

WAMA

WisdomTree US Adaptive Moving Average Fund

Fund Description

WAMA tracks an index that utilizes a 200-day moving average strategy to dynamically switch investments between US equities and short-term treasury bills. Selection and weighting are based on momentum.

FactSet Analyst Report

WAMA is passively managed, providing adaptive exposure to US equities and treasuries. The strategy is based on a trend-following signal, utilizing a 200-day moving average crossover, where the ratio of the index's current price to its 200-day average determines the allocation. If the ratio remains above 1.01 for two days, the portfolio fully allocates to stocks. Conversely, a ratio of 1.01 or below shifts it to treasuries. The fund also incorporates a breadth overlay that can trigger an early re-entry into equities. If more than 15% of the index constituents trade above their own 200-day averages, even while the system is allocated to T-bills. Additionally, a 5% stop-loss triggers a rebalance back into treasuries if the market declines sharply following an equity allocation. WAMA may use futures, ETFs, money market instruments, and cash equivalents to obtain or hedge exposure. Because the strategy adjusts allocations actively and frequently, a high portfolio turnover is expected.

