WisdomTree Bianco Total Return Fund WTBN

A Pragmatic Approach to Fixed Income Investment

With rates rising to levels not seen since the early 2000s, we have left behind the zero-interest rate environment that has dominated the past 15 years. We are now at the precipice of either a return to normality in the bond market with substantive yields and diversification versus equities restored or marking year four in a new bond bear market. Either way, bond managers face challenges uniquely different from those that preceded the last 15 years. This calls for new strategies that reimagine the implementation of fixed income portfolios.

In order to address these challenges, WisdomTree has collaborated with Bianco Research Advisors to take a different approach to core fixed income. Unencumbered by the biases of traditional Wall Street research, Bianco Research and its President and Market Strategist Jim Bianco have built a decades long reputation for objective, incisive commentary that challenges consensus thinking on subjects as wide ranging as monetary policy, the intersection of markets and politics, the role of government in the economy, fund flows and positioning in financial markets. *Jim appears regularly on CNBC, Bloomberg, and Fox Business, and is often featured in the Wall Street Journal, Bloomberg News, Grants Interest Rate Observer, and MarketWatch.*

The WisdomTree Bianco Total Return Fund (WTBN) and the index that it tracks, the Bianco Research Fixed Income Total Return Index, combine the experience of Bianco Research in developing factor-based views on the fixed income markets with the efficiency of fixed income ETFs in expressing these views.

What is the Bianco Research Fixed Income Total Return Index?

Bianco Research Advisors LLC developed the Bianco Research Fixed Income Total Return Index ("the Index") to provide exposure to factors that can provide the potential for outperformance relative to a market cap weighted universe exposure of U.S. Dollar-denominated investment grade debt ("the Baseline Universe").

The Index comprises fixed-income exchange-traded funds (collectively, "Fixed Income ETFs") and is reconstituted at the end of each month or on an ad-hoc basis as circumstances dictate, such as rebalancing after an extreme market event or change in government policy. The Fixed Income ETFs may provide exposure to one or more of the following fixed income investments: government bonds, corporate bonds, mortgage-backed securities, high yield securities, inflation-protected securities, municipal securities, and international and emerging markets fixed income securities.

How is the Index Constructed?

1. Define Total Return Factors
2. Filter Process
3. Screen the Universe
4. Establish Neutral Portfolio
5. Determine Factor Tilts versus Neutral Portfolio + Construct the Tilted Portfolio
6. Risk Guardrails – Range of Allocation

Bianco Research Fixed Income Total Return Index Construction Process

1. Define Total Return Factors

Different factors define bond returns. The overall level of interest rate risk, investments across maturities (curve positioning), the degree of credit risk, and how an investor is positioned for increases and decreases in volatility are all common decisions made by portfolio managers in positioning fixed income portfolios. Within the index, the investment committee alters exposure to these factors within the index to generate potential excess return versus a market-based universe, as represented by the Neutral Portfolio:

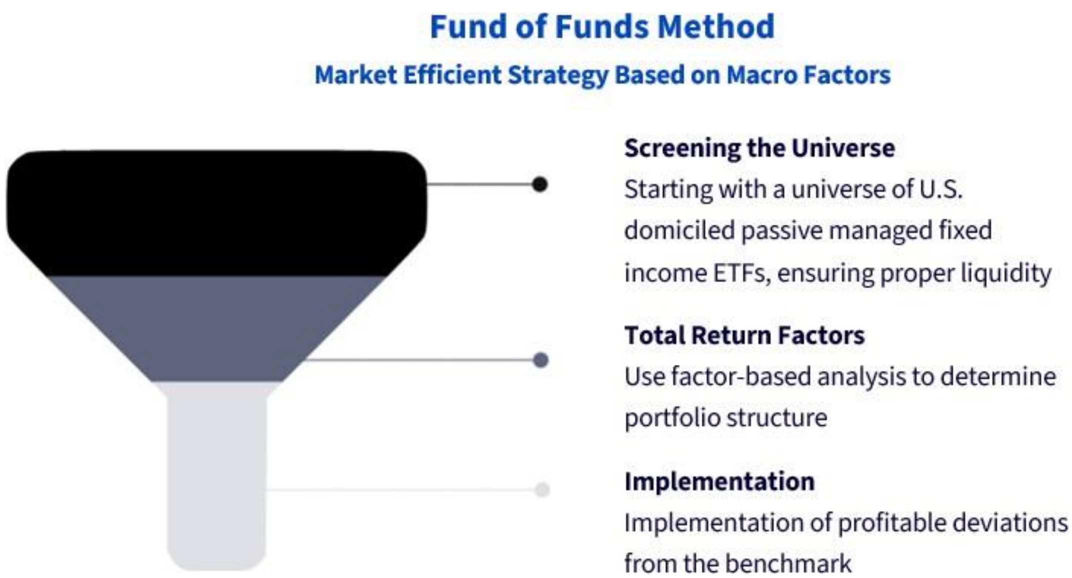
- **Duration** – Option-adjusted modified duration, or a measure of the Index's sensitivity to interest rate movements.
- **Curve** – Yield curve weightings, or how the option-adjusted modified duration is owned across the yield curve.
- **Credit** – Credit weightings, or the Index weighting of credit-related exposure relative to that of the Baseline Universe.
- **Volatility** – Structure/MBS weightings, or the Index weighting of structure/mortgage exposure relative to that of the Baseline Universe.
- **Diversification and High Conviction** – Outlier exposure or Index components not included in the Baseline Universe or neutral portfolio.

