

# FINDING OPPORTUNITIES IN CORPORATE BONDS

**Rick Harper — Chief Investment Officer, Fixed Income and Model Portfolios**

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In an increasingly global economy, opportunities for investors are occurring all over the world. In fact, the majority of the world's corporate earnings (64%<sup>1</sup>) are currently being generated by companies outside the United States. Many investors understand the importance and appreciate the benefits of diversifying their equity portfolios internationally. But many of these same investors have traditionally limited their corporate bond exposure to opportunities in the United States. However, diversifying your corporate bond exposure globally has the potential to reduce risk, increase income and enhance total returns. Consider that:

- Investors the world over use corporate bonds as a core position to help generate income, reduce risk and diversify their portfolios<sup>2</sup>
- There is a much wider opportunity set in corporate bonds when investors do not restrict themselves to U.S. issuers—a global universe currently features 2,761 issuers and \$11.2 trillion in overall debt<sup>3</sup>
- Historically, incorporating non-U.S. corporate debt has provided diversification benefits within a corporate bond portfolio<sup>4</sup>

In our opinion, global corporate bonds could provide many important benefits as a core holding in an investor's fixed income portfolio. Additionally, we think it is essential to have an experienced active manager such as Western Asset Management Company ("Western") to manage a portfolio through credit cycles. Through their disciplined research process, Western has the potential to add value through active risk oversight and by exploiting market inefficiencies. The WisdomTree Global Corporate Bond Fund (GLCB) brings you both exposure to the global corporate bond market and access to a leading<sup>5</sup> institutional fixed income manager (Western) with the transparency<sup>6</sup> of an exchange-traded fund (ETF). This Fund is where we believe core bond investing meets opportunity.

Learn more about the [WisdomTree Global Corporate Bond Fund](#). **Hear WisdomTree's Luciano Siracusano discuss Global Corporate Bonds with Western's Ryan Brist in this podcast.**

<sup>1</sup>MSCI, Bloomberg, as of December 31, 2012. Calculation based on the [MSCI ACWI](#) and [MSCI ACWI ex-U.S.](#) indexes. <sup>2</sup>Western Asset Management, 2013. <sup>3</sup>Barclays Global Credit Index, as of December 31, 2012. The Barclays Global Credit Index (Hedged) contains investment-grade and high-yield credit securities from the Multiverse Index. The Multiverse Index is the merger of two index groups: the Global Aggregate Index and the Global High Yield Index. <sup>4</sup>Barclays, WisdomTree, 2013. <sup>5</sup>Morningstar, 2013. <sup>6</sup>Daily fund holdings are available at [www.wisdomtree.com](http://www.wisdomtree.com).

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