

# WisdomTree Emerging Markets Local Debt Fund (ELD)

## ELD Semi-Annual Review and Rebalancing Announcement

As a result of our rebalance process for the WisdomTree Emerging Markets Local Debt Fund, we have targeted an increase in exposure to Polish local debt and a reduction in our exposure to Malaysian local debt.

The reshuffling of Poland and Malaysia - elevating Poland to the second tier and relegating Malaysia to the third tier – was underpinned in the difference in their fundamental/valuation scores and a carry advantage in Poland relative to Malaysia. The net implications of the changes will be to reduce our underweight to Europe, Middle East, and Africa and increase our underweight in Asian exposures relative to our benchmark index. We retain a sizable overweight to Latin American exposures relative to the index. On an absolute basis, exposure to Latin American and Asian issuers continues to dominate the portfolio. The portfolio management team retains the ability to make small tactical tilts within the tiering structure and discretion in bond selection for the currency exposures.

During the process, the investable universe of emerging market local currency debt was reexamined. Selected countries were assessed on various valuation and fundamental factors, including real carry, fiscal sustainability, and external vulnerability, to generate a composite score for each country. The portfolio construction process then integrates these scores with other market variables and potential transaction costs to effectively allocate the country exposures across four tiers. Within each tier, component country exposures receive an equal weight.

The Fund's targeted allocations by country and tiers are captured in the table below. The portfolio management team will look to make any desired adjustments to the portfolio in the coming days.

### Country and Regional Exposures

Existing Fund			Fund After Rebalance			
Country Exposure	Target Weight	Weight as of March 08	Country Exposure	Target Weight	Change in Target	Impact From March 08
Mexico	12.00%	12.95%	Mexico	12.00%	0.00%	-0.95%
Indonesia	12.00%	11.82%	Indonesia	12.00%	0.00%	0.18%
Brazil	12.00%	12.76%	Brazil	12.00%	0.00%	-0.76%
China	8.62%	8.86%	China	8.62%	0.00%	-0.24%
South Africa	8.62%	8.48%	South Africa	8.62%	0.00%	0.13%
Poland	4.31%	4.84%	Poland	8.62%	4.31%	3.77%
Colombia	8.62%	9.34%	Colombia	8.62%	0.00%	-0.72%
Malaysia	8.62%	8.47%	Malaysia	4.31%	-4.31%	-4.16%
India	4.31%	4.38%	India	4.31%	0.00%	-0.08%
Peru	4.31%	4.23%	Peru	4.31%	0.00%	0.08%
Turkey	2.00%	1.68%	Turkey	2.00%	0.00%	0.33%
Romania	2.00%	1.93%	Romania	2.00%	0.00%	0.07%
Chile	4.31%	3.31%	Chile	4.31%	0.00%	1.00%
Thailand	4.31%	4.41%	Thailand	4.31%	0.00%	-0.10%
Hungary	2.00%	1.97%	Hungary	2.00%	0.00%	0.03%
Czech Republic	2.00%	2.48%	Czech Republic	2.00%	0.00%	-0.48%
Cash (USD)	0.00%	-2.14%	Cash (USD)	0.00%	0.00%	2.14%

Existing Fund			Fund After Rebalance			
Regional Exposure	Target Weight	Weight as of March 08*	Regional Exposure	Target Weight	Change in Target	Impact From March 08
Latin America	41.23%	42.58%	Latin America	41.23%	0.00%	-1.54%
Europe, Middle East, & Africa	20.92%	21.38%	Europe, Middle East, & Africa	25.23%	4.31%	4.53%
Asia	37.85%	37.93%	Asia	33.54%	-4.31%	-4.88%

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 emerging, offshore or frontier markets are generally less liquid and less efficient than investments in developed markets and are subject to additional risks, such as risks of adverse governmental regulation and intervention or political developments. 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.

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 a bond 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 bond to decline. Unlike typical exchange-traded funds, there is no index that the Fund attempts to track or replicate. Thus, the ability of the Fund to achieve its objective will depend on the effectiveness of the portfolio manager. 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.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. For a prospectus or, if available, the summary prospectus containing this and other important information about the fund, call 866.909.9473 or visit [WisdomTree.com/investments](https://www.wisdomtree.com/investments). Read the prospectus or, if available, the summary prospectus carefully before investing.**

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