

SUMMARY OF EVENTS RELATED TO WISDOMTREE BRENT CRUDE OIL 3X DAILY SHORT (3BRS) ON THURSDAY, 2ND APRIL 2020

3rd April 2020

On Thursday, 2nd April 2020 at 15:35 BST the NASDAQ Commodity Brent Crude Excess Return Index (NQICBER), rose more than 20% from its previous close¹, leading to a fall of more than 60% in the theoretical fair value of WisdomTree Brent Crude Oil 3x Daily Short (3BRS) from its previous close.

The extreme moves triggered an automatic “Restrike Event” i.e. an intraday rebalance of the product, as part of a protection mechanism incorporated in some of the WisdomTree short & leveraged ETPs, which is designed to mitigate the risk of the ETP’s value getting wiped out due to a sustained adverse movement in the underlying index.

The 3BRS product was rebalanced at a “restrike price” of \$1.4171424, corresponding with an underlying index value of 264.47. At the end of the day, 3BRS closed at a price of \$1.7970011.

The restrike worked in accordance with the Restrike Event provisions in the WisdomTree Multi Asset Issuer Public Limited Company Base Prospectus:

- + BRS returned -3.00x the return of the underlying index between the close of 1st April 2020 and the restrike event²
- + 3BRS returned -3.00x the return of the underlying index between the restrike event and the close of 2nd April 2020³
- + This translated into -4.71x the return of the underlying index between the close of 1st April 2020 and 2nd April 2020.

¹ NQICBER closed on the 1st April 2020 at 201.18, it broke through an intraday value of 241.416 at 15:35 BST. Source: Bloomberg, NASDAQ.

² Return here is measured as the difference between the intraday restrike price, i.e., the price at which the product reset its leverage, and the previous close of the product.

³ Return here is measured as the difference between the intraday restrike price, i.e., the price at which the product reset its leverage, and the day’s closing price for the product.

	3BRS	NQCICBER	3BRS	NQCICBER	Effective Leverage of 3BRS vs NQCICBER
	Price		Return from Previous Close		
Intraday restrike on 02/04/2020 at 15:35	1.417	264.47	-94.38%	31.46%	-3.00x
	Price		Return from Previous Close		
Close of 02/04/2020	1.797	240.84	26.80%	-8.93%	-3.00x
	Closing Price		Daily Return		
31/03/2020	21.3028	214.28			
01/04/2020	25.2078	201.18	18.33%	-6.11%	-3.00x
02/04/2020	1.797	240.84	-92.87%	19.71%	-4.71x

Source: Bloomberg, NASDAQ, WisdomTree, as of 3rd April 2020. All returns and prices are given in USD.

A short summary of the workings of the intraday restrike mechanism can be found below. For more information on the restrike mechanism in the relevant WisdomTree short & leveraged ETPs please consult the relevant Base Prospectus, which is available on www.wisdomtree.eu.

THE RESTRIKE MECHANISM IN WISDOMTREE SHORT & LEVERAGED ETPS

Introduction

- + To protect from the possibility of an ETP's value being wiped out over a single day, some WisdomTree S&L ETPs have an intra-day crash protection mechanism which comes into play 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 (here a sudden increase) in the underlying non-leveraged index.
- + The purpose of the note below is to give an overview of how this mechanism works, however the full exact details are in the prospectus and in any case of conflict, the prospectus rules.

When is the intraday restrike mechanism invoked?

- + Broadly speaking, the intraday restrike mechanism would be invoked intraday at 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 on the website. For 3BRS, the threshold was 20% above the previous close price for the underlying index.
- + 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.

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 most adverse 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 up 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 relevant Base Prospectus, [available on our website](#).

DISCLAIMER

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

WisdomTree Multi Asset Issuer PLC 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 is not promoting or marketing WisdomTree Multi Asset Issuer PLC ETPs to retail clients. Investors should refer to the section entitled "Risk Factors" and "Economic Overview of the ETP Securities" in the WTMA 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, nor the Issuer has assessed the suitability of any Leveraged ETPs for investors other than the relevant Authorised Participants.