

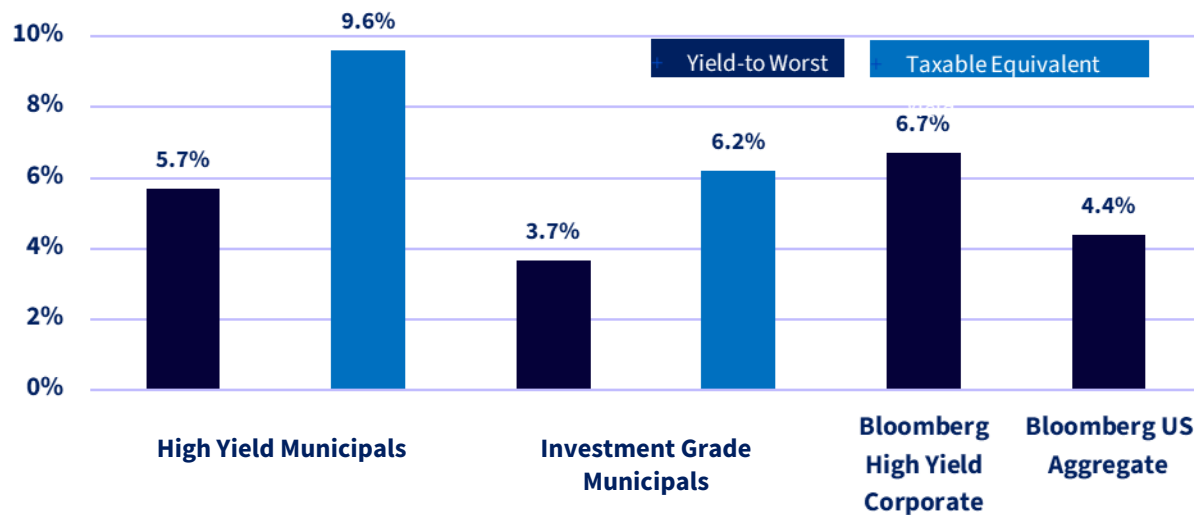
WisdomTree High Income Laddered Municipal Fund

WTMY

The recent rise in interest rates to pre-Financial Crisis levels has sparked renewed interest in fixed income across a variety of sectors and credit risk levels. In our view, the higher income sector of the municipal market provides investors significant opportunities to earn high levels of after-tax income, while exposing investors to significantly less default risk than the high yield corporate sector. Over the past five years, high yield municipals have offered 2.26% in incremental yield over the investment grade municipal market and compelling taxable equivalent yields in comparison to the yields of high yield corporates.¹ However, over the same period, the cumulative default rate for US high yield corporates was 7.5%, nearly four times the rate for high yield municipals of only 2%².

As shown in Figure 1, high yield municipals currently offer 2% over investment grade municipals and to be equivalent on a taxable basis, high yield corporate yields would need to be over 3.4% higher.³

Taxable Equivalent Yields for Municipal Bonds Look Relatively Attractive vs. Traditional Fixed Income



¹ Yields for the investment-grade municipals and high-yield municipals are proxied by the yield to worst calculations for the Bloomberg Municipal Bond Index and the Bloomberg Municipal High Yield Index. Taxable equivalent yields are the pre-tax yields a taxable bond needs to earn the same after-tax income of a comparable municipal bond. The taxable equivalent yield comparison was calculated by comparing the yield to worst for the Bloomberg Municipal High Yield Index divided (1 – the maximum federal tax rate) by the yield to worst of the Bloomberg U.S. Corporate High Yield Index. The tax-equivalent yield is the return a taxable bond needs to equal the yield on a comparable tax-exempt municipal bond.

² Source: ICE Data as of February 2025.

³ Source: Bloomberg as of September 30, 2025.

Coupling the relative income advantage with their historically low default risk, municipals offer a compelling opportunity for investors who are looking for yield without sacrificing credit quality.

The market for high yield municipals, however, is fragmented with almost 1,000 different issuers with less frequent trading volume than similarly rated corporates. As a result, a skilled manager is needed to successfully navigate the market and deliver a strategy that adequately balances investment grade exposure with high yield exposures to take advantage of opportunities in the market. For this reason, WisdomTree has teamed up with Insight Investment Management, a municipal manager since 1933 and a high yield manager for the last 25 years⁴, to deliver a unique approach to investing in higher yielding municipal debt.

Introducing the WisdomTree High Income Laddered Municipal Fund (WTMY)

WTMY combines a laddered approach to lower rated investment grade securities with a targeted allocation to the high yield sector. The funds targets at least 80% in municipals rated A+ or below or what we define as high income municipals and can invest up to 50% in securities deemed to be non-investment grade. This approach balances the pursuit of higher after-tax income with the desire for diversification, transparency, and liquidity.

Laddered Approach to Investment-Grade Securities



Targeted Allocations to High-Yield Municipals

- Enhance Yield Potential through Active Credit Selection
- Manage Incremental Interest Rate Risk
- Disciplined Risk Management and Liquidity Monitoring

Sources: WisdomTree, Bloomberg.

