

# HYZD

## WisdomTree Interest Rate Hedged High Yield Bond Fund



by **MORNINGSTAR**

Nontraditional Bond (191 funds) as of 3/31/26 | Based on risk-adjusted returns

HYZD uses a rules-based methodology to identify issuers in the U.S. non-investment-grade corporate bond (“junk bond”) market that are deemed to exhibit favorable fundamentals and income characteristics. Mainly, the methodology examines annual average free cash flows over the prior five years, screening out all negative free cash flow issues, while also employing equity momentum factors. The bonds are then given a liquidity score and tilted toward issues that exhibit favorable income characteristics. Additionally, HYZD uses an institutional style approach that combines these long positions in high-yield corporate bonds with short positions in Treasury securities to target zero duration on a monthly basis. This helps investors reduce their overall duration at a minimal cost to yield.

Effective at the end of May 2020, HYZD seeks to track the price and yield performance, before fees and expenses, of the WisdomTree U.S. High Yield Corporate Bond, Zero Duration Index.

### HYZD Offers the Potential To:

#### TAP INTO GROWTH POTENTIAL

of the U.S. high-yield corporate bond market

#### SUPPLEMENT INCOME

with high-yield U.S. issuers exhibiting favorable fundamentals and income characteristics

#### REDUCE DURATION

through a monthly rebalanced, disciplined and rules-based approach

### Why HYZD Now?

- + HYZD is a 5-Star Morningstar bond fund and goes head-to-head in the very large bank loan space
- + A quality-screened solution that has outperformed 'the Agg' of bank loans over the last one, three and five-year time horizons
- + Last twelve-month free cash flow has trended negative in the loan space

### HYZD in a Portfolio:

- + Serves as the 'plus' component in a core-plus bond portfolio Help investors manage the interest rate risk of their overall portfolio
- + Use as a stand-alone tool for managing interest rate exposure or combine it with other fixed income assets to target desired level of risk

## HYZD Quick Facts:

WisdomTree Fund/Benchmark	Ticker	Exp. Ratio	Inception Date	Morningstar as of 3/31/26			Average Annual Total Returns as of 3/31/26				
				Overall # of Funds*	Morningstar U.S. Fund Category	Overall Morningstar Rating	1-Yr.	3-Yr.	5-Yr.	10-Yr.	Since Fund Inception
WisdomTree Interest Rate Hedged High Yield Bond Fund (NAV)	HYZD	0.43%	12/18/2013	191	Nontraditional Bond	★★★★★	7.30%	8.86%	5.84%	5.73%	4.24%
WisdomTree Interest Rate Hedged High Yield Bond Fund (Price)							6.67%	8.38%	5.62%	5.91%	4.17%
Bloomberg U.S. Aggregate Bond Index							4.35%	3.63%	0.31%	1.70%	2.13%
ICE BofA Merrill Lynch 0-5 Year U.S. High Yield Constrained, Zero Duration Index/ WisdomTree U.S. High Yield Corporate Bond, Zero Duration Spliced Index							7.46%	9.36%	6.38%	6.50%	4.90%
ICE BofA Merrill Lynch U.S. High Yield Index							6.90%	8.50%	4.19%	6.05%	5.01%

\*Overall number of funds represents # of investments with a 3-year history. In the US Fund Nontraditional Bond category, HYZD was rated 5 stars among 191 funds for the 3-year period, 5 stars among 174 funds for the 5-year period, and 5 stars among 121 funds for the 10-year period ending 3/31/26.

The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three- and five-year Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns. Overall ratings shown for funds with four or five stars only.

**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](http://wisdomtree.com/investments).**

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 4:00pm EST net asset (NAV). Market 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. You cannot invest directly in an index.

### TOP 10 HOLDINGS as of 3/31/26

Delek Log Part/Finance	8.625%	3/15/2029	0.60%
MPT Oper Partnersp/Finl	5%	10/15/2027	0.54%
Davita Inc	4.625%	6/1/2030	0.53%
Sirius XM Radio Inc	4%	7/15/2028	0.52%
Gray Television Inc	10.5%	7/15/2029	0.52%
Centene Corp	4.625%	12/15/2029	0.50%
Noble Finance II LLC	8%	4/15/2030	0.50%
Cvs Health Corp	7%	3/10/2055	0.49%
Caesars Entertain Inc	4.625%	10/15/2029	0.49%
Nextera Energy Operating	7.25%	1/15/2029	0.48%

**Holdings are subject to change without notice.**

### WISDOMTREE MODERN ALPHA™

We don't believe investors should have to choose between cost efficiency and performance potential. Our Modern Alpha strategies combine the outperformance potential of active with all the structural advantages of passive to create ETFs that are built for performance.

Learn more at [WisdomTree.com/investments](http://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 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](http://WisdomTree.com/investments). Read the prospectus or, if available, the summary prospectus carefully before investing.**

There are risks associated with investing, including possible loss of principal. High-yield or “junk” bonds have lower credit ratings and involve a greater risk to principal. Fixed income investments are subject to interest rate risk; their value will normally decline as interest rates rise. The Fund seeks to mitigate interest rate risk by taking short positions in U.S. Treasuries (or futures providing exposure to U.S. Treasuries), but there is no guarantee this will be achieved. 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 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. The Fund may engage in “short sale” transactions where losses may be exaggerated, potentially losing more money than the actual cost of the investment and the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund. While the Fund attempts to limit credit and counterparty exposure, the value of an investment in the Fund may change quickly and without warning in response to issuer or counterparty defaults and changes in the credit ratings of the Fund’s portfolio investments. Due to the investment strategy of certain Fund’s they may make higher capital gain distributions than other ETFs. Please read the Fund’s prospectus for specific details regarding the Fund’s risk profile.

Diversification does not eliminate the risk of experiencing investment losses. WisdomTree Funds are distributed by Foreside Fund Services, LLC in the U.S.