

Product name: WisdomTree AT1 CoCo Bond UCITS ETF  
549300MRTM72PCY20F40

Legal entity identifier:

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of N/A of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

WisdomTree AT1 CoCo Bond UCITS ETF (the **Fund**) promoted environmental and social characteristics by excluding investment in AT1 contingent convertible securities (**AT1 CoCos**) issued by bond issuers involved in the high emitting sector of thermal coal activity, tobacco and controversial weapons and which do not comply with specific environmental principles. The Fund also excluded investment in bond issuers which do not adhere to internationally accepted human rights, labour standards or anti-corruption principles. A reference benchmark, the iBoxx Contingent Convertible Liquid Developed Europe AT1 Index (the **Index**), was designated for the purpose of attaining the social and environmental characteristics promoted by the Fund.

Exclusionary criteria forms part of the Index methodology and was used for the purposes of attaining the environmental and social characteristics promoted by the Fund. The Index excludes bond issuers based on environmental, social and governance (**ESG**) criteria.

The ESG criteria excluded from the eligible investment universe, bond issuers that (i) are non-compliant with certain commonly accepted international norms and standards, such as UN Global Compact Principles and Organisation for Economic Co-operation and Development (OECD) guidelines, (ii) are significantly involved in controversial weapons such as biological, chemical, cluster, nuclear or white phosphorous weapons or in anti-personnel mines, (iii) are significantly involved in the tobacco industry or (iv) are significantly involved in thermal coal activity, such as coal mining and exploration and coal-based power generation, and (v) do not meet such other ESG criteria as detailed in the Index methodology.

#### ● **How did the sustainability indicators perform?**

During the period, the Index applied exclusionary ESG screening and Global Screening Standard (GSS) criteria to verify bond issuers' eligibility for inclusion in the Index. The following sustainability indicators were used to measure the environmental and social characteristics promoted by the Fund.

It has been assessed that 100% of the Fund's portfolio was aligned with the ESG and GSS criteria applied by the Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

	thermal coal-based power generation.
Violations of UNGC principles and OECD Guidelines	It has been assessed that the Fund had 0% investment in bond issuers that are non-compliant based on the ESG data provider's GSS assessment. GSS identifies bond issuers that violate commonly accepted international norms and standards such as the UNGC principles, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and their underlying conventions.

***...and compared to previous periods?***

Not applicable as there is no previous reporting period for the Fund.

***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable as the Fund has not committed to make sustainable investments.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund has not committed to make sustainable investments.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

Not applicable.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable.

## What were the top investments of this financial product?



The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2022.

Largest investments	Sector	% Assets	Country
UBS Group	Banks	1.59%	Switzerland
Credit Suisse Group	Banks	1.45%	Switzerland
Lloyds Banking Group	Banks	1.39%	United Kingdom
BNP Paribas	Banks	1.36%	France
Lloyds Banking Group	Banks	1.27%	United Kingdom
Credit Suisse Group	Banks	1.27%	Switzerland
UBS Group	Banks	1.22%	Switzerland
HSBC Holdings	Banks	1.19%	United Kingdom
Credit Agricole	Banks	1.12%	France
UBS Group	Banks	1.10%	Switzerland
Intesa Sanpaolo	Banks	1.06%	Italy
Societe Generale	Banks	1.05%	France
Banco Bilbao Vizcaya	Banks	1.04%	Spain
BNP Paribas	Banks	1.04%	France
Deutsche Bank	Banks	1.03%	Germany

## What was the proportion of sustainability-related investments?

Not applicable as the Fund has not committed to make sustainable investments.

