

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** WisdomTree EUR Aggregate Bond ESG Enhanced Yield UCITS ETF  
**identifier:** 549300MSLSJ92CJ86Z23

**Legal entity**

## Environmental and/or social characteristics

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

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of N/A of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

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

WisdomTree EUR Aggregate Bond ESG Enhanced Yield UCITS ETF UCITS ETF (the **Fund**) promoted environmental and social characteristics by investing in Euro denominated, investment grade, fixed rate bonds (including treasuries, government-rated, corporate and securitised bonds) filtered for environmental, social and governance (**ESG**) criteria. A reference benchmark, the Bloomberg MSCI Euro Aggregate Sustainability SRI Enhanced Yield Bond Index (the **Index**), was designated for the purpose of attaining the social and environmental characteristics promoted by the Fund. The Index uses a rules-based approach to reweight the constituents of the Bloomberg MSCI Euro Aggregate Sustainability SRI Market Bond Index (the **Parent Index**). The Parent Index (and therefore the Index) applied environmental, social and governance (**ESG**) criteria for bond eligibility during the reporting period.

The Parent Index applied ESG criteria for bond eligibility including that (i) bonds must have a MSCI ESG Rating of BBB or higher (ii) issuers that are involved in certain values-based business criteria which contravene the MSCI socially responsible investment (**SRI**) screen are excluded, (iii) issuers with a “red” MSCI ESG Controversy Score (indicating that issuers are involved in one or more very severe controversies for ESG issues such as breaches of international norms and principles) are also excluded.

**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.

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

During the period, the MSCI ESG Rating, MSCI ESG Controversy Score and MSCI SRI screen were applied to each security or issuer as part of the Index methodology. The MSCI ESG rating, MSCI ESG Controversy Score and SRI screen were indicators used to measure the attainment of environmental and social characteristics promoted by the Fund.

MSCI ESG Ratings analysed key ESG risks and opportunities for each security in order to provide bond level transparency by measuring the ESG characteristics of the total portfolio. The MSCI ESG Controversy Score included an assessment of an issuer's involvement in controversies related to the company's operations and/or products that may constitute a breach of selected international norms and principles. The MSCI SRI screen removed issuers involved in select controversial businesses which contravene certain values, global sanctions, controversies and norms, e.g., Alcohol, Tobacco, Gambling, Weapons, etc., which helps filter certain value-based business involvement criteria.

During the reporting period:

- 100% of constituents in the Index had a BBB or higher rating in the MSCI ESG Ratings methodology;
- 0% of constituents in the Index had a "red" MSCI controversy score; and
- 0% of constituents in the Index in the specified excluded business lines/activities.

### ● **...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.



*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.*

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

Not applicable.

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



Largest investments	Sector	% Assets	Country
Caisse Nationale de	Full Line	1.2	France
Verizon	Telecommunicati	1.1	United
Equitable Bank	Banks	1.0	Canada
Bank of America	Banks	1.0	Unites
Nordea Bank	Banks	1.0	Finland
Mondi Finance	Forest Products	1.0	United
BNP Paribas	Banks	1.0	France
Kreditanstalt fuer	Banks	1.0	Germany
Santander Consumer	Banks	1.0	Norway
National Grid	Electric	1.0	United
Snam	Gas	1.0	Italy
Siemens	Miscellaneous	1.0	Netherla
Spain Government	Government	1.0	Spain
HSBC Holdings	Banks	1.0	United
UniCredit	Banks	1.0	Italy

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

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

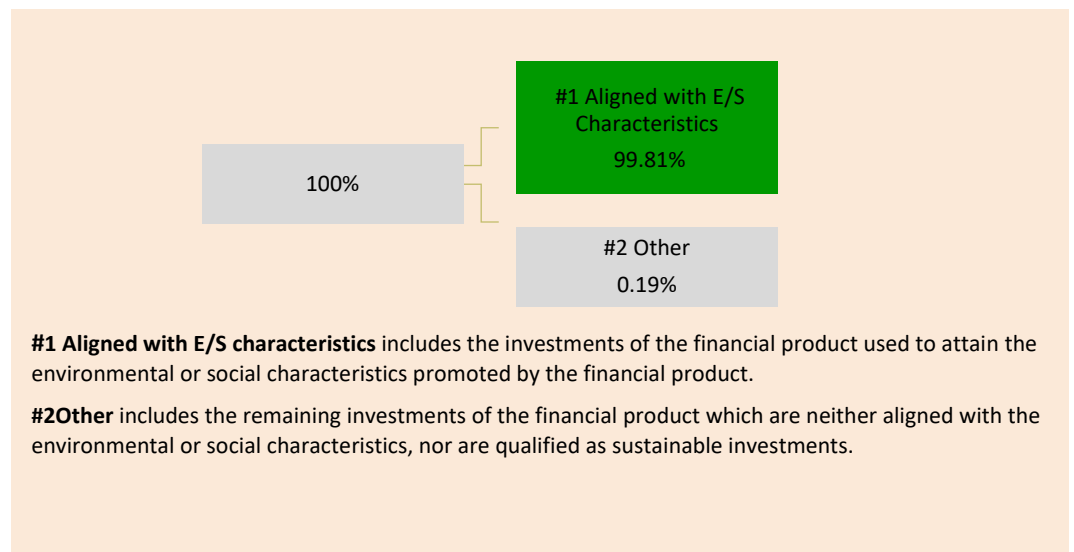
Not applicable as the Fund has not committed to make sustainable investments.

