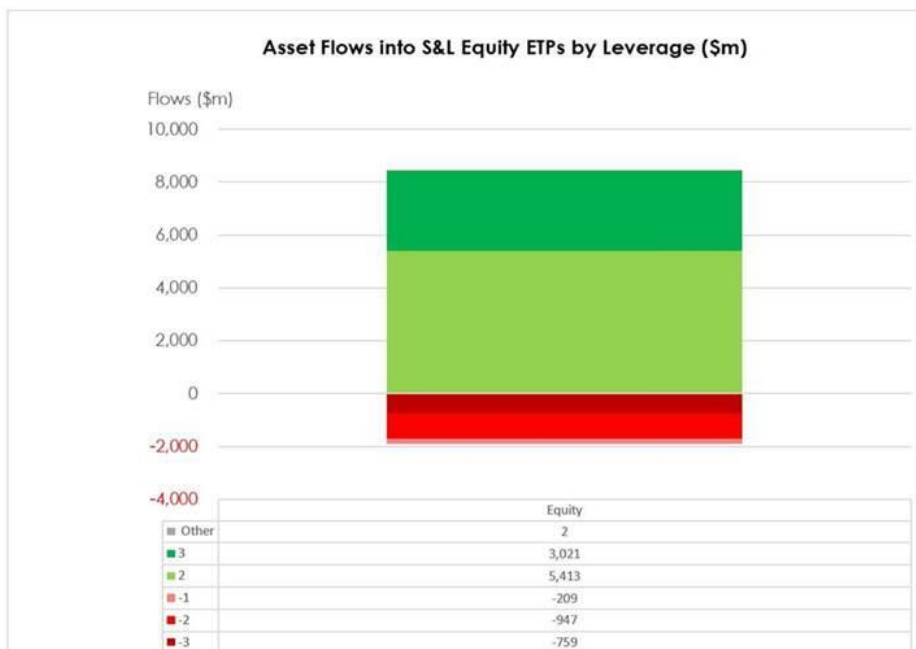


- **Investors in short and leveraged (S&L) exchange traded products (ETPs) globally (“S&L investors”) appeared to maintain their bullishness on equities coming into November after buying the October dips.** Investors funnelled \$8.4bn into leveraged equity ETPs in October and redeemed \$1.9bn of short equity ETPs. Accounting for the products’ leverage factors, this amounts to a bullish repositioning equivalent to \$24bn, roughly one third of S&L investors’ position in equities. **These are the most bullish single month flows on record since 2005.**
- **Most of the bullish flows in equities went into US-focused and Japan-focused ETPs.** Japan has seen record levels of bullishness, with S&L investors’ average leverage rising to 1.33x in October 2018, the highest level in 2 years.
- **In Europe,** France seemed to switch from net bearish to net bullish as investors pulled money from short ETPs and poured money into leveraged ones. S&L investors remained bullish on Europe broadly and bearish on the UK, Germany and Switzerland.
- There are about 1085 Short & Leveraged ETPs globally, with roughly \$83bn in AUM. (Source: Bloomberg, WisdomTree, as at 31 October 2018).

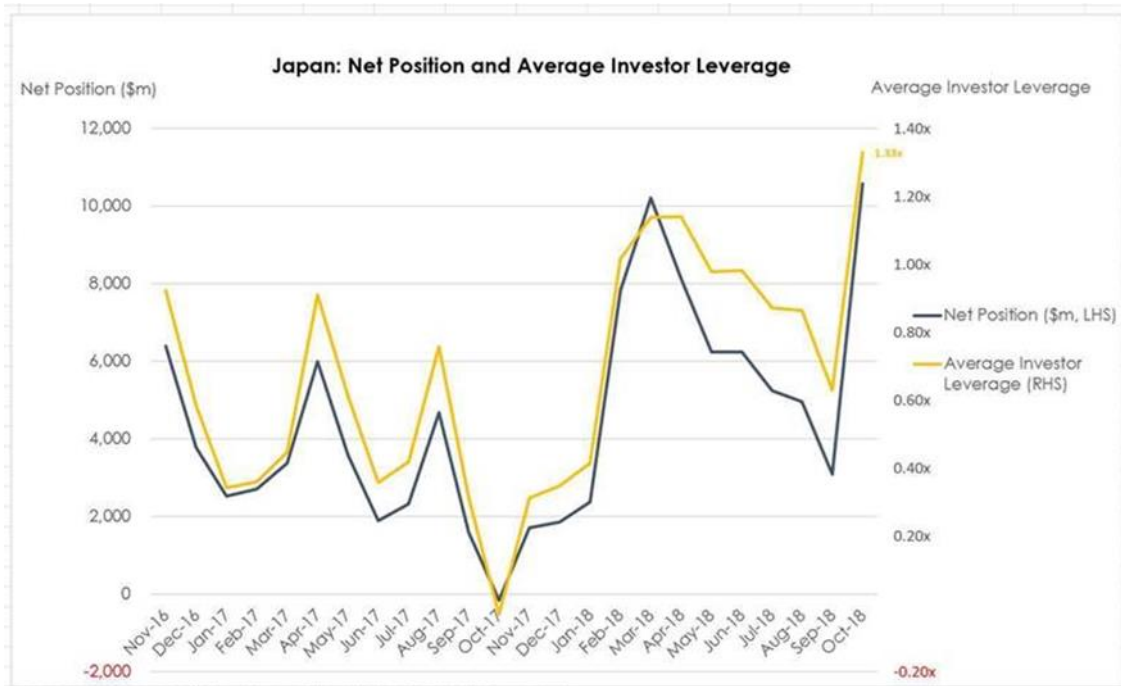
Investors in short and leveraged (S&L) exchange traded products (ETPs) globally (“S&L investors”) appeared to maintain their bullishness on equities coming into November after buying the October dips.