## What was the asset allocation?

Taxonomy-aligned activities are expressed as a share of:

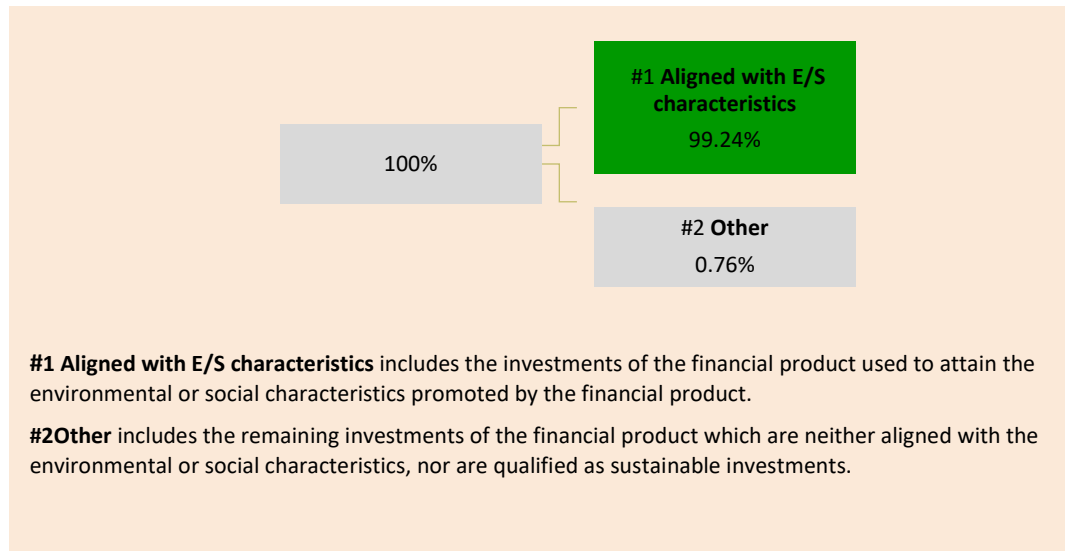
- **turnover** reflects the “greenness” of investee companies today.

- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



The Fund invested substantially all of its assets in the constituents of the Index. As a result, 99.24% of the Fund's investment portfolio aligned with the sustainable investment objective of the Fund. The remaining portion of the Fund's investments (**#2 Not Sustainable**) consisted of ancillary liquid assets (cash and cash equivalents) for which relevant ESG data was not available. As such, these investments were not aligned with sustainable investment objective of the Fund.



***In which economic sectors were the investments made?***

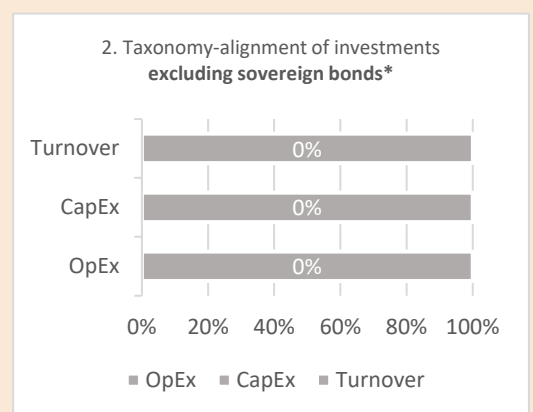
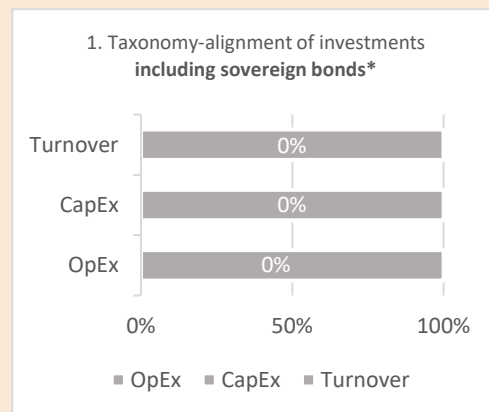
Please refer to the "Schedule of Investments" included in the annual report for the ICAV for all information on the Fund's geographical and industry exposure as at 31 December 2022.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

During the reference period, the Fund did not make a commitment to make EU Taxonomy aligned investments. Therefore, the EU Taxonomy alignment figures reported below are an incidental result of the Fund's investment strategy and promotion of environmental and social characteristics. The EU Taxonomy alignment figures are based on figures provided by the Fund's ESG data provider.

