# WisdomTree Equity Premium Income Digital Fund

Ticker
**WTPIX**

Token Ticker
**EPXC**

Over various market cycles, equities have historically tended to be the primary driver of total returns. However, they have also tended to be the largest sources of risk or volatility. When volatility rises, investors tend to search for ways to manage risk or diversify their portfolio. One solution could be to maintain exposure to equity markets but do so in a way that seeks to add value during turbulent markets.

The WisdomTree Equity Premium Income Digital Fund (Ticker: WTPIX; Token Ticker: EPXC)[1] seeks to track the price and yield performance, before fees and expenses, of the Volos US Large Cap Target 2.5% PutWrite Index (VULPW25 Index). The Index was created by Volos Portfolio Solutions, a leading provider of financial indexes and technology for institutional investors that specialize in indexes for options and derivatives strategies.

## Investment Strategy

On a monthly basis, WTPIX sells short two put options on the SPDR S&P 500 ETF Trust (SPY) with different expiration dates. The proceeds of these option sales and other collateral are invested in U.S. 3-Month Treasury Bills.

+ Options are written at a strike price that is the higher of the "at the money" exercise price or that has a premium that is closest to 2.5%.
+ Options are written twice a month, instead of quarterly or longer, to capture more gross premium with a target expiration of either the first Friday or the third Friday of the following month.
+ The Fund uses American style options, so they can be exercised at any time prior to expiration.
+ The Fund has a total net expense ratio of 0.44%.

| Tranche | Reference Component | Ticker | Target Exposure per Tranche | Expiration Date | Roll Date |
|---|---|---|---|---|---|
| A | SPDR S&P 500 ETF Trust | SPY | -50% | 1st Friday of the month | 1 Week prior to Expiration Date |
| B | SPDR S&P 500 ETF Trust | SPY | -50% | 3rd Friday of the month | |

## What Sets WTPIX Apart?

+ Potential to generate income from premiums generated by selling put options
+ Potential for enhanced risk-adjusted returns compared to S&P 500 Index or a similar covered call strategy
+ Ability to benefit from implied volatility being higher than realized volatility

[1] This is the ticker used for the digital representation of fund shares (i.e., tokenized shares") that lives on a blockchain. It's what shows up in your digital wallet or blockchain explorer.

### Why Invest in WTPIX?

+ Put writing has been used by professional investors for decades as a solution seeking to increase the yield and lower the volatility of equity returns over various market cycles
+ "At-the-money" put writing strategies on the S&P 500 Index have historically exhibited better risk-adjusted returns and SPY closely tracks its benchmark index
+ Option premiums can help mitigate loss from a negatively performing S&P 500 Index investment
+ Gross premiums from selling "at-the-money" puts on the S&P 500 Index have historically been higher than gross premiums received from selling "at-the-money" calls

### WTPIX Offers a Measure of Downside Risk Mitigation

Like most option writing strategies, returns for WTPIX will largely be driven by the premiums received. In down markets, these premiums may help to dampen losses. When markets rise, the strategy will tend to underperform 100% equities exposure (S&P 500 Index). However, by focusing on generating 2.5% premiums, these returns can add up.

Additionally, the strategy will tend to experience less volatility than the S&P 500 Index and smaller drawdowns. As a result of its lower volatility approach to the markets, the strategy is expected to have a lower beta than the market, particularly during periods of market stress.

### Conclusion

Put-writing has long been a strategy for investors seeking income with a measure of downside risk mitigation. WTPIX brings that approach into the digital era. By targeting a 2.5% premium through disciplined, bi-monthly SPY put writing and collateralized T-bill exposure, WTPIX offers investors the potential for enhanced risk-adjusted returns and reduced volatility, especially in choppy markets. As a digital fund, it combines traditional investment strategy with next-gen accessibility. For those looking to diversify equity exposure and smooth out the ride, WTPIX can be a tool for navigating uncertainty.

| Quick Facts | |
|---|---|
| Ticker | WTPIX |
| Token Ticker | EPXC |
| Expense Ratio | 0.44% |
| Structure | 40-Act Mutual Fund |
| Exposure | Long Treasury bills and short SPDR S&P 500 ETF Trust (SPY) put options |
| Rebalancing | Monthly |

**For more information about WisdomTree Digital Funds, visit [WisdomTree Prime] for retail investors or [WisdomTree Connect] for institutional investors.**

**Please see the WisdomTree Glossary for definitions of terms and indexes.**

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, call 866.909.9473 or visit Wisdomtree.com/investments. Read the prospectus carefully before you invest.**

Past performance is not indicative of future results.

There are risks associated with investing, including possible loss of principal.

Because the Fund is new, it has limited performance history. Blockchain technology is a relatively new and untested technology, with little regulation. Potential risks include vulnerability to fraud, theft, or inaccessibility, and future regulatory developments effect its viability. EPXC will invest in derivatives, including put options on the SPDR S&P 500 ETF Trust (“SPY Puts”). Derivative investments can be volatile, and these investments may be less liquid than securities, and more sensitive to the effects of varied economic conditions. All SPY Puts are exchange-listed standardized options. The SPY Puts are selected to target a premium of 2.5%. THE SPY Puts sold by the Fund may have imperfect correlation to the returns of the Index. Although the Fund collects premiums on the SPY Puts it writes, the Fund’s risk of loss if the price of SPY falls below the strike price and the SPY Puts are exercised as of the Roll Date may outweigh the gains to the fund from the receipt of such option premiums. The sale of cash-secured SPY Puts serves to partially offset a decline in the price of SPY to the extent of the premiums received. The potential return to the Fund is limited to the amount of option premiums it receives; however, the Fund can potentially lose up to the entire strike price of each option it sells. By virtue of its put option sales strategy, Fund returns will be subject to an upside limitation on returns attributable to SPY, and the Fund will not participate in gains beyond such upside limitation. The Fund's investment strategy is subject to risks related to rolling. To the extent the Fund's portfolio managers are unable to roll the SPY Puts as described in the Fund's principal investment strategy, the Fund may be unable to achieve its investment objective. Due to the investment strategy of the Fund, it may make higher capital gain distributions than other funds.

Please read the Fund’s prospectus for specific details regarding the Fund’s risk profile.

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