



**UCITS ETFs  
BOOST ETPs**

STRATEGIC AND  
TACTICAL SOLUTIONS



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# WISDOMTREE HAS YOU COVERED

**INVEST STRATEGICALLY FOR THE LONG-TERM OR TRADE TACTICALLY FOR THE SHORT-TERM**

We are a specialised sponsor and issuer of exchange traded funds (ETFs) and exchange traded products (ETPs) committed to providing investment and trading solutions for a wide range of clients. And in Europe, we offer the market choice: The ability to choose between long-term investments through our WisdomTree UCITS ETF range as well as tactical trading and hedging opportunities with our Boost ETP range.

But whatever your financial objectives are, you will have in WisdomTree a partner to rely on for in depth research, critical thinking and cost-efficient, transparent products.

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# WHO IS WISDOMTREE?

Long before anyone was talking 'smart beta', WisdomTree listed its first ETFs on the NYSE. More than 10 years on, we've continued to build up a suite of ETFs designed to give investors an alternative to traditional market cap weighted approaches.

We are now 200 people around the world—headquartered in New York with offices in London, Tokyo, Toronto and dedicated coverage in Latin America, Australia and Israel.

## **Deep analysis and high touch service**

Our proprietary indices are driven by the power of research. Partnering with us means you get access to the thinking behind our index methodology.

## **Flexibility when it comes to investing**

With two different types of product sets, we give investors the choice to trade both tactically and invest strategically.

## **We live and breathe exchange traded products**

We're not all things to all people. Instead, we are specialists focused on providing the best of active and passive investing through cost-efficient vehicles.

## **A live performance track record**

Rather than relying on backtested data, we can point to live information, showing that all three of our core indices available in Europe outperformed their comparable cap-weighted value indices in the last decade.

## **Custom strategies**

Our UCITS ETFs and Boost ETPs are available to trade and can be combined to create unique custom solutions designed to meet your investment objectives—from income to portfolio hedging.

## **Education for all**

We are a team of ETF specialists. Whether you need to understand general product mechanics or need help executing a trade, we are available to help.

# WISDOMTREE UCITS ETFs

While the majority of ETFs are market cap-weighted—meaning they focus purely on the largest stocks rather than those offering stronger fundamentals—we have developed a proprietary index methodology designed to magnify the effect fundamentals have on risk and return characteristics.

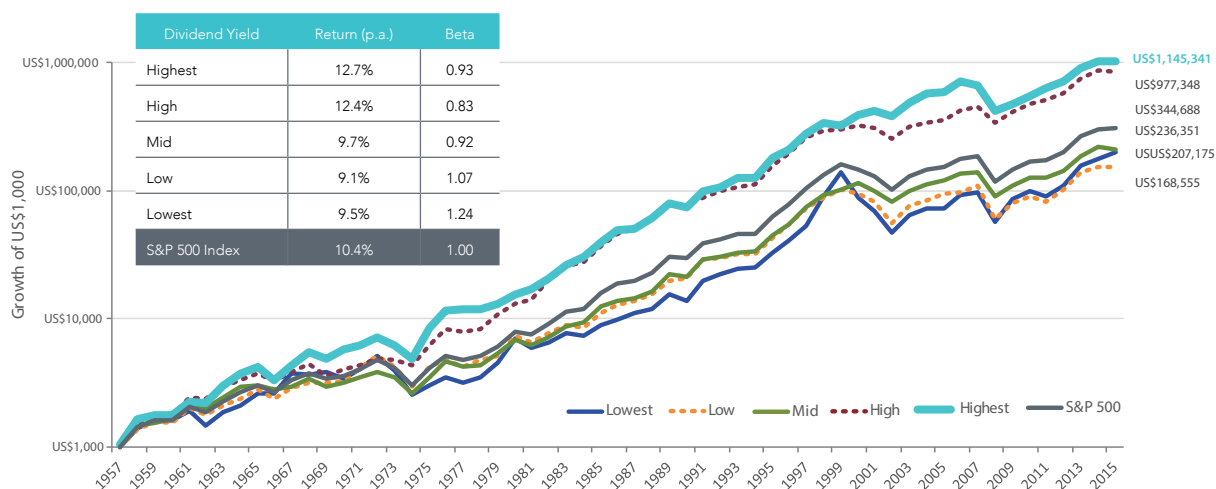
Driven by academic research, our core philosophy is centred around the belief that fundamentals like dividends, offer more objective measures of a company's health, value and profitability than stock price alone.

