



EDGA Exchange, Inc. & EDGX Exchange, Inc.			
Regulatory Information Circular			
Circular Number:	2013-110	Contact:	Jeff Rosenstock
Date:	December 18, 2013	Telephone:	(201) 942-8295

**Subject: WisdomTree Japan Interest Rate Strategy Fund  
 WisdomTree Barclays U.S. Aggregate Bond Negative Duration Fund  
 WisdomTree Barclays U.S. Aggregate Bond Zero Duration Fund  
 WisdomTree BofA Merrill Lynch High Yield Bond Negative Duration Fund  
 WisdomTree BofA Merrill Lynch High Yield Bond Zero Duration Fund**

**Background Information on the Fund**

As more fully explained in the [Registration Statement](#) (Nos. 333-132380 and 811-21864), the WisdomTree Trust (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended. The Trust consists of separate exchange-traded funds, including the above mentioned fund (the “Fund”). The shares of the Fund are referred to herein as “Shares.”

WisdomTree Asset Management, Inc. serves as the investment adviser for the Fund (the “Adviser”). BNY Mellon serves as the Fund’s administrator, custodian and transfer agent. ALPS Distributors, Inc. is the distributor for the fund (the “Distributor”).

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
JGBB	WisdomTree Japan Interest Rate Strategy Fund	97717W299
AGND	WisdomTree Barclays U.S. Aggregate Bond Negative Duration Fund	97717W364
AGZD	WisdomTree Barclays U.S. Aggregate Bond Zero Duration Fund	97717W380
HYND	WisdomTree BofA Merrill Lynch High Yield Bond Negative Duration Fund	97717W398
HYZD	WisdomTree BofA Merrill Lynch High Yield Bond Zero Duration Fund	97717W430

**Description of the Funds**

**WisdomTree Japan Interest Rate Strategy Fund**

The WisdomTree Japan Interest Rate Strategy Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the WisdomTree Japan Interest Rate Strategy Index (the “JGBB Index”). The Fund’s investment

objective and the Index may be changed without shareholder approval. The JGBB Index is designed to provide long exposure to monthly U.S. Treasury Bill (“T-Bill”) returns plus short exposure to the monthly performance of Japanese government bonds (“JGBs”) while at the same time offsetting a portion of the exposure to fluctuations of the Japanese yen relative to the U.S. dollar (the amount of currency exposure to be offset is determined periodically with reference to its contribution to the overall volatility of the Index). The Index consists of long positions and short positions. The long positions in the Index include market capitalization weighted T-Bills that have a remaining maturity of greater than 1 month and less than 3 months. The long positions are designed to capture the returns of T-Bills. The short positions in the Index include market capitalization weighted JGBs and are designed to provide exposure to changes in Japanese interest rates. JGBs as defined in the Index include debt securities issued by the Japanese government as well as debt securities issued by Japanese agencies and local authorities.

#### WisdomTree Barclays U.S. Aggregate Bond Negative Duration Fund

The WisdomTree Barclays U.S. Aggregate Bond Negative Duration Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Barclays US Aggregate Negative Duration Index (the “AGND Index”). The Fund’s investment objective and the Index may be changed without shareholder approval. The AGND Index is designed to provide the return of an investment in the Barclays US Aggregate Index less an interest rate (duration) exposure that provides a net duration of negative five years.

#### WisdomTree Barclays U.S. Aggregate Bond Zero Duration Fund

The WisdomTree Barclays U.S. Aggregate Bond Zero Duration Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Barclays US Aggregate Zero Duration Index (the “AGZD Index”). The Fund’s investment objective and the Index may be changed without shareholder approval. The AGZD Index is designed to provide the return of an investment in the US Aggregate Index less the interest rate (duration) exposure by combining the return of the Barclays US Aggregate Index with a short position in four US Treasury securities so as to reduce the Treasury duration exposure of the Barclays US Aggregate Index.