DURATION	CURVE	CREDIT	VOLATILITY	OTHER
A portfolio's duration is its sensitivity to changes in interest rates. This is driven by expected inflation.	Relative positioning along the yield curve. This factor is driven by the economic outlook and Fed policy.	Credit quality exposure is an understanding of the evaluation of the future of corporate America.	This factor is mainly derived from structured credit and MBS. A portfolio's structure is driven by liquidity and volatility conditions.	These trades are often opportunistic and can include high yield preferred stocks, TIPS, and international fixed income based on macroeconomic factors).

2. Filter Process

Bianco Research Advisors LLC (the "Index Provider") first establishes a baseline of aggregate exposures based on the duration, curve, credit and volatility risk (collectively, "Baseline Exposures") of a universe of U.S. dollar-denominated investment grade debt meeting certain criteria selected by the Index Provider and excluding certain types of investment grade debt securities such as those with floating rate coupons and tax-exempt securities issued by U.S. municipal issuers (the "Baseline Universe").

Bianco Research Fixed Income Total Return Index Construction Process (continued)



Source: Bianco Research

3. Screen the Universe

   Bianco first selects a deep pool of eligible ETFs covering a wide spectrum of available exposures. This universe feeds the index construction process for the coming year. Only a select number of ETFs will be index constituents at a given time, but all the index constituents will be drawn from the pool. To be eligible for the pool, a fixed income ETF must satisfy several conditions.

01.	02.	03.	04.
SUFFICIENT LIQUIDITY	COST EFFECTIVE	PRUDENT MANAGEMENT	DESIRED EXPOSURE

- Additional consideration is given to developing a deep bench for achieving and adjusting desired tilts to Fixed Income factors.
- Reconstituted annually, but a few funds can be added on an ad-hoc basis if there is a compelling case for inclusion.
- Current pool of 53 ETFs covering Treasury, Corporate, Securitized, and outlier exposures.

Source: Bianco Research, as of 12/07/2023

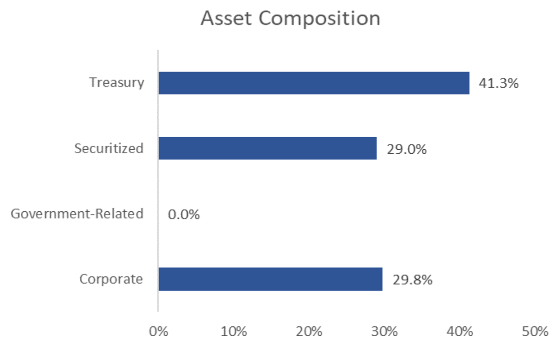
Bianco Research Fixed Income Total Return Index Construction Process (continued)

4. Establish the Neutral Portfolio

Use a portfolio of fixed income ETFs to reflect the Baseline Exposures and weight in accordance with the Factor Exposures to serve as the “neutral” portfolio.

Risk Exposures and Allocations, November 30, 2023

	Bianco Neutral
Yield to Worst	5.06
Duration	6.29



Source: Bianco Research Advisors and Bloomberg, as of 11/30/2023

5. Determine Factor Tilts to Neutral Portfolio + Construct the Tilted Portfolio

In calibrating the tilts to the factors listed above, the Index Provider considers both quantitative inputs (e.g., statistical studies of past relationships, valuation measures, and momentum) and qualitative inputs (e.g., a historical understanding of government policy and interpretations of economic statistics and central bank communications).

Portfolio Construction

+ The portfolio strategy is based on qualitative and quantitative inputs including economic data and interpretations of government policy. The Index is managed both by a top-down fund level approach and by looking through to underlying holding characteristics. Asset allocation guardrails include 50% - 200% allocation relative to the benchmark for credit, duration, and structure/mortgage weight.
+ An outlier weight to facilitate high conviction exposure to more speculative or diversifying positions is constrained to 0% - 20%.
+ In extraordinary market environments, the Investment Committee can select index constituents that are entirely composed of Treasury components.

