

OUR NEXT WAVE OF DIGITAL FUND LAUNCHES

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In September 2022, we announced the effectiveness of WisdomTree's first Digital Fund, the [WisdomTree Short-Term Treasury Digital Fund \(WTSYX\)](#). Today, we are excited to announce the effectiveness of our next nine Digital Funds, covering a variety of different traditional exposures.

What is a digital fund?

Digital funds are open-ended and registered products under the 1940-Act—like traditional [mutual funds](#). A transfer agent keeps the primary record of share ownership for the funds in its own books-and-records, but, unlike traditional mutual funds, the transfer agent also keeps a secondary record of the shares on either the Stellar or [Ethereum blockchains](#). These funds can provide exposure to a range of investible assets. While the secondary record leverages blockchain infrastructure, unlike many [crypto](#) assets, these funds are registered (not [bearer](#)) instruments.

As discussed in our initial blog post on WTSYX, we believe these funds represent an exciting next step [in investor-friendly innovation with potential for improved liquidity, transparency and standardization](#). While the full potential of the features will take time to unlock and may not come to fruition with respect to the funds, we are seeking to get there over time.

What are the new Funds?

The nine new WisdomTree Digital Funds reflect a variety of different exposures, and each Digital Fund will invest in traditional assets, including the WisdomTree Short-Duration Income Digital Fund (WTSIX) that was developed leveraging WisdomTree's [Model Portfolio](#) capabilities and the WisdomTree 500 Digital Fund (SPXUX)—the firm's first Digital Fund seeking to track performance in the U.S. equity market. The WisdomTree Floating Rate Treasury Digital Fund (FLTXX) is also notable as WisdomTree continues to serve as a leader in providing exposure to [floating rate Treasuries](#), with the [WisdomTree Floating Rate Treasury Fund \(USFR\)](#) bringing in over \$10 billion in net flows thus far in 2022. The nine new Digital Funds are:

- WisdomTree 3-7 Year Treasury Digital Fund*
- WisdomTree 7-10 Year Treasury Digital Fund*
- WisdomTree Long Term Treasury Digital Fund*
- WisdomTree Floating Rate Treasury Digital Fund*
- WisdomTree TIPS Digital Fund*
- WisdomTree 500 Digital Fund*
- WisdomTree Technology and Innovation 100 Digital Fund
- WisdomTree Short-Duration Income Digital Fund
- WisdomTree S&P 500 Twitter Sentiment Digital Fund

Consistent with WTSYX, the starred Funds have no management fees. WisdomTree affiliates expect to charge other fees, such as fees for facilitating transactions.

Why would I consider investing in these Funds?

We have launched these Funds to provide investors with low-cost investment options across major asset classes that,

through WisdomTree Prime™, are available in a digitally-native experience. Each Fund has its specifics in terms of its strategy and investment objective—please visit the prospectuses for more information on each one. As discussed above, over time, we believe this structure has the potential to provide investors with improved liquidity, transparency and standardization.

How can I invest in WisdomTree Digital Funds?

While the Funds are effective today, access is anticipated to be through the WisdomTree Prime digital wallet application, which is currently in beta. Stellar is the initial blockchain on which investors will receive their secondary record through the application. WisdomTree Prime is a digital wallet that allows users to save, invest and spend, including providing access to digital Funds via WisdomTree Securities, Inc.

Important Risks Related to this Article

Carefully consider the investment objectives, risks, charges, and expenses of the Funds before investing. To obtain a prospectus containing this and other important information, please visit www.wisdomtree.com/investments for a prospectus. Read the prospectus carefully before investing.

*There are risks associated with investing, including the possible loss of principal. Because each Digital Fund is new, it has no performance history. **Blockchain technology** is a relatively new and untested technology, with little regulation. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Potential risks also include vulnerability to theft, or inaccessibility, and future regulatory developments could affect its viability. For the Digital Funds investing in **U.S. Treasury obligations**, such obligations may provide relatively lower returns than those of other securities. Changes to the financial condition or credit rating of the U.S. government may cause the value to decline. Fixed income securities are subject to interest rate, credit, inflation and reinvestment risks. As interest rates rise, the value of fixed-income securities fall. For the Digital Funds investing in **U.S. equity securities**, the trading prices of U.S. equity securities fluctuate in response to a variety of factors, such as economic, financial or political events that impact the entire market, market segments or specific issuers. The types of U.S. equity securities in which an applicable Digital Fund may provide relatively lower returns than those of other securities.*

***Cybersecurity** attacks affecting a Digital Fund's third-party service providers, the mobile phone application used to transact in Fund shares, blockchain network or the issuers of securities in which the Digital Fund invests may subject the Fund to many of the same risks associated with direct cybersecurity breaches.*

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For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

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You cannot invest directly in an index.

DEFINITIONS

Mutual Funds : An investment vehicle made up of a pool of moneys collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets.

Ethereum : A decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform.

Blockchain : a distributed ledger system in which a record of transactions made in cryptocurrencies are maintained across computers linked in a peer-to-peer network

Cryptocurrency : a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend.

Bearer instrument : A type of fixed-income security in which no ownership information is recorded and the security is issued in physical form to the purchaser

Model portfolio : A collection of assets owned by the underlying investor and continually managed by professional investment managers.

Floating Rate Treasury Note : a debt instrument issued by the U.S. government whose coupon payments are linked to the 13-week Treasury bill auction rate.