

Q&A



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Consolidation of securities



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1. What is a consolidation?

WisdomTree may determine to effect a consolidation of an exchange traded product, known as an ETP. This is a corporate action decreasing the number of the outstanding shares of the ETP, and proportionally increasing the price of each ETP share.

Consolidations are relatively common in the market in order to increase the price at which the ETP is traded.

2. Why would an issuer effect a consolidation?

WisdomTree aims to ensure that its ETPs trade efficiently. By increasing the price of the ETP from extreme lows, it enables more efficient trading.

3. How will I know if a consolidation is taking place?

WisdomTree will make a legal announcement prior to commencing any consolidation. The announcement will contain the following information:

- + The ETPs affected by the consolidation;
- + Relevant dates and timings;
- + The ratio, being how many currently outstanding shares of the ETP will be consolidated into 1 share of the ETP; and
- + Where security identifiers need to be updated, the updated identifiers.

You can find legal announcements on our [Important Notices](#) page.

4. What will happen to my holdings?

When a consolidation is effected, each investor's holding will be consolidated into a smaller number of ETP shares and the price of the ETP will proportionally increase. The total value of an investor's holding will remain unchanged.

The following table illustrates the effect of a hypothetical 1-for-100 consolidation:

	Number of shares owned	Hypothetical price per share	Total value of shares	Value of fractional shares	Total of aggregate value of shares and fractional shares
Pre- Consolidation	775	\$1.00	\$775.00	-	\$775.00
Post- Consolidation	7	\$100.00	\$700.00	\$75.00	\$775.00

As a result of the corporate action, an investor could potentially be entitled to a fractional share, as illustrated above. However, fractions cannot be easily traded on the exchanges to which the shares are admitted to trading.

Please note that WisdomTree will only make payments in respect of fractional shares directly to investors who are named in the relevant register maintained by the registrar for the ETP programme, as at the close of business on the record date.

5. What if my holdings are in the form of a physical share certificate?

If you hold the ETP in certificated form (i.e. you hold a physical share certificate), it is expected that you will be issued with replacement certificates. These will be sent by post, at the risk of the investor, to the address on the relevant register maintained by the registrar for the ETP programme and are expected to be despatched no later than two weeks from the date the consolidated ETP shares begin trading. Upon receipt of the replacement certificate, your original certificate will have no effect and should be destroyed.

If you are due any payment in respect of the redemption of fractional shares, the settlement of cash amounts will be made by way of cheque sent to you by post, at the risk of the investor, on or about two weeks from the date of the consolidations to the address on the relevant register maintained by the registrar for the ETP programme.

WisdomTree strongly recommends that investors holding the ETP in certificated form contact the relevant registrar named in the prospectus of the ETP directly to confirm that your contact address is up to date in advance of the consolidations taking effect.

6. What if my holdings are held through a broker, platform or other intermediary?

If you are holding the ETP through a broker, trading platform, custodian or other intermediary, please contact that intermediary for information as to how the consolidations will be recorded in their books and records and in respect of any payments in respect of fractional shares that may be owed to you, especially if such payments are very small amounts.

Any payments in respect of fractional shares held through an intermediary may take time to process. You may therefore want to contact them to determine this timeframe, how any payment would be received, in which currency and any additional fees that you may be charged.

There could be delays in your broker, custodian or intermediary reflecting a consolidation in their books and records. Please discuss this with them if you have any concerns.

7. Do I need to take any action in connection with a consolidation?

It is expected that the consolidation will be automatically applied to all outstanding shares of the

ETP at the close of business on the record date. It is not expected that investors will need to take any action.

8. Will there be any impact to trading?

WisdomTree does not expect any impact to trading as a result of a consolidation, however it is possible to experience delays due to delays in intermediaries reflecting the consolidation in their systems and due to delays in updates to the static data in relevant systems.

If an ETP is listed on any exchange outside of Europe, there could be disruption to trading on such exchange as a result of different time zones. Please refer to the legal announcement, or any notices released on the relevant non-European exchange where the ETP is listed, to see what impact the consolidation may have on trading at such exchange.

9. Are there any changes to the identifiers for the ETP– ISINs, SEDOLs etc.?

Please note that certain security identifiers will change as a result of the consolidation. Please see the legal announcement for details of any impact to identifiers.

10. Will this trigger a tax event in relation to my holdings?

A consolidation will take effect as consolidating the outstanding shares of the ETP. No new securities are issued and, save in respect of the redemption of any fractional shares, no securities will be redeemed.

Therefore, it is expected that a consolidation will not (save in respect of the redemption in cash of the fractional shares) have any tax consequences for investors.

Investors are nevertheless advised to consult their own independent tax advisers in relation to a consolidation. WisdomTree is not a tax adviser.

Important Information

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Short and leveraged exchange-traded products are only intended for investors who understand the risks involved in investing in a product with short and/or leveraged exposure and who intend to invest on a short term basis. Any investment in short and/or leveraged products should be monitored on a daily basis to ensure consistency with your investment strategy. You should understand that investments in short and/or leveraged exchange-traded products held for a period of longer than one day may not provide returns equivalent to the return from the relevant unleveraged investment multiplied by the relevant leverage factor. Potential losses in short and/or leveraged exchange-traded products may be magnified in comparison to investments that do not incorporate these strategies. Please refer to the section entitled “Risk Factors” in the relevant prospectus for further details of these and other risks associated with an investment in short and/or leveraged exchange-traded products. You should consult an independent investment adviser prior to making an investment in short and/or leveraged exchange-traded products in order to determine its suitability to your circumstances.



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