

Megatrends have been among the key focal points for investors in recent years, as they offer growth opportunities in the context of structural changes that are shaping our world. To support the proliferation and continued functioning of a range of megatrends, very specific types of infrastructure must be in place. This is why, WisdomTree believes that investing in real estate infrastructure with a focus on powering the growth of many different megatrends, or 'New Economy', represents an exciting investment opportunity at the verge of thematic investing and real estate.

'New Economy' real estate offers both exposures to megatrends and the diversification benefits associated with the asset class:



Cloud Computing is a megatrend in its own right, changing the way that software and computer resources are consumed. The **data centres** that are central to its existence require specially designed warehousing to function.



There is a lot of excitement around **4G and 5G Connectivity**—without the **telecommunication tower sites** designed to support this, the proliferation of this connectivity would not be possible.



Logistics/Supply Chain require a lot of very specialised buildings and warehouses, allowing more and more consumers and businesses to order anything they might need for fast delivery. One example of this is refrigerated storage, as many types of food need to be transported/stored within strict regulatory guidelines.



The **Life Sciences Industry** is poised to gain a vast array of capabilities in the coming years. Laboratories are yet another example of very specialised real estate, without which many biotech efforts would struggle to get off the ground.

Collaboration for Expertise in Thematic Investing within Real Estate

To capture this exciting thematic investment opportunity within 'New Economy' real estate WisdomTree is collaborating with CenterSquare Investment Management LLC (CenterSquare), a global investment manager focused on actively managed public and private real estate, equity and private real estate debt strategies. CenterSquare's management team holds an average of 30+ years of experience, with expertise across real assets and the liquidity spectrum.

Index Methodology Summary

WisdomTree New Economy Real Estate Fund's (WTRE) new investment objective seeks to track the price and yield performance, before fees and expenses, of the CenterSquare New Economy Real Estate Index (the "Index").

The CenterSquare New Economy Real Estate Index is designed to measure the performance of real estate companies that pass the following screening tiers:



CenterSquare Technology Score Screening

Assesses companies for material direct and/or indirect exposure to technology, sciences and/or e-commerce related business models, industry sectors and/or geographies.



Leverage Screening

CenterSquare believes that balance sheet strength is an important factor in the long-term performance of a real estate or real estate related company. Leverage screening eliminates highly levered companies with Debt to Total Market Cap above 70%.

CenterSquare Technology Score in Focus

The Technology Score is based on a proprietary approach developed by CenterSquare for its universe of global REITs (real estate investment trusts), real estate operating companies and real estate related companies. Companies are scored on a scale of 1-10 (with 10 being the highest) for positive sensitivity to technology. All companies with a 'Technology Score' less than 7 are eliminated from the strategy.

There is a fundamental foundation to the score, based on such things as 1) direct revenue received from the technology, life sciences and R&D sectors and 2) the enabling of e-commerce, new economy logistics or sciences. Additionally, a company's score is also a function of the geographic footprint of its assets, the tenants it serves, and the REIT's ability and experience implementing technology solutions when operating their assets.

- *Technology exposure of the property subsector in which the REIT operates*

REITs, where technology is a primary and direct driver of real estate fundamentals and returns as per CenterSquare assessment, will receive higher scores. Whereas the 'Old Economy' REITs, such as brick and mortar retail, hotels, self-storage, casinos, farmland and others with little sensitivity to technology are scored lower.

- *Exposure to technology-dominated geographic markets*

Companies with significant assets in the global 'tech hubs', where technology is a significant driver of the local or regional economy as identified by CenterSquare, will receive higher scores.

- *Exposure to technology-tenants*

CenterSquare is also looking at specific tenancy. Tenants like Amazon, Google, Microsoft, Facebook—or similarly significant players—are also factored into the scoring process.

Index Weighting and Rebalancing

The weighting approach is designed to form a portfolio of securities that are technology focused and have attractive growth and valuation characteristics relative to the investable universe.

The initial weights of constituents are based on the free-float market capitalisations, which are then adjusted based on their New Economy Score. Hence, securities with the better quintile ranking will be overweighted by up to 20% in the Index.

The New Economy Score = 60% (Technology Score) + 40% (Growth Rank + Value Rank)¹

1. The Growth and Value ranks are equal-weighted within the 40% component.

The Index is rebalanced and reviewed semi-annually in March and September.

Quick Facts	
Ticker	WTRE
Exchange	NYSE
Expense Ratio	0.58%
Structure	Open-end ETF
Exposure	real estate companies with material direct and/or indirect exposure to technology, sciences and/or ecommerce related business models, industry sectors and/or geographies

For more information on WTRE, contact your WisdomTree representative or visit WisdomTree.com.

Glossary

Balance sheet: Refers to the cash and cash equivalents part of the Current Assets on a firm's balance sheet and cash available for purchasing new position. **Debt to Total Market Cap:** The total debt-to-capitalization ratio is a tool that measures the total amount of outstanding company debt as a percentage of the firm's total capitalization. The ratio is an indicator of the company's leverage, which is debt used to purchase assets. **Market Capitalization:** Market cap = share prices x number of shares outstanding. Firms with the highest values receive the highest weights in approaches designed to weight firms by market cap. **Real estate investment trust (REIT):** Investment structure containing a basket of different exposures to real estate, be it directly in properties or in mortgages. Returns predominantly relate to changes in property values and income from rental payments. **Screening:** To investigate stocks for potential investment according to a predetermined set of criteria. **Valuation:** Refers to metrics that relate financial statistics for equities to their price levels to determine if certain attributes, such as earnings or dividends, are cheap or expensive.

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, please call 866.909.9473 or visit WisdomTree.com. Read the prospectus carefully before you invest.

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 real estate involve additional special risks, such as credit risk, interest rate fluctuations, decreases in property value and the effect of varied economic conditions. The fund invests a significant portion of its assets in the communication services sector. This sector can be significantly affected by, among other things, government intervention and regulation, technological innovations that make existing products and services obsolete, and consumer demand. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index or take defensive positions in declining markets. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

The Fund's objective changed effective April 20, 2022. Prior to April 20, 2022, performance reflects the investment objective of the Fund when it tracked the performance, before fees and expenses, of the WisdomTree Global ex-U.S. Real Estate Index.

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