After determining the desired factor tilts to Neutral portfolio, the Investment Committee will implement those tilts by selecting ETFs from the universe selected in Step 3.

Bianco Research Fixed Income Total Return Index Construction Process (continued)

6. Risk Guardrails- Range of Allocation

- DURATION: The option-adjusted modified duration of the Index will be constrained to 50% to 200% of the duration of the Baseline.
- CURVE: The Index Committee will also determine how the option-adjusted modified duration will be apportioned across the yield curve.
- CREDIT: The corporate bond or credit weighting will be constrained to between 50% to 200% of the weighting in the Baseline.
- VOLATILITY: The structure/mortgage weighting will be constrained to between 50% to 200% of the weighting in the Baseline.
- DIVERSIFICATION AND HIGH CONVICTION: The Outlier or Out of Benchmark weighting will range between 0% and 20% of the Index. The Outlier weighting will facilitate exposures to more speculative or diversifying credit positions, such as high yield corporates or emerging market debt, and positioning against inflation risks or positioning for potential declines or appreciation in the dollar relative to non-US currencies.
- The structure and weighting to U.S. Treasury ETFs complements the other exposures to complete the Index and finalize the desired factor exposures.
- EXTRAORDINARY CONDITIONS: In deteriorating market environments, the Index Committee may, but is not obligated to, select Index constituents that are entirely composed of Treasury components.

THE RESULT of the Bianco Research Fixed Income Total Return Index Construction Process

As of 11/30/2023, The Index was positioned to have 90% of Neutral, Baseline's duration with no active Yield Curve positioning. The Index was neutral Corporate Credit exposure while being underweighted to Agency MBS. The biggest outlier exposure in the Index versus Neutral Portfolio was 20% max allocation of outlier bucket to U.S. TIPS.

Current Positioning

Duration
90% short duration

Corporate Credit
Neutral credit exposure

Yield Curve
No current positions

Securitized
72% underweight MBS

Outliers
20% max allocation to U.S. TIPS

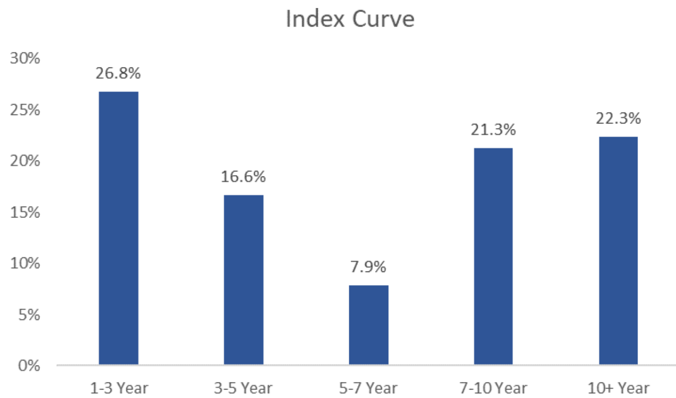
Current Index Positioning, as of 11/30/2023

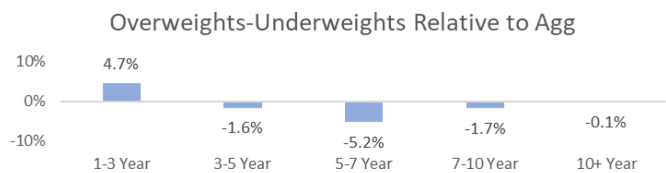
Fund Name	Ticker	Bianco TR
iShares MBS ETF	MBB	21.0%
iShares 0-5 Year TIPS BOND ETF	STIP	20.0%
Vanguard Long-Term Corporate Bond ETF	VCLT	9.0%
WisdomTree Floating Rate Treasury Fund	USFR	8.0%
Vanguard Short-Term Corporate Bond ETF	VCSH	8.0%
Vanguard Intermediate-Term Corporate Bond ETF	VCIT	7.1%
Schwab Long-Term U.S. Treasury ETF	SCHQ	7.0%
Schwab Short-Term U.S. Treasury ETF	SCHO	5.9%
iShares 7-10 Year Treasury Bond ETF	IEF	5.5%
iShares BBB Rated Corporate Bond ETF	LQDB	5.0%
iShares 3-7 Year Treasury Bond ETF	IEI	3.5%

