

COMPULSORY REDEMPTION OF AN ETP SECURITY DUE TO A FALL IN PRICE RELATIVE TO THE PRINCIPAL AMOUNT

01 What is a Principal Amount?

Exchange Traded Product (ETP) Securities are structured as debt instrument. A technical legal requirement of this structure means each such ETP has a nominal amount (the "Principal Amount"), which is set at the time of its launch, typically as a small per-centage of its initial "Net Asset Value" ("NAV").

02 What is the difference between the price and the Principal Amount?

The Principal Amount is not the same as the price of an ETP security. The price or "NAV" of an ETP Security changes with the value of the index being tracked or the value of the asset underlying the ETP. In contrast, the Principal Amount is a separate static amount which is set at a low level relative to the initial "NAV" of the ETP when it is created.

What happens if the price drops close to the Principal Amount?

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The "NAV" can move above and below the Principal Amount. There are two events relating to the Principal Amount that impact the ETP Securities: "Threshold Event" and "Threshold Redemption Event".

- + **Threshold Event:** If the "NAV" drops below 500% of the Principal Amount, this is called a "Threshold Event". This triggers (i) a 60 day period where the "NAV" and the Principal Amount are monitored and (ii) a vote of the ETP Securities to consider a reduction of the Principal Amount (as described below).
- + **Threshold Redemption Event:** If on or after 60 days following a Threshold Event, the "NAV" falls below 200% of its Principal Amount, then a "Threshold Redemption Event" occurs. This means the affected ETP Securities shall be compulsorily redeemed and closed.

04 Does this mean that every time the “NAV” of an ETP experiences a significant fall with respect to the Principal Amount, the ETP will be closed?

No. When the “NAV” of the ETP reaches 5x the Principal Amount, the Issuer convenes a security holder vote to allow the holders to vote to reduce the Principal Amount. This vote, if passed, resets the ratio between the ETP’s “NAV” and its Principal Amount to a much higher ratio. If the vote to reduce the Principal Amount does not pass, the risk of a Threshold Redemption Event (as described below) increases if the “NAV” continues to fall over a sustained period of time; this could ultimately lead to the ETP’s compulsory redemption.

05 If I invested in an ETP security that is being compulsorily redeemed, what do I need to do?

ETP Security holders have two options:

1. ETP Security holders can sell their positions on the secondary market prior to the last day of exchange trading; or
2. ETP Security holders can wait until the compulsory redemption process takes effect on the Compulsory Redemption Date (see below) and they will receive their Compulsory Redemption Amount.

The date of the last day of trading on exchanges and the Compulsory Redemption Date for the ETP Securities which are due to close can be found on the [Important Notices](#) section of the website.

Please note: If holders of the ETP Securities that are being redeemed do not sell their holding prior to the last day of trading on European exchanges, they may not be able to sell it before the Compulsory Redemption Date and will continue to be exposed to any movements in the price of the underlying market, the applicable leverage and the applicable fees and expenses, up until the Compulsory Redemption Date.

06 If I am invested in an ETP security that is being compulsorily redeemed and I don’t do anything, what happens?

Following the close of trading on exchange for the ETP Securities which are due to close (as specified on the [Important Notices](#) section of the website), any remaining investors will automatically be part of the Compulsory Redemption process as explained below, and receive the Compulsory Redemption Amount.

Please note that there will be a gap between the last trading date on exchange and the Compulsory Redemption Date, so investors left holding the ETP Security past the last trading date on exchange may be left exposed to any movements in the price of the underlying market, the applicable leverage and the applicable fees and expenses, up until the Compulsory Redemption Date. There will also be a further gap between the Compulsory Redemption Date and the date on which holders of the ETP Securities will receive their Compulsory Redemption Amount. If you are holding affected ETP Securities through an intermediary, securities broker or bank, it could take longer for the cash payments to be paid to you and your intermediary, securities broker or bank may apply additional fees. Please contact your intermediary, securities broker or bank to discuss this.

07 What should I expect to happen in the Compulsory Redemption process?

The following timeline provides additional detail about the process and what investors should expect at each stage.

Stage 1: Announcement is made that a closure is happening

This is the date of the announcement notifying investors of the closure of the ETP Securities. The notice period between the date of the announcement and the date of closure is intended to allow investors flexibility in managing their position.

We encourage investors to sell any holdings they have in the ETP Securities that are listed for closure before the date on which these ETP Securities are expected to stop trading on their respective exchanges. Alternatively, investors may stay invested in the products and see them compulsorily redeemed through the process described below.

Stage 2: The last day of exchange trading for the ETP Securities as they will be delisted at the close of business.

After this date, individual investors will no longer be able to buy or sell the products on exchange. In some circumstances institutional investors may be able to trade via authorised participants, but this is not guaranteed.

Stage 3: Last day of trading for creations for authorised participants

This is the last day that the Issuer will accept creation applications from authorised participants in respect of the ETP Securities that are being redeemed.

Stage 4: Last day of trading for redemptions for authorised participants

This is the last day that the Issuer will accept redemption applications from authorised participants in respect of the ETP Securities that are being redeemed. After this date, any ETP Securities in issue will be subject to the compulsory redemption.

Authorised participants are large financial institutions that have entered into agreements with the Issuer to enable them to buy and sell ETP Securities directly from the Issuer. If you are not sure whether you are an authorised participant, you are not. Investors who are not authorised participants trade on the "secondary market", meaning, they trade with other market participants who are not the Issuer.

Stage 5: Compulsory redemption date

This is the compulsory redemption date under the Conditions and the date at which the underlying Swap Transaction is unwound and valued. The Compulsory Redemption Amount (i.e. final value of investor's holdings) will be based upon the final price per ETP Security ("NAV") of the products which are closing. WisdomTree will communicate the Compulsory Redemption Amount of the ETP Securities that are being redeemed in the days following the Compulsory Redemption Date. Investors will be able to find all final "NAV"s published on the WisdomTree website www.wisdomtree.eu by looking up the relevant ETP Security.

Stage 6: Compulsory Redemption Settlement Date

This is the date on which the Issuer expects to make all payments to registered holders of the ETP Securities.

To the extent that you hold the products which are closing through a securities broker, bank or other intermediary, please contact your securities broker, bank or intermediary for information on how they will pass on the payments.

Typically, you should expect to receive the payment in much the same way you receive a dividend, a coupon on a bond or the payment of principle when a bond matures.

It may take longer for the payment to find its way to your account if you hold the ETP Securities through a securities broker, intermediary, bank or a nominee account of another kind and your securities broker may apply additional fees. We strongly recommend that investors contact their securities broker, bank or financial adviser who will be able to provide further information regarding how this process will work for you.

08 Why is there a gap between the last exchange trading day and the compulsory redemption date?

As the ETP Security trading ecosystem is subject to various levels of intermediation (i.e., individuals and end investors trade through brokers, custodians, platforms, dealing desks etc.), this can result in a time lag between an end investor trading an ETP Security and that ETP Security position being reflected in the accounts of the various settlement systems. To ensure that the correct beneficial owner receives the proceeds from the ETP Securities which are closing, we have built in sufficient time for this settlement to take place.

This FAQ document is intended to provide information on certain classes of exchange traded securities (the “ETP Securities”) issued by WisdomTree Multi Asset Issuer PLC (the “Issuer”), which are subject to a Compulsory Redemption Event due to a fall in “NAV” relative to the Principal Amount. Terms used in this document but not otherwise defined hold the same meanings as used in the Issuer’s base prospectus.

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