## THE POWER OF DIVIDENDS

To demonstrate the power of dividends and their impact on performance, consider some research done by Wharton Professor Jeremy Siegel in his 2005 book *The Future for Investors*. Professor Siegel broke down the performance of the S&P 500 dividend-paying stocks into quintiles, illustrating that focusing on only those stocks that provided the highest dividend yields had a dramatic impact on performance and risk. As you can see in Figure 1, the highest quintile outperformed the broad S&P 500 Index by 2.3% per year from 1957 to 2016, more than tripling the return of the S&P 500. This was also achieved with less risk, evident by the lower beta of 0.93 compared to the broader market.

**FIGURE 1: DIVIDEND YIELD AND RELATIVE PERFORMANCE**

[Quintile charts from Jeremy Siegel's research, period 31/12/1957-31/12/2016]



Source: Siegel, *The Future for Investors*. 2005, with updates to 2016.

Past performance is not indicative for future results. Does not represent the performance of any investment vehicle; provided for educational/illustrative purposes only. This information should not be considered investment advice.



# A LOOK AT OUR UCITS STRATEGIES IN EUROPE

At WisdomTree, we do things differently. Our strategies are built with proprietary methodologies, smart structures or uncommon access to provide investors with the potential for income, performance, diversification and more. Each of our strategies is designed to redefine either how an investment is built or how a country or asset class is accessed, creating, what we believe, is a better investing experience.

## Equity Income

High yielding equities offer the opportunity to solve for income in a low interest rate environment, combined with providing portfolio solutions for long term total return. Stability of yield is realised through weighting by cash dividends.

- + Emerging Markets
- + Europe
- + UK
- + US

## Quality Dividend Growth

Focus on the companies most likely to pay high dividends in the future by screening for current dividend paying quality companies. The strategy has a focus on return on equity and assets and long term growth.

- + Eurozone
- + Global
- + US

## Small Cap Dividend

Small cap stocks represent a very dynamic part of the equity market and dividend payers offer a focus on the value aspect of size. The bottom 25%\* of the market screened by market cap offers diversified access to size.

- + Emerging Markets
- + Europe
- + US

## Currency Hedged

In an environment of sharp moves in exchange rates, currency hedged share classes offer investors a flexible and efficient means of reducing currency risk and allows a focus on local equity returns.

- + Eurozone
- + Germany
- + Japan
- + US

## Export Tilted

Weak currencies and the benefits to export companies are a dominant theme in many equity markets. This strategy offers both a style tilt in large cap multinationals and is available with hedged share classes.

- + Eurozone
- + Germany
- + Japan

## Market Access

Differentiated access to important markets can add significant value to investors' ability to manage market exposure—a total China approach, quality Indian companies and Ireland.

- + China
- + India
- + Ireland

## Commodities

Broad access to commodities helps diversify portfolio risk and return, offers a natural inflation hedge and with our strategy, an enhanced way of managing contango and backwardation.

\*All strategies except Emerging Markets which is capped at the bottom 10% of total market capitalisation.

For professional clients only



# boost ETPs

Boost is our range of collateralised exchange traded products, available across asset classes (equities, commodities, fixed income, currencies and alternatives) and in both unleveraged and leveraged formats (-5x to 5x).

## WHY USE BOOST ETPs?

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Boost ETPs can be used by a wide range of investors with different objectives including:




### Opportunistic trading

Magnify returns on a daily basis through leverage without margin, derivatives rolling or OTC trading infrastructure




### Risk management

Hedge market risks in a capital efficient manner through inverse leveraged ETPs, without short-selling or using derivatives




### Magnify exposure to the market

Go long or short, efficiently and cheaply, through a product that returns the relevant performance of a market/asset class, without stock borrowing, derivatives rolling or OTC trading infrastructure



### Pair/relative value trading

Buy undervalued assets and short overvalued assets when their historical correlations diverge or isolate stock performance by shorting its benchmark market risk



### Access to alternative or unique strategies

Gain cost-efficient, unleveraged exposure to unique equity strategies, such as the Italian banking industry, or a single commodity, like oil

# boost ETPs STRUCTURE

- ✓ Capital efficient
- ↔ Independent swap provider
- ⊕ Overcollateralised
- ⇒ Fully transparent swap costs
- ⇒ Fully transparent collateral

## KEY FEATURES OF SHORT AND LEVERAGED ETPs

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### Daily rebalancing

Most leveraged and inverse ETPs seek to offer a multiple (long or short) of the *daily* performance of their benchmark.

Boost ETPs rebalance the leverage at the end of each trading day to ensure they offer the same leverage factor on each new trading day.

### Compounding

The daily rebalancing of ETPs creates the “daily compounding” effect: The return of a leveraged Boost ETP for a period of time longer than one day, will be greater (positive impact) or lower (negative impact) than the return of the underlying index over such period of time multiplied by the leverage factor.

