium.
- The Fund uses European-style options, which can only be exercised at maturity.

Russell Rhoads, Director, Product Advancement, Global Derivatives at Cboe Global Markets, said, “Put writing has been used by professional investors for decades as a solution to increase the yield and lower

¹ The Fund’s net expense ratio of 0.43% reflects a contractual waiver of 0.06% through 12/31/2018.

² Sources: WisdomTree, Cboe, Zephyr StyleAdvisor 11/30/2015-12/31/2017. Past performance is not indicative of future results. You cannot invest directly in an index.



the volatility of equity returns over various market cycles. We are thrilled to provide greater access to Cboe's underlying index in the form of a low-cost ETF."

Ron Bundy, Managing Director of Global Strategic Accounts at FTSE Russell, said, "We are very excited to partner with WisdomTree and Cboe to offer more innovative ways for investors to access the U.S. small-cap equity market and the Russell 2000® Index."

Learn more about the WisdomTree CBOE Russell 2000 PutWrite Strategy Fund (RPUT) [here](#).

Russell 2000 Index: Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

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.

"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.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. To obtain a prospectus containing this and other important information, call 866.909.9473 or visit wisdomTree.com. Read the prospectus carefully before you invest.

The Fund will invest in derivatives, particularly RUT Puts. Derivative investments can be volatile, and these investments may be less liquid than securities, and more sensitive to the effects of varied economic conditions. The value of the RUT 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 in 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.

The Cboe Russell 2000 PutWrite Index (the "Index") is a trademark of Frank Russell Company ("Russell") and has been licensed for use by WisdomTree Asset Management. The CBOE Russell 2000 PutWrite Strategy Fund is not in any way sponsored, endorsed, sold or promoted by Russell or the London Stock Exchange Group companies ("LSEG") (together, the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the CBOE Russell 2000 PutWrite Strategy Fund is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the CBOE Russell 2000 PutWrite Strategy Fund. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to WisdomTree or to its clients. The Index is calculated by Russell or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or



otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only. Foreside Fund Services, LLC is not affiliated with Cboe and FTSE Russell.

Jeremy Schwartz 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 \$50.2 billion in assets under management globally. For more information, please visit 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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