By laddering the investment grade exposure and expanding into high yield securities, we have the ability to increase the incremental yield of the portfolio while managing interest rate risk. Our laddered approach seeks to add diversification across 15 years of the yield curve in bonds that will mature or are likely to be called or tendered. Diversifying exposure across maturity rungs through laddering the portion in investment grade securities reduces the need to perfectly time interest rates yet also provides flexibility to position for future opportunities to add value through security and sector selection.

As bonds begin to mature, get called, or are sold from the shorter rungs, the proceeds are either reinvested in higher yielding investment grade securities at the very top of the ladder or take advantage of opportunities we see in the high yield municipal market. Depending on market conditions, much of the supply of high yield securities will be centered in longer maturity securities but with embedded call features that could trigger payment before the stated maturities. The fund’s reference benchmark – a 50%/50% blend of the Bloomberg 3-15yr Municipal Blend Index and the Bloomberg High Yield Municipal Bond Index is currently 7.48 yr Modified Duration to Worst and has averaged 6.2 years over the last 20 years.

The Fund’s investment process seeks to exploit market inefficiencies through independent credit research and flexible opportunistic trading. In particular, the credit analysis process seeks to identify multiple sources of excess income and potential spread tightening while avoiding spread widening, unanticipated downgrades, as well as defaults. Key inputs to the process include demographics, local corporate health, property values, debt burden / liability analysis of the obligor, debt service coverage, and covenants embedded in offerings.

The risk management process for the Fund is guided by the following parameters:

Credit Quality Exposure	High-Yield Bond Exposure	Obligor Exposure	State Exposure	AMT Eligible Exposure
$\geq 80\%$ High income rated A+ or below	$\geq 50\%$ of the market value	$\leq 10\%$	Single state capped at 25%	$\leq 30\%$

Why Does Active Credit Management and Laddered Exposure Work for the Municipal Market?

The municipal market is dominated by public considerations on both the issuance and demand side. Issuers are predominantly states, municipalities, and government agencies seeking to finance essential operations, infrastructure, and meet energy needs of the average American citizen. The buyers are overwhelmingly retail-based, with over 70% of investors in municipal bonds either households or funds serving households. The net result is a market that has many issuers and securities creating a diverse set of opportunities from a credit and trading perspective.

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Why Insight Investment Management?

Through its predecessor firms, Insight Investment Management has been managing municipal portfolios since 1933, only four years after the first Treasury auction in 1929. Over the years, it has built a reputation as a disciplined manager focused on deep credit analysis, trading efficiency, and comprehensive risk oversight. The team has been actively managing highly yielding municipal securities for over 25 years in separately managed accounts and over 15 years in mutual funds. The current municipal team at Insight is led by Dan Rabasco and Jeffrey Burger and average over 20-years of portfolio management experience and 17 years at Insight and its predecessor firms.

The team manages \$17.5B in municipal assets as part of a firm that manages over \$853 Billion globally, as of 06/30/2025.

WTMY within a Portfolio

WTMY seeks to generate high levels of current income that is exempt from federal income taxes. The Fund takes a prudent amount of credit risk yet still offer diversification benefits within a tax conscious multi-asset portfolio. By combining active credit management with a disciplined approach to interest rate risk management, the Fund seeks to take advantage of the diverse opportunities that the municipal market offers.

Quick Facts	
Fund Objective	The Fund seeks to generate a high level of current income that is exempt from federal income taxes
Investment Approach/Style	Active credit management with structured rate exposure
Exposure	Municipal bonds
Subadvisor	Insight Investment
Interest Rate Risk	Duration band of 5 to 10 years
Performance Benchmark	50% Bloomberg 3-15 Year Municipal Blend (2-17) Index / 50% Bloomberg U.S. Municipal High Yield (Non-Investment Grade) Bond Index
Inception Date	4/3/2025
Exchange	NASDAQ
Expense Ratio (gross/net)	0.35%

Please reach out to your WisdomTree representative or visit [WisdomTree.com/Investment](https://www.wisdomtree.com/investment) to learn more.

Bloomberg 3-15 Year Municipal Blend (2-17) Index: A benchmark that tracks the total return performance of investment-grade, U.S. tax-exempt bonds with maturities between 2 and 17 years.

Bloomberg U.S. Municipal High Yield (Non-Investment Grade) Bond Index: Flagship measure of the U.S. municipal tax-exempt non-investment-grade bond market.

Duration-to-worst: The shortest duration among a bond's potential call or prepayment provisions, representing the bond's expected price sensitivity to changes in interest rates.

Alternative minimum tax (AMT): A tax imposed by the U.S. government in addition to the regular income tax for certain individuals, estates, and trusts.

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

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](#). Read the prospectus or, if available, the summary prospectus carefully before investing.

There are risks associated with investing, including the possible loss of principal. Municipal securities carry various risks, including credit, interest rate, prepayment and valuation risks. Issuers may face financial difficulties that impact their ability to meet payment obligations. The value of these securities can fluctuate due to changes in revenue sources, local economic and political conditions, and industry-specific downturns (e.g., education, healthcare, transportation, utilities). Additionally, tax-exempt income from municipal securities could become taxable due to regulatory changes or issuer noncompliance, potentially reducing their value. Fixed income investments are subject to interest rate risk; their value will normally decline as interest rates rise. Higher-yield securities or “junk” bonds have lower credit ratings and involve a greater risk to principal. 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. 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. 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.

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