

# WisdomTree

## Cocoa 2x Daily Leveraged

### Investment Objective

WisdomTree Cocoa 2x Daily Leveraged is designed to enable investors to gain a 'leveraged' exposure to a total return investment in cocoa futures contracts by tracking the Bloomberg Cocoa Subindex (the "Index") and providing a collateral yield. A daily leveraged exposure means that the product is designed to reflect 200% of the daily percentage change in the Index level. For example, if the Index was to decrease in value by 5% on a particular day, the product is designed to decrease in value by 10% on that day (minus fees and expenses). WisdomTree Cocoa 2x Daily Leveraged is an exchange traded commodity ("ETC"). It is not a UCITS product. Securities in this ETC are structured as debt securities and not as shares (equity) and can be created and redeemed on demand by authorised participants and traded on exchange just like shares in a company. The ETC is backed by swaps. The payment obligations of the swap counterparties to the Issuer are protected by collateral held which is marked to market daily. The collateral is held in segregated accounts at The Bank of New York Mellon. Details of the collateral held can be found in the Collateral section of the WisdomTree website ([www.wisdomtree.com](http://www.wisdomtree.com)).

### Index Description

The Index is designed to reflect the movement in the price of the cocoa futures contracts used in the Bloomberg Commodity Index<sup>SM</sup> that are continuously rolled on a pre-determined rolling schedule. Each trading day the ETC will reflect 2 times the movement of the Index relative to the previous day's close (excluding fees and expenses). Therefore any losses will be magnified in comparison to a decrease in the value of the Index. Leveraged ETCs are only intended for investors who understand the risks involved in investing in an ETC with leveraged exposure and who intend to invest on a short-term basis. Any investment in a leveraged ETC should be monitored on a daily basis to ensure consistency with your investment strategy. Please refer to the section entitled "Risk Factors" in the relevant prospectus for further details of these and other risks associated with an investment in leveraged ETCs. You should consult an independent investment adviser prior to making an investment in a leveraged ETC in order to determine its suitability to your circumstances.

### Potential Risks

An investment in this ETC involves a significant degree of risk. Any decision to invest should be based on the information contained in the relevant prospectus. Prospective investors should obtain independent accounting, tax and legal advice and should consult their professional advisers to ascertain the suitability of this ETC as an investment to their own circumstances.

The price will fall when the Index rises. If the value of the Index increases for extended periods, a short ETC will likely lose most or all of its value. If the Index rises by 100% or more in one day, an investment in a short ETC will lose all of its value.

Returns measured over periods of longer than one day may differ from minus one times the Index's return over that period.

Short ETCs are only intended for investors who understand the risks involved in investing in an ETC with short exposure and who intend to invest on a short term basis. Any investment in a short ETC should be monitored on a daily basis to ensure consistency with your investment strategy.

The price of securities in this ETC is generally quoted in US Dollars. To the extent that a security holder purchases securities in another currency, the value will be affected by changes in the exchange rate.

There can be no certainty that securities can always be bought or sold on a stock exchange or that the market price at which the securities may be traded on a stock exchange will always accurately reflect the performance of the Index.

The Issuer is reliant on there being swap counterparties available to enter into swap agreements with on a continuing basis and, if no swap counterparties are willing to do so, the ETC will not be able to achieve its investment policy of tracking the performance of the Index.

The Issuer is subject to the risk that the swap counterparties and other third party service providers may fail to return property belonging to the Issuer or pay money due to the Issuer.