#### WisdomTree BofA Merrill Lynch High Yield Bond Negative Duration Fund

The WisdomTree BofA Merrill Lynch High Yield Bond Negative Duration Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the BofA Merrill Lynch 0-5 Year US High Yield Constrained Negative Seven Duration Index (the “HYND Index”). The Fund’s investment objective and the Index may be changed without shareholder approval. The HYND Index is designed to track the performance of the combination of a long position in short maturity U.S. high yield bonds and a short position in on the run U.S. Treasuries where the net interest rate exposure of the index is adjusted to a negative seven year duration. Qualifying high yield securities must be corporate debt that is publicly issued in the US domestic market has a below investment grade rating (based on an average of Moody’s, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one month but less than five years remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million.

## WisdomTree BofA Merrill Lynch High Yield Bond Zero Duration Fund

The WisdomTree BofA Merrill Lynch High Yield Bond Zero Duration Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the BofA Merrill Lynch 0-5 Year US High Yield Constrained Zero Duration Index (the “HYZD Index”). The Fund’s investment objective and the Index may be changed without shareholder approval. The HYZD Index is designed to track the performance of the combination of a long position in short maturity US high yield bonds and a short position in on the run US Treasuries where the net interest rate exposure of the index is hedged to a zero duration.

As described more fully in the Trust’s prospectus and Statement of Additional Information (“SAI”), the Funds issue and redeem Shares at net asset value (“NAV”) only in large blocks of shares, respectively, (each block of Shares called a “Creation Unit”) or multiples thereof. Each Creation Unit consists of 100,000 shares. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Dividends from net investment income, if any, are declared and paid at least annually by the Funds. Distributions of net realized securities gains, if any, generally are declared and paid annually.

The NAV of each Fund is generally determined as of the close of trading (normally 4:00 p.m., Eastern Time) on each day the NASDAQ Stock Market is open for business. The NAV of each Fund is calculated by dividing the value of the net assets of each Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of each Fund, generally rounded to the nearest cent.

The Intraday Indicative Value for Shares of the Funds will be available from market data vendors under the symbols JGBB.IV, AGND.IV, AGZD.IV, HYND.IV and HYZD.IV, respectively.

The Trust’s registration statement describes the various fees and expenses for the Funds’ shares. For a more complete description of the Funds and the Indexes, visit [www.wisdomtree.com](http://www.wisdomtree.com)

### **Purchase and Redemption of Shares**

Procedures for purchases and redemptions of Shares in Creation Units are described in the Trust’s Prospectus and SAI and that Shares are not individually redeemable but are redeemable only in Creation Unit aggregations or multiples thereof. As described in the Prospectus, Creation Units of the Funds are purchased and redeemed for cash.

### **Principal Risks**

Interested persons are referred to the discussion in the prospectus for each Fund of the principal risks of an investment in each Fund. These include, but are not limited to, cash redemption risk, counterparty and issuer credit risk, currency exchange rate risk, derivatives risk, foreign securities risk, geographic concentration in Japan, hedging risk, high yield securities risk, interest rate risk, investment risk, investment style risk, issuer-specific risk, market risk, mortgage- and asset-backed securities risk, non-correlation risk, non-diversification risk, shares of each Fund may trade at prices other than NAV, short sales risk, sovereign debt risk, subsidiary investment risk, U.S. treasury

exposure risk and yield curve risk. In addition, as noted in the Funds' Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Funds' holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

The Funds' Prospectus describing other risks is available at [www.wisdomtree.com](http://www.wisdomtree.com)

### **Exchange Rules Applicable to Trading in the Shares**

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the Shares on the Exchanges is on a UTP basis and is subject to the Exchanges equity trading rules. The Shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of Index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated Index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the Index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds Members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **Trading Halts**

The Exchanges will halt trading in the Shares in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency

spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares if the primary market de-lists the Shares.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

A [Prospectus](#) may be obtained through the Distributor or may be available on the Fund's [website](#). The Prospectus will not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's Registration Statement.

### **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The Commission has issued letters (together, the "No- Action Letters") dated April 9, 2007 and November 21, 2005 granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. ETP Holders should refer to the No Action Letters, available at [www.sec.gov](http://www.sec.gov), for additional information.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Fund's securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter relating to paragraph (e) of Rule 102 under Regulation M to allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

### **Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2**

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830 (I)(5)(A), (B) or (C). The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act stating that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

### **SEC Rule 15c1-5 and 15c1-6**

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Funds' website for relevant information.**