WisdomTree Europe Hedged Equity Fund (HEDJ) Surpasses $5 Billion In Assets

ETF Offers Way To Access Pure European Equity Market Without Additional Currency Risk

New York, NY – (GlobeNewswire) – December 18, 2014 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the WisdomTree Europe Hedged Equity Fund (HEDJ) recently surpassed $5 billion in assets. HEDJ is designed to provide exposure to European dividend-paying exporters, while hedging out the movements of the euro relative to the U.S. dollar.

Divergent Monetary Policy in Europe – Potential for Currency Weakness

The European Central Bank (ECB) President Mario Draghi is readying even further monetary policy accommodation in early 2015 to support its fledging growth, while the U.S. economy is gaining momentum and the U.S. Federal Reserve prepares to hike interest rates for the first time since rates have been pegged near zero ever since 2008.

Jeremy Schwartz, WisdomTree Director of Research, said, “As the Fed begins to tighten its policy stance next year and the ECB continues to discuss further monetary easing, the euro is poised to weaken further, versus the U.S. dollar. Yet for investors in Euro area, this accommodation can provide support to risk assets like equities.”

Currency Hedging Becoming a More Important Consideration

A greater degree of monetary easing could lead to a greater degree of currency weakness for the euro and the yen compared to the U.S. dollar. For example, the difference between MSCI EAFE in local currency and MSCI EAFE in U.S. dollars has been widening, starting from July 2014 when the euro depreciated (-8.5%) against the U.S. dollar.¹

Schwartz added, “One of the most important market trends in 2014 has been the rise of the U.S. dollar and the weakening of the euro. We believe many investors are utilizing hedged equity strategies to isolate international equity markets without adding the layer of euro exchange rate risk. We believe the exchange rate risk to be a critical factor influencing returns and think investors should concentrate on the local equity opportunities in these regions without the currency volatility.”

The WisdomTree Europe Hedged Equity Fund (HEDJ) - Alone at the Top

The WisdomTree Europe Hedged Equity Fund (HEDJ) experience record November inflows of $1.17 billion,² and has outperformed a comparable non-hedged fund by approx. 12.0% over the past year.³

As of October 31, 2014, HEDJ was ranked the number one fund, by Morningstar, out of 109 Europe-focused open-ended (OE) mutual funds and ETFs over the past year based on total return.⁴ “HEDJ is alone at the top—in our view illustrating the impact that a depreciating euro has had on unhedged investment options within this category,” Schwartz added.

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⁴ Universe: Morningstar Europe Stock category of ETFs and open-ended mutual funds based on the performance of each eligible competitor within this category with full performance from 10/31/2013 to 10/31/2014.
View standardized performance for HEDJ here.

Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the most recent month-end is available at www.wisdomtree.com.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, visit wisdomtree.com. Read the prospectus carefully before investing.

There are risks associated with investing, including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Investments in currency involve additional special risks, such as credit risk and interest rate fluctuations. Derivative investments can be volatile and these investments may be less liquid than other securities, and more sensitive to the effect of varied economic conditions. As this Fund can have a high concentration in some issuers, the Fund can be adversely impacted by changes affecting those issuers. Due to the investment strategy of this 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.

Investments focused in Europe are increasing the impact of events and developments associated with the regions, which can adversely affect performance.

The MSCI EAFE Index is a market cap-weighted index composed of companies representative of the developed market structure of developed countries in Europe, Australasia and Japan. You cannot invest directly in an index.

WisdomTree Funds are distributed by ALPS Distributors, Inc.
Jeremy Schwartz is a registered representative of ALPS Distributors, Inc.
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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 $39.1 billion in assets under management globally. For more information, please visit www.wisdomtree.com or follow us on Twitter @WisdomTreeETFs.

WisdomTree® is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide.

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