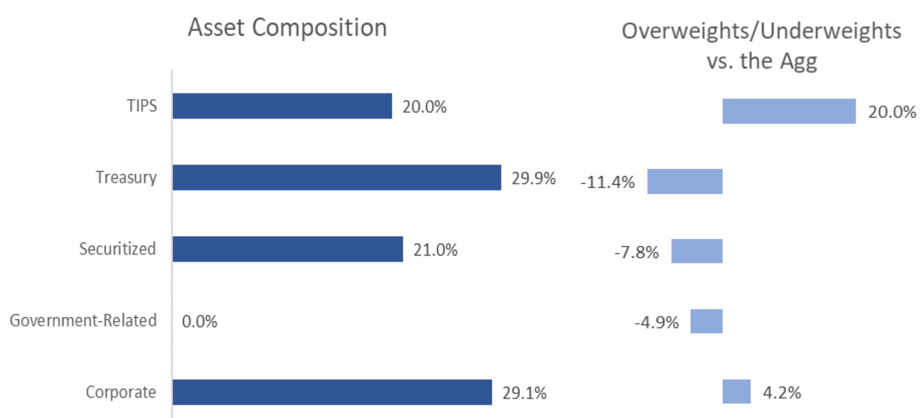
Source: Bianco Research Advisors and Bloomberg, as of 11/30/2023. Subject to change.

SNAPSHOT OF THE BIANCO RESEARCH FIXED INCOME TOTAL RETURN INDEX VS. THE AGG (as of 11/30/2023)

	Bianco TR	*vs. Agg.*
Yield to Worst	5.16	0.11
Duration	5.69	-0.42







Source: Bianco Research Advisors and Bloomberg, as of 11/30/2023. Agg = Bloomberg Aggregate Bond Index.

HOW TO IMPLEMENT WITHIN A PORTFOLIO

The WisdomTree Bianco Total Return Fund (WTBN) is designed to serve as a comprehensive fixed income solution and diversification tool within a balanced portfolio with stocks.

WisdomTree Bianco Total Return Fund (WTBN) Quick Facts	
Fund Objective	The Fund seeks to track the price and yield performance, before fees and expenses, of the Bianco Research Fixed Income Total Return Index.
Index Strategy	The index strives to outperform a market-cap weighted universe of US Dollar denominated debt by tilting exposures to select factors that have been recognized to drive fixed income performance.
Investment Approach	Passively Managed fund of funds based on Investment Committee constructed index
Exposure	United States domiciled fixed income ETFs
Subadvisor	Mellon Capital
Index Credit Quality	Investment-grade 99% as of 12/11/2023
Index Interest Rate Risk	Duration of 5.69 as of 12/11/2023
Inception Date	12/20/2023
Exchange	NASDAQ
Ticker	WTBN
Expense Ratio (net, gross)	0.54% net*, 0.57% gross

* Fee waiver is contractual through 12/31/2024.

Please reach out to your WisdomTree representative or visit WisdomTree.com/Investment to learn more.

Glossary

Agency Mortgage-Backed Securities (MBS): Pools of securitized residential mortgage loans that are issued and guaranteed by US government agencies. **Bear market:** A sustained downturn in market prices, increasing the chances of negative portfolio returns. **Bloomberg Aggregate Bond Index (Agg):** A broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance. **Credit risk:** The risk that a borrower will not meet their contractual obligations in conjunction with an investment. **Curve:** Refers to the yield curve. Positioning on the yield curve is important to investors, especially during non-parallel shifts. **Duration:** A measure of a bond's sensitivity to changes in interest rates. The weighted average accounts for the various durations of the bonds purchased as well as the proportion of the total government bond portfolio that they make up. **Floating rate coupon:** Fixed income securities that pay a coupon determined by a reference rate which resets periodically. **High Yield:** Sometimes referred to as "junk bonds," these securities have a higher risk of default than investment-grade securities. **Treasury Inflation-Protected Securities (TIPS):** Bonds issued by the U.S. government. TIPS provide protection against inflation. The principal of a TIPS increases with inflation and decreases with deflation, as measured by the Consumer Price Index. When a TIPS matures, you are paid the adjusted principal or original principal, whichever is greater. **Investment grade:** An investment grade is a rating that signifies a municipal or corporate bond presents a relatively low risk of default. **Maturity:** The amount of time until a loan is repaid. **Mortgage-backed securities:** Fixed income securities that are composed of multiple underlying mortgages. **Securitized:** A debt security whose value is backed by an asset or pool of assets such as a mortgage. **Volatility risk:** The risk of a change of price of a portfolio as a result of changes in the volatility of a risk factor. **Yield:** The income return on an investment. Refers to the interest or dividends received from a security that is typically expressed annually as a percentage of the market or face value. **Yield to worst:** The rate of return generated assuming a bond is redeemed by the issuer on the least desirable date for the investor.