**Asset allocation** describes the share of investments in specific assets.



● **What was the asset allocation?**

The Fund invested substantially all of its assets in the constituents of the Index. The requirement for securities to have a minimum MSCI ESG rating of BBB, to meet the MSCI Controversy Score requirements and satisfy the SRI screen is factored into the Index construction. This means that issuers who did not satisfy certain environmental and social criteria were excluded from the Index with the result that the investments held by the Fund were aligned with minimum environmental and social characteristics. As a result, 99.81% of the Fund’s investment portfolio aligned with the environmental and social characteristics promoted by the Fund. The remaining portion of the Fund’s investments (**#2Other**) consisted of ancillary liquid assets for which relevant ESG data was not available. As such, these investments were not aligned with ESG characteristics promoted by 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, any 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.

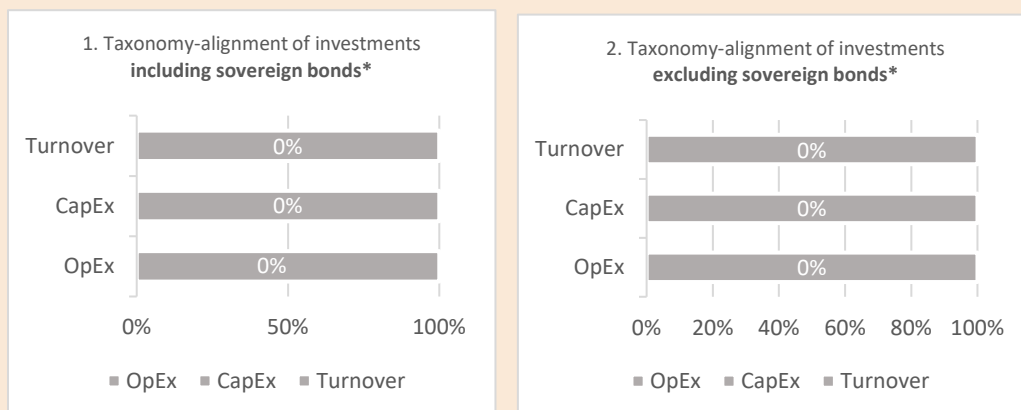
As at 31 December 2022, the Fund had 0% reported EU Taxonomy alignment figures.

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.

Enabling activities directly enable other activities to make a substantial contribution to an

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.



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

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

**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 may also have held up to 0.19% in ancillary liquid assets (cash and cash equivalents) as at 31 December 2022, for liquidity purposes and in order to achieve its investment objectives as permitted under the UCITS Regulations. At present, there are no minimum environmental or social safeguards in relation to these ancillary liquid assets.

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



## 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 in a portfolio investment grade, Euro denominated, fixed rate bonds, including treasuries, government-rated, corporate and securitised bonds filtered for ESG criteria. To be included in the Index and therefore be an investment in the Fund, securities must have had a minimum MSCI ESG rating of BBB or higher, must have been consistent with certain values-based business/activity involvement criteria and cannot have had a “red” MSCI ESG Controversy Score. Such requirements resulted in the attainment of the environmental and social characteristics promoted by the Fund.

## 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 was designed to contain only the bonds having a MSCI ESG rating of BBB or greater, that meet specified requirements of the MSCI ESG Controversy Score and satisfy the MSCI SRI screen. Further information on the methodology used for the calculation of the designated index can be found here: <https://www.wisdomtree.eu/-/media/eu-media-files/other-documents/index/wt/index-methodology/euro-aggregate-enhanced-yield-methodology.pdf>

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

The Index aimed to achieve a higher yield relative to the Parent Index while controlling for tracking error and other bond risk factors. The Parent Index (and therefore the Index) are designed to provide diversified exposure to the broad Euro denominated, investment grade bond market and meet ESG 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 Index contained only the bonds which satisfied the ESG criteria applied by the Index methodology.

### ● **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 was developed to achieve a higher yield relative to the Parent Index while controlling for tracking error and other bond risk factors.

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