Source: Bloomberg, WisdomTree, 1 October 2018 - 31 October 2018

Historical performance is not an indication of future performance and any investments may go down in value

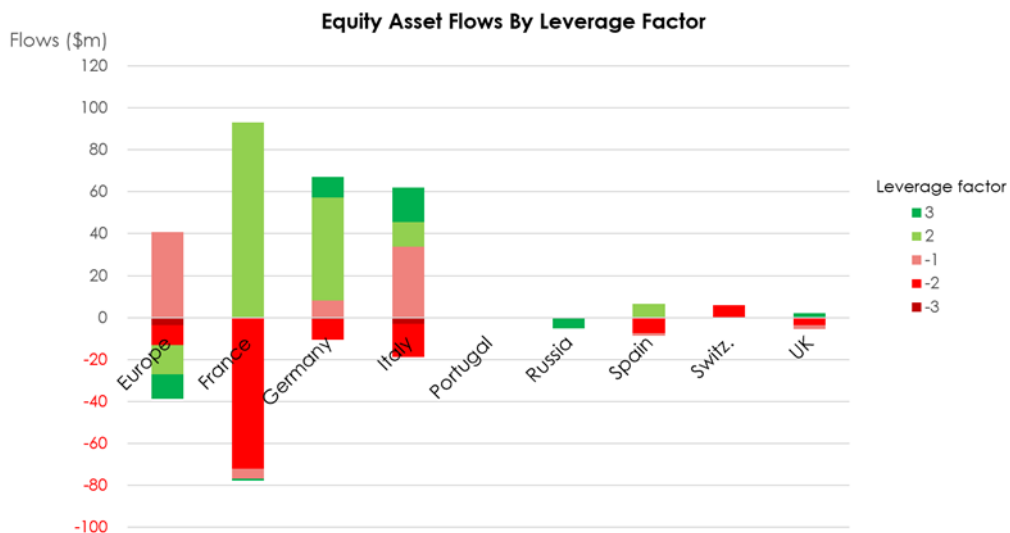
- Most of the bullish flows in equities went into US-focused and Japan-focused ETPs.



Source: Bloomberg, WisdomTree, 1 October - 31 October 2018

Historical performance is not an indication of future performance and any investments may go down in value

- In Europe, France seemed to switch from net bearish to net bullish as investors pulled money from short ETPs and poured money into leveraged ones.



Source: Bloomberg, WisdomTree, 1 October 2018 - 31 October 2018

Historical performance is not an indication of future performance and any investments may go down in value

Disclaimer:

This communication has been issued by WisdomTree UK Limited ("WTUK") which is authorised and regulated by the United Kingdom Financial Conduct Authority (the "FCA").

The information contained in this communication is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This communication should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

Short & Leveraged Exchange-Traded Products are only intended for investors who understand the risks involved in investing in a product with short and/or leveraged exposure and who intend to invest on a short-term basis. Potential losses in short and/or leveraged exchange-traded products may be magnified in comparison to investments that do not incorporate these strategies.

This communication is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

WTUK is required by the FCA to clarify that it is not acting for you in any way in relation to the investment or investment activity to which this communication relates. In particular, WTUK will not provide any investment services to you and or advise you on the merits of, or make any recommendation to you in relation to, the terms of any transaction. No representative of WTUK is authorised to behave in any way which would lead you to believe otherwise. WTUK is not, therefore, responsible for providing you with the protections afforded to its clients and you should seek your own independent legal, investment and tax or other advice as you see fit.