

Private Credit and Alternative Income

Overview

In today's financial markets, investors are faced with some potential challenges when trying to determine where it is best to place funds. With global central banks walking the tightrope between fighting inflation and avoiding a recession, investors are faced with both uncertainty, and increased volatility, in the bond market. However, one key objective remains a constant force when discussing bond portfolio positioning: finding income.

So, where can an investor turn to find income in this uncertain environment? One potential answer is Private and Alternative Credit.

What is Private and Alternative Credit?

Private and Alternative Credit consist of debt and debt-based investments that offer higher yields and/or expected returns than investment-grade fixed income securities. Historically, this investment space has been primarily limited to institutional or ultra-high net worth investors through private fund instruments, but publicly traded alternative credit vehicles (PACs) offer another way of access for a wide range of alternative credit sectors on an intra-day basis.

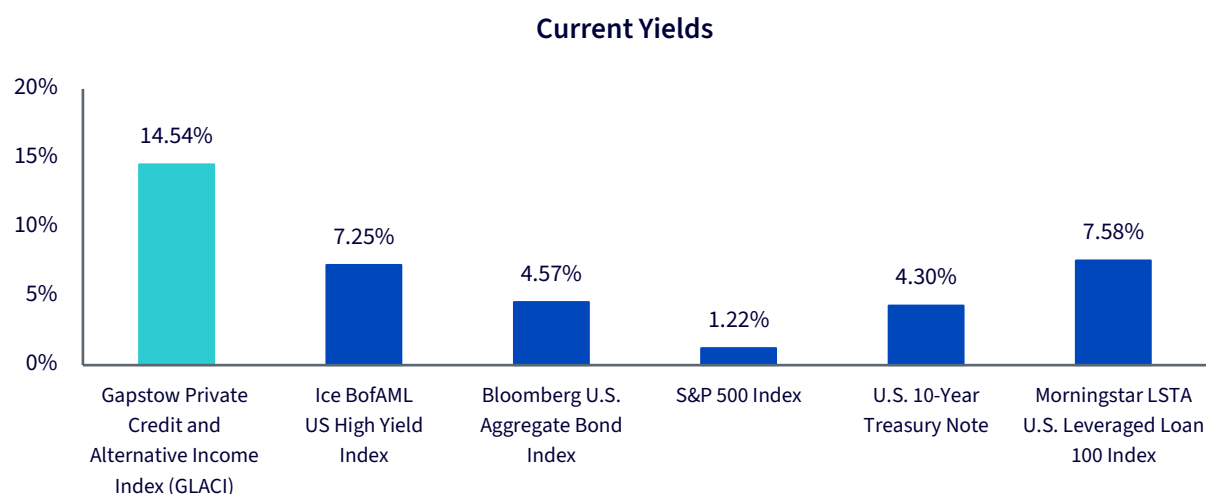
PACs are a subset of Business Development Companies (BDCs), Real Estate Investment Trusts (REITs) and Closed-End Funds (CEFs). Here are some examples of what each sub-sector consists of:

PACs	Alternative Credit Sector	Primary Holdings of PACs
BDCs	<ul style="list-style-type: none"> Private Corporate Lending 	<ul style="list-style-type: none"> Middle Market Corporate Loans Venture Debt
REITs	<ul style="list-style-type: none"> Commercial Real Estate Lending Agency Real Estate Debt Non-Agency Real Estate Debt Multi-Sector Alternative Credit 	<ul style="list-style-type: none"> Agency Mortgage-Backed Securities Non-Agency <ul style="list-style-type: none"> --Mortgage-Backed Securities --Whole Loans
CEFs	<ul style="list-style-type: none"> Public Corporate Debt Multi-Sector Alternative Credit 	<ul style="list-style-type: none"> Asset-Backed Securitizations Mortgage-Backed Securitizations Collateralized Loan Obligations High-Yield Bonds Leveraged Loans

Source: WisdomTree, Gapstow

Where Does Private and Alternative Credit Fit in a Portfolio?

In order to complement existing bond portfolios and potentially augment yield in the process, investors could consider utilizing the WisdomTree Private Credit and Alternative Income Fund¹ (HYIN), which seeks to track the price and yield performance before fees and expenses, of the Gapstow Private Credit and Alternative Income Index (GLACI). This strategy may offer considerable yield advantages versus a variety of both equity and fixed income classes and seeks to provide a moderate to low correlation to equity and fixed income markets.



Source: WisdomTree, Gapstow, Bloomberg, as of 3/31/2026. Past performance is not indicative of future results. You cannot invest directly in an index. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs, brokerage commissions on transactions. Such fees, expenses and commissions would reduce returns.

WisdomTree views private and alternative credit as a longer-term, strategic investment within a portfolio. With the goal of providing higher yields without taking on disproportionately higher risk, the WisdomTree Private Credit and Alternative Income Fund (HYIN) offers a potential solution for income-focused investors.

¹ Prior to July 18, 2025, the Fund was known as the WisdomTree Alternative Income Fund. The Gapstow Private Credit and Alternative Income Index was formerly known as the Gapstow Liquid Alternative Credit Index.

Standardized Annual Returns (as of 03/31/2026)					
Fund/Index	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
HYIN (NAV)	-8.44%	5.71%	N/A	N/A	-0.30%
HYIN (Price)	-8.57%	5.67%	N/A	N/A	-0.31%
Gapstow Private Credit and Alternative Income Index	-8.07%	6.13%	N/A	N/A	0.15%
ICE BofA Merrill Lynch U.S. High Yield Index	6.90%	8.50%	N/A	N/A	4.01%
S&P 500 Index	17.80%	18.32%	N/A	N/A	11.20%
Bloomberg U.S. Aggregate Bond Index	4.35%	3.63%	N/A	N/A	0.11%

Source: WisdomTree, Bloomberg, FactSet. A fund or portfolio may differ significantly from the securities included in the index. Fund inception date 5/6/2021. 30-Day SEC Yield 13.14%.

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 wisdomtree.com/investments for WisdomTree Funds.

WisdomTree shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00 p.m. EST net asset value (NAV). Market price ("Price") returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

Quick Facts (as of 3/31/2026)	
Ticker	HYIN
Exchange	CBOE
Management Fee	0.50%
Acquired Fund Fees and Expenses	3.84%
Total Expense Ratio	4.34%
Structure	Open-end ETF
Exposure	BDCs, CEFs and REITs
Number of Holdings	31
Rebalancing	Quarterly
Reconstitution	Semi-annually

¹Acquired Fund Fees and Expenses are fees and expenses incurred indirectly by the Fund through its investments in certain underlying investment companies. The number reflects estimated amount for the current fiscal year.

For more information on HYIN, contact your WisdomTree representative or visit WisdomTree.com/investments.

Please see the [WisdomTree Glossary](#) for definition of terms.

Investors should 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 call 866.909.9473 or visit WisdomTree.com/investments to view or download a prospectus. Investors should read the prospectus carefully before investing.

There are risks associated with investing, including the possible loss of principal. The Fund invests in alternative credit sectors through investments in underlying closed-end investment companies (“CEFs”), including those that have elected to be regulated as business development companies (“BDCs”), and real estate investment trusts (“REITs”). The value of a CEF can decrease due to movements in the overall financial markets. BDCs generally invest in less mature private companies, which involve greater risk than well-established, publicly traded companies and are subject to high failure rates among the companies in which they invest. By investing in REITs, the Fund is exposed to the risks of owning real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions. 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.

WisdomTree Funds are distributed by Foreside Fund Services, LLC.

Foreside Fund Services LLC is not affiliated with the other entities mentioned.

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