

WFHY

WisdomTree U.S. High Yield Corporate Bond Fund

Fund Description

WFHY tracks an index composed of high-yield, US corporate bonds. Constituents are selected and weighted by fundamental factors and bond risk characteristics.

FactSet Analyst Report

WFHY's eligible universe begins with high-yield, US-domiciled, USD-denominated debt, with no maturity mandate. From this pool, the fund selects its securities by scoring companies based on their free cash flows to equity, and removing the lowest-scoring 20%. Securities are then ranked within each sector to screen out the bottom 5% by liquidity score. The fund weights its securities by scoring remaining bonds by their probabilities of default, giving preference to risk-adjusted higher income. The fundamental approach intends to identify companies with healthier cash flows, while tilting towards higher income. The Index is rebalanced semi-annually, with single issuer capped at 2% and any excess exposure distributed on a pro-rata basis to the remaining bonds.

