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WisdomTree Broad Commodities UCITS ETF



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A diverse UCITS commodity offering with physical-backed precious metals

The WisdomTree Broad Commodities UCITS ETF offers access to the performance of a broad range of commodities and the potential for outperformance relative to the industry benchmark¹. PCOM is innovative in that the precious metals exposure is delivered through physical replication of gold and silver.

Commodities, the portfolio diversifier

Commodities are historically a great diversifier to a portfolio, offering different behavioural characteristics to equities and bonds. Commodities also typically act as a great hedge against inflation, offering protection that few other assets can deliver.



Cyclical asset: Most commodities are seen as cyclical assets and therefore are a way for investors to play an economic recovery. Demand for energy and metals often rise during periods of economic growth. Even gold, which is thought of as a defensive asset most of the time, can perform very well in times of strong economic growth (a period often coupled with high inflation).



Inflation hedge: Commodities prices tend to move in tandem with inflation. While many other cyclical assets like equities react to 'expected inflation' (inflation expectations formed by strength of the economy and monetary growth), commodities also tend to respond well to 'unexpected inflation' (inflation driven by unanticipated supply or demand shocks).

¹ In Europe widely seen as the Bloomberg Commodity Total Return Index (BCOMTR).



Portfolio Diversifier: Commodities behave differently from equities and bonds. They have a low correlation to these other asset classes, which makes them a great diversifier to consider for portfolios.



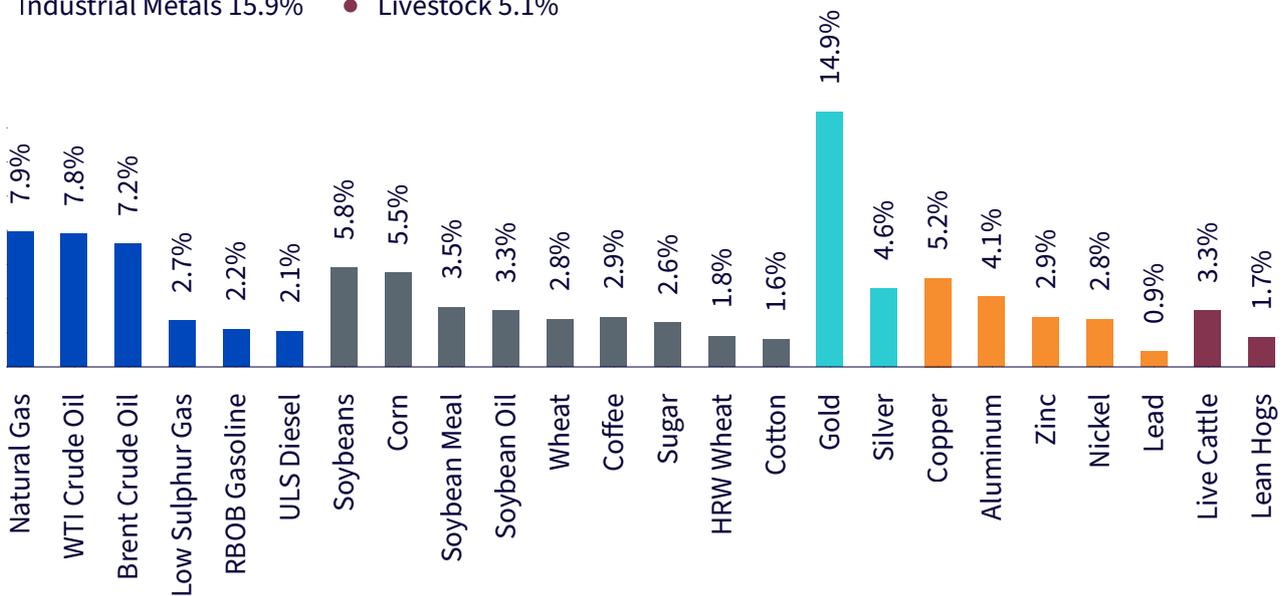
Benefits from US Dollar depreciation: Commodities that are typically priced in US dollars tend to rise when the US dollar depreciates. If there is a structural weakness in the US dollar, commodities could be a beneficiary.

Bloomberg Commodity Total Return Index

Widely seen as the industry benchmark, the Bloomberg Commodity (BCOM) Total Return Index offers investors access to 24 commodities spread across energy, industrial metals, precious metals and agriculture. Commodities and weights within this index were chosen by the Bloomberg Committee on the basis of liquidity and economic significance². This wide variety of commodities offers strong diversity benefits.

Bloomberg commodity Index Target Weights

- Energy 29.9%
- Agriculture 29.6%
- Precious Metals 19.4%
- Industrial Metals 15.9%
- Livestock 5.1%



Source: Bloomberg, March 2023.

² Two thirds of the consideration is placed on liquidity of the underlying commodity, while one third is placed on the economic significance.

Intelligent replication

While the Bloomberg Commodity Total Return Index invests in commodity future contracts, the WisdomTree Broad Commodities UCITS ETF (PCOM) uses physical replication for Gold and Silver. Total return swaps are used to deliver the performance for the energy, agriculture, and industrial metals components of the Index.

Because futures contracts expire, maintaining a continuous exposure to commodities requires ‘rolling’ contract exposure as they approach expiry. Furthermore, as the price of a future converges towards the spot price, as it comes closer to expiry, we often see a drag on performance when the futures curve is upward sloping. The futures curves for gold and silver are usually upward sloping. Exposure to precious metals can be gained economically directly in a physically backed exchange traded commodity (ETC) as the cost of storing the metals is low relative to the value of the metal. Hence, the PCOM approach strategically reduces a source of performance drag by buying those physically backed exchange traded commodities (ETCs).

PCOM as an investment proposition

- + Diverse UCITS³ commodity offering
- + Focused on commodities with high levels of liquidity
- + Physical replication of precious metals removes a source of potential performance drag that futures often exhibit

Fund Information: WisdomTree Broad Commodities UCITS ETF

Ticker	Exchange	ISIN	BBG Code	Listing Currency	Base Currency	TER%
PCOM	LSE	IE00BKY4W127	PCOM LN	USD	USD	0.19
COMX	LSE	IE00BKY4W127	COMX LN	GBx	USD	0.19
PCOM	Borsa Italiana	IE00BKY4W127	PCOM IM	EUR	USD	0.19
PCOM	Xetra	IE00BKY4W127	PCOM GY	EUR	USD	0.19
PCOM	SIX	IE00BKY4W127	PCOM SW	USD	USD	0.19

TER: Total Expense Ratio.

³ Undertakings for the Collective Investment in Transferable Securities (UCITS).

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