***The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***



contribution to an environmental objective.

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Transitional activities** are activities for which low-carbon

are sustainable  
**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **What was the share of investments made in transitional and enabling activities?**

The share of investments made in transitional activities was 0%. The share of investments made in enabling activities was 0%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable as the Fund has not committed to make sustainable investments.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable as the Fund has not committed to make sustainable investments.



**What was the share of socially sustainable investments?**

Not applicable as the Fund has not committed to make sustainable investments.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The Fund's investments were held with a view to achieving the Fund's investment objective, including investments not aligned to the environmental and/or social characteristics promoted by the Fund. As part of the investments made by the Fund in pursuit of its investment strategy, the Fund held 0.76% in ancillary liquid assets (cash and cash equivalents) as at 31 December 2022, for liquidity purposes and in order to achieve its investment objective as permitted under the UCITS Regulations. At present, there are no minimum environmental or social safeguards in relation to these ancillary liquid assets.

**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**



During the reference period, investments were made by the Fund under the condition of meeting the ESG and GSS criteria applied by the Index. Where bond issuers met certain thresholds relating to unsustainable activities or did not meet specific environmental principles set by the Index, they were either excluded from the Index in their entirety or are excluded based on certain revenues derived from these activities.

In addition, the attainment of social objectives was measured in the same manner by verifying whether bond issuers are eligible for inclusion in the Index based on the GSS applied by the Index. GSS identifies and excludes bond issuers that violate or are at risk of violating commonly accepted international norms and standards, such as the UNGC Principles, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and their underlying conventions as set out in the methodology for the Index.



**How did this financial product perform compared to the reference benchmark?**

The Index has been designated as a reference benchmark for the purpose of determining whether the Fund is aligned with the environmental and social characteristics it promotes. The Index is designed to reflect the performance of the AT1 CoCos denominated in EUR, USD and GBP issued by financial institutions from European developed markets. The Index also excludes companies based on specified ESG criteria outlined above. Further information on the methodology used for the calculation of the designated index can be found here:

<https://www.markit.com/Company/Files/DownloadFiles?CMSID=6255ed2eccb7425e81687bc446a5fa27>.

● **How does the reference benchmark differ from a broad market index?**

The Index is designed to reflect the performance of financial institutions AT1 CoCos denominated in EUR, USD, and GBP, whilst also screening out issuers involved in tobacco, controversial weapons, thermal coal and non-compliance with respect to the United Nations Global Compact Principles and its associated standards, conventions and treaties. The Index rules aim to offer good coverage of the contingent convertible bond universe, whilst upholding minimum standards of investability and liquidity. The Index is also aligned with ESG factors using exclusion criteria.

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

The Fund reflected the performance of the AT1 CoCos denominated in EUR, USD and GBP issued by financial institutions from European developed markets which are eligible for inclusion in the Index. The Index also excluded companies based on specified ESG criteria.

● ***How did this financial product perform compared with the reference benchmark?***

The Fund seeks to track the price and yield performance of the Index. The aim of the Investment Manager is to keep Tracking Error for the Fund below or equal to 2% for each share class for the Fund. The divergence between anticipated and realised Tracking Error for the period is set out at Investment Manager's report in the annual report for the ICAV.

● ***How did this financial product perform compared with the broad market index?***

As described above, the Index is fundamentally weighted and invests in AT1 CoCos denominated in EUR, USD and GBP issued by financial institutions from European developed markets which are eligible for inclusion in the Index. and controls for tracking error and other risk factors.

Accordingly, the Index is not comparable to any specific broad market index which does not apply the same selection and weighting process and so no comparison of the performance of the Fund relative to a broad market index during the period of this report can be provided.