



## WisdomTree Enhances High Growth Category ETF

*Enhancements to the WisdomTree Growth Leaders Fund (PLAT) – previously the WisdomTree Modern Tech Platforms Fund – focus on growth exposure of platform businesses with addition of growth screen criteria and fee reduction*

New York, NY – (GlobeNewswire) – August 3, 2020 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced various enhancements to the WisdomTree Modern Tech Platforms Fund (PLAT), whose name has been changed to the **WisdomTree Growth Leaders Fund (PLAT)**.

### **Growth Exposure Through a Dominant Business Model – More than the FAANGs<sup>1</sup>**

“Platform companies are transforming business and the enhancements we’ve made to PLAT better position the fund in the important growth category,” said Jeremy Schwartz, Global Head of Research at WisdomTree. “PLAT will continue to seek to provide exposure to high growth, mid and large market capitalization companies – more than the typical FAANG stocks – and now includes a growth screen criteria to emphasize the growth leaders aspect of it, in addition to providing lower fees.”

Platform companies have penetrated the global economy and are now a dominant business model for the 21<sup>st</sup> century. Platforms create value through connecting interdependent groups (*e.g.*, Uber connecting a rider with a driver), while traditional businesses create value through linear production or supply (*e.g.*, Ford or Hertz that produce/buy cars for sales/rent). PLAT targets companies operating large, scalable networks that disrupt the competitive landscape.

### **Summary of Methodology and Other Enhancements**

**Name:** WisdomTree Growth Leaders Fund (formerly, WisdomTree Modern Tech Platforms Fund)

**Expense Ratio:** 20 basis points (bps) – a reduction of 25 bps from 45 bps

**Revenue Growth Eligibility:** at least 7% revenue growth required (formerly, no requirement)

**Non-U.S. Exposure:** Limited to 12%, China limited to 5% and domestic or Hong Kong listings (formerly, no caps)

**Weighting Mechanism:** Modified average of equal and market cap weights with 9% individual security cap (formerly, equally weighted)

### **The Platform Business Model**

While the traditional business model creates value through linear production of supply of a good or service, a platform business is a non-linear, asset-light<sup>2</sup> model that creates value through connections. WisdomTree believes that the key competitive advantage that platforms have relative to legacy businesses is their ability to scale quickly and efficiently beyond the capability of linear businesses.

At a certain size, the net benefit of further scale is limited for a linear business, but unlimited for a platform business. As platforms scale, they increase in value without increasing costs, translating to higher revenue-growth and margins.



Schwartz added, “The structural advantages of the platform-based businesses we seek to invest in can be reflected in financial metrics through robust revenue growth, margin expansion, substantial free cash flow generation and strong returns on capital. Relative to the companies in the S&P 500 Index<sup>3</sup>, the constituents of PLAT have generated greater historical revenue growth essentially 3x higher than the typical S&P 500 companies with stronger margins. The sales growth rates of these companies are also approximately double the growth rates in some of the most popular growth strategies.”

PLAT seeks to track the price and yield performance, before fees and expenses, of the WisdomTree Growth Leaders Index (the “Index”). The enhancements described herein associated with revenue growth, non-U.S. exposure and weighting mechanism are derived from changes to the Index. The Index is weighted based on a modified average of equal and market capitalization weights and is rebalanced annually. Learn more about WisdomTree Growth Leaders Fund (PLAT) [here](#).

Jarrett Lilien, President and Chief Operating Officer at WisdomTree said, “We regularly review the methodologies in our ETF family, strategizing on index improvements and beyond, as part of WisdomTree’s goal of providing best-in-class product.”

<sup>1</sup> FAANG is an acronym used in reference to five technology companies: Facebook, Amazon, Apple, Netflix and Alphabet (referencing its core subsidiary, Google). As of 6/30/2020, PLAT held 1.3%, 1.6%, 2.0%, and 1.3% of its weight in Facebook, Amazon, Apple, and Alphabet, respectively; PLAT did not hold Netflix.

There is no guarantee that favorable historical growth metrics will translate to favorable performance.

<sup>2</sup> Asset Light: A low level of physical assets on the balance sheet.

<sup>3</sup>S&P 500 Index: The S&P 500 Index is a cap-weighted index of 500 stocks selected by the Standard & Poor’s Index Committee designed to represent the performance of the leading industries in the U.S. economy.

Basis point: 1/100th of 1 per cent.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. To obtain a prospectus for WisdomTree Funds containing this and other important information, please call 866.909.9473 or visit WisdomTree.com to view or download a prospectus. Investors should read the prospectus carefully before investing.**

There are risks associated with investing, including the possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country or sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, real estate, currency, fixed income and alternative investments include additional risks. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time. Diversification does not eliminate the risk of experiencing investment losses. Due to the investment strategy of certain Funds, they may make higher capital gain distributions than other ETFs. Please see each Fund’s prospectus for a discussion of risks.



References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities. You cannot invest directly in an index. WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

Jeremy Schwartz and Jarrett Lilien are registered representatives of Foreside Fund Services, LLC.

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**About WisdomTree**

WisdomTree Investments, Inc., through its subsidiaries in the U.S. and Europe (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](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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