



WisdomTree Launches Actively Managed Mortgage Plus Bond Fund (MTGP)

MTGP offers investors access to a favorable asset class with attractive income characteristics in a low interest rate environment

Strategy linked to consumer and housing markets with a risk-return profile distinct from treasuries and corporates

New York, NY – (GlobeNewswire) – November 14, 2019 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the launch of the **WisdomTree Mortgage Plus Bond Fund (MTGP)** on the NYSE Arca. MTGP is an actively managed ETF that primarily invests in agency residential and commercial mortgage-backed securities (“Agency RMBS” and “Agency CMBS,” respectively), while having the flexibility to diversify into other sectors of the securitized debt market. The Fund is sub-advised by Voya Investment Management Co., LLC (“Voya IM”), a well-respected investment manager in securitized debt managing over \$31 billion and has an expense ratio of 0.45%.

Rick Harper, WisdomTree Head of Fixed Income and Currency, said, “In a continued low interest rate environment, we believe MTGP may be a compelling strategic option for investors seeking a generally more stable source of income through the types of mortgage-backed securities that have historically exhibited strong liquidity and limited credit risk. With an estimated \$8.5 trillion, the market for Agency RMBS is generally considered to be deep and liquid, surpassed by only U.S. Treasuries in terms of size and liquidity. Another \$3 trillion in investment opportunities exist in other securitized debt sectors.

“We are pleased to be collaborating with Voya IM – a firm that has a long track record in this space – in launching this actively managed ETF and providing investors greater access to these opportunities,” Harper continued.

David Goodson, Voya IM’s Head of Securitized Debt, said, “Mortgage-backed securities and other types of securitized debt offer a unique diversifier and return opportunity that is sometimes not top of mind for fixed income investors. Given our long-term history in securitized markets, we can help investors navigate some of the complexity of this enormous market to unlock these opportunities.”

“One of our motivations for being involved with the ETF was the lack of ETF options to add value through securitized debt. As a portfolio manager benched to the Aggregate¹, having a fund that could offer excess return potential from a sector comprising nearly 30% of the Aggregate is extremely valuable,” Goodson continued.

Tactically, WisdomTree believes many securitized debt sectors remain much earlier in their respective credit cycle than many corporate credit markets and thus do not currently face headwinds of the magnitude typically associated with a late-cycle market. While there exists a correlation between markets, the lack of substantial growth in mortgage securities relative to corporate debt can potentially provide a supportive credit environment for investors and generally attractive valuations.

¹ The Bloomberg Barclays US Aggregate Bond Index: a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market (as of 10/31/2019).



MTGP: What's Under the Hood?

- The WisdomTree Mortgage Plus Bond Fund is an actively managed ETF that utilizes an investment process combining both macro and fundamental research, which seeks income and capital appreciation through investments in mortgage-related debt and other securitized debt.
- The Fund provides exposure to both Agency RMBS and Agency CMBS, with the ability to further diversify and seek yield-enhancing opportunities through limited allocations to non-Agency RMBS, non-Agency CMBS, asset-backed securities (“ABS”) and collateralized loan obligations (“CLOs”)².
- Cap exposure to non-investment-grade securities at 20% of net assets
- Cap exposure to non-agency issuers at 20% of net assets

With this approach, MTGP can enable investors to more broadly diversify investments through various credit cycles. WisdomTree will serve as the Fund’s investment adviser and Voya IM will serve as the Fund’s sub-adviser.

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. In addition, when interest rates fall income may decline. Fixed income investments are also subject to credit risk, the risk that the issuer of an investment 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 investment 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. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities and may be magnified in a rising interest rate environment and/or with respect to particular types of securities, such as securitized credit securities. Non-agency and other securitized debt are subject to heightened risks as compared to agency-backed securities. High yield or “junk” bonds have lower credit ratings and involve a greater risk to principal. Derivative investments can be volatile, and these investments may be less liquid than other securities, and more sensitive to the effects of varied economic conditions. Unlike typical exchange-traded funds, the Fund is actively managed using proprietary investment strategies and processes and there can be no guarantee that these strategies and processes will be successful or that the Fund will achieve its investment objective. 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.

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.

² A residential mortgage-backed security is a fixed income security that is composed of multiple underlying residential mortgages. A commercial mortgage-backed security is a fixed income security that is composed of multiple underlying commercial mortgages. An asset-backed security is a security whose value is determined by a pool of receivables other than mortgage loans. A collateralized loan obligation is a security whose value is determined by a pool of bank loans.



WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.
Rick Harper is a registered representative of Foreside Fund Services, LLC.

WTPR-20191106-0061

About WisdomTree

WisdomTree Investments, Inc., through its subsidiaries in the U.S., Europe 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 \$61.5 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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