### Product Information

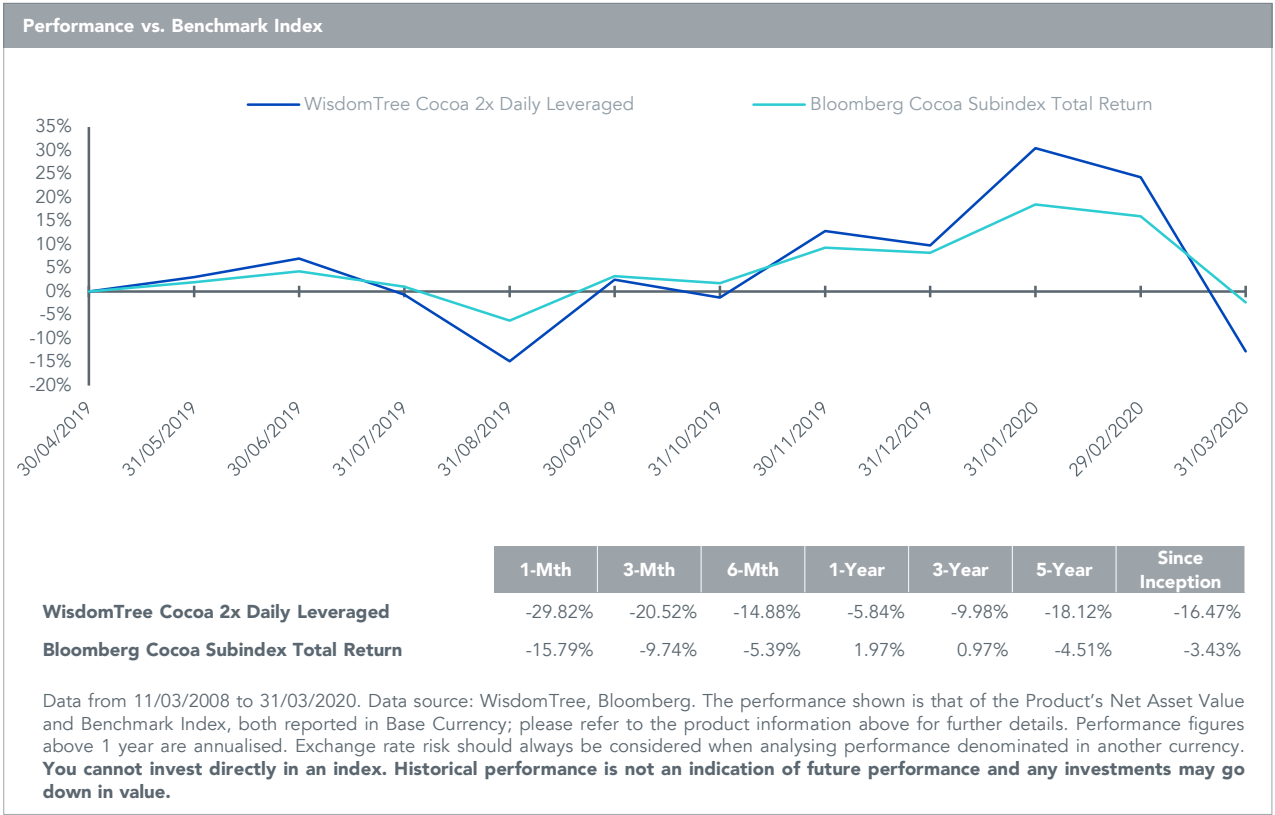
Asset Class	Commodities
ISIN	JE00B2NFV803
Base Currency	USD
Inception Date	11/03/2008
Currency Hedged	No
Management Fee	0.98%
Daily Swap Rate	0.003562%
Domicile	Jersey
Legal Form / Structure	Debt security / ETC
Replication Method	Synthetic - fully funded collateralised swap
UCITS Eligible	No
UCITS Compliant	No
ISA Eligible	Yes
SIPP Eligible	Yes
UK Fund Reporting Status	Yes
Passporting	AT,BE,DE,DK,FI,FR,IRL,IT,NL,N O,SE,ES,UK
Use of Income	N/A
Issuers	WisdomTree Commodity Securities Limited
Trustee	The Law Debenture Trust Corporation p.l.c.
Collateral Administrator	The Bank of New York Mellon

### Index Information

Index	Bloomberg Cocoa Subindex Total Return
Index Provider	Bloomberg
Index Currency	USD
Index Bloomberg Code	BCOMCCTR

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### Listing Information

Exchange	Trading Currency	Exchange Ticker	Bloomberg Code	RIC	SEDOL	ISIN	WKN	Listing Date
LSE	USD	LCOC	LCOC LN	LCOC.L	B2NFV80	JE00B2NFV803		11/03/2008
Xetra	EUR	4RUP	4RUP GY	4RUP.DE	B39N817	DE000A0V9ZE9	A0V9ZE	12/06/2008
Borsa Italiana	EUR	LCOC	LCOC IM	LCOC.MI	B560L50	JE00B2NFV803		01/04/2