### Intra-day crash protection

We have an inbuilt mechanism to prevent an ETP from falling to zero on any single day. If an intraday market move is extreme then the ETP would rebalance to ensure a fall to zero would not occur. Intraday rebalancing reduces the sensitivity of further falls or rises thus reducing participation to a rebound.

# BOOST PRODUCTS

## DAILY LEVERAGE FACTORS

			Daily Leverage Factors, Long (+)/Short (-)										
Asset Class	Region/Theme	Benchmark	5X	4X	3X	2X	1X	-1X	-2X	-3X	-4X	-5X	
Equities	US	S&P 500			✓					✓			
		NASDAQ 100			✓					✓			
	UK	FTSE 100			✓	✓			✓	✓	✓		
		FTSE 250				✓			✓				
	Germany	DAX			✓						✓		
	Italy	FTSE MIB			✓						✓		
		FTSE MIB Banks						✓					
	Japan	TOPIX				✓		✓					
	Emerging Markets	MSCI EM			✓						✓		
	Europe	EURO STOXX 50			✓						✓		
	Sector - Banks	FTSE MIB Banks						✓					
EURO STOXX Banks				✓						✓			
Fixed Income	US	10Y US Treasury			✓					✓		✓	
	UK	10Y UK Gilt			✓					✓			
	Germany	10Y German Bund			✓					✓		✓	
	Italy	10Y Italian BTP			✓					✓		✓	
Commodities	Energy	WTI Crude Oil			✓	✓	✓	✓	✓	✓			
		Brent Crude Oil			✓		✓			✓			
		Natural Gas			✓	✓	✓	✓	✓	✓			
	Industrials Metals	Copper			✓						✓		
		Palladium					✓		✓				
	Precious Metals	Gold			✓	✓	✓	✓	✓	✓	✓		
		Silver			✓	✓				✓	✓		
FX		USD/EUR	✓	✓							✓	✓	
Alternatives	Volatility	VIX				✓*							

\*Actual leverage factor is 2.25x

Source: WisdomTree, as at 30/04/2017

Register at [WisdomTree.com](http://WisdomTree.com) to keep up-to-date on product launches and latest research

For professional clients only



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An investment in ETPs is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

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The products discussed on this document are issued by either WisdomTree Issuer PLC ("WT Issuer") or Boost Issuer (each of them separately, the "Issuer").

### WisdomTree Issuer PLC

WisdomTree Issuer PLC is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as a public limited company and authorised by the Central Bank of Ireland ("CBI"). WT Issuer is organised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the laws of Ireland and shall issue a separate class of shares ("Shares") representing each fund. Investors should read the prospectus of WT Issuer ("WT Prospectus") before investing and should refer to the section of the WT Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the Shares.

### Boost Issuer PLC

Boost Issuer on the other hand issues products under a Prospectus ("Boost Prospectus") approved by the Central Bank of Ireland, drawn up in accordance with the Directive 2003/71/EC. The Boost Prospectus has been passported to various European jurisdictions including the UK, Italy and Germany and is available on this document.

Boost Exchange Traded Products ("ETPs") are suitable for financially sophisticated investors who wish to take a short term view on the underlying indices and can understand the risks of investing in products offering daily leveraged or daily short exposures.

ETPs offering daily leveraged or daily short exposures ("Leveraged ETPs") are products which feature specific risks that prospective investors should understand before investing in them. Higher volatility of the underlying indices and holding periods longer than a day may have an adverse impact on the performance of Leveraged ETPs. As such, Leveraged ETPs are intended for financially sophisticated investors who wish to take a short term view on the underlying indices and understand such risks. As a consequence, WisdomTree Europe Ltd is not promoting or marketing Boost ETPs to retail clients. Investors should refer to the section entitled "Risk Factors" and "Economic Overview of the ETP Securities" in the Boost Prospectus for further details of these and other risks associated with an investment in Leveraged ETPs and consult their financial advisors as needed. Neither WisdomTree Europe Ltd. nor the Issuer has assessed the suitability of any Leveraged ETPs for investors other than the relevant Authorised Participants.

### Notice to Investors in Switzerland – Qualified Investors

The distribution of shares of WisdomTree Issuer Plc sub-funds (the "Funds") in Switzerland which have been registered with the Swiss Financial Market Supervisory Authority (FINMA) will be made to, and directed at, qualified investors. The Funds which have not been

registered with the FINMA will be marketed exclusively to regulated qualified investors. The Representative and Paying Agent in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the Articles and the annual and semi-annual reports are available free of charge from the office of the Swiss Representative and Paying Agent.

#### **Notice to Investors in France**

The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. The Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Authority Financial Markets (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralising agent, Societe Generale at 29, boulevard Haussmann – 75009 Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

#### **Notice to Investors in Malta**

This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

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