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# The Restrike Mechanism for WisdomTree Short & Leveraged ETPs

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## 1. Introduction

To protect from the possibility of an Exchange Traded Product's (ETP) value being erased over a single day, WisdomTree ETPs have an intra-day crash protection mechanism which comes into effect in cases of extreme intra-day moves in the underlying asset. The aim and function of that mechanism is to mitigate the possibility of a fall in the price of the ETP to 0 due to the impact of a sustained adverse intra-day movement in the underlying non-leveraged index.

The mechanism applies to WisdomTree Multi Asset Issuer (WTMA) and WisdomTree Commodity Securities Limited (CSL) products.

The purpose of this note below is to give an overview of how this mechanism works, the process is detailed fully in the relevant Issuer prospectus, in any case of conflict, the prospectus supersedes this document.

## 2. When is the intraday restrike mechanism invoked?

Broadly speaking, the intraday restrike mechanism would be invoked intraday the moment the return of the relevant underlying (non-leveraged) index from the previous day's index close reaches a certain threshold. These thresholds are different for each product depending on the underlying and leverage factor and are specified in each products' Final Terms, available online.

It is enough for the relevant index to 'touch' that threshold for the mechanism to be invoked. Even if the index moves back below the threshold, the mechanism should still be invoked.

There may be multiple intraday restrike events on a single day if the relevant index continues to move in an adverse direction for the ETP. At each point during the day the last restrike price acts as if it were a normal day's close.

### 3. What happens when the intraday restrike mechanism is invoked?

The intraday rebalance takes place in the same way as the ETP normally resets its leverage at the end of each day, but with a few important differences:

- + The ETP restrike takes place over a period of 15 minutes following the moment at which the relevant index touched the threshold.
- + The price at which the ETP is re-struck will generally be the lowest price for the ETP during these 15 minutes, however:
- + For some of the ETPs where the market is less liquid, the ETP restrike price may be further adjusted down according to the actual rebalancing cost incurred by the swap provider. The application of such an adjustment for costs may result in the product's price falling to 0 if the swap provider was not successful in rebalancing the product and the underlying index continued its adverse move.
- + We will inform the investor community of a restrike price as soon as it is determined and verified.
- + The leverage of the ETP from the restrike price to the next rebalance (which should typically be the close but could be another restrike if the underlying index moves again by the same threshold amount), is its designated daily leverage factor, as specified in the ETP's name.

For more details, please consult the Issuer Prospectus documents, available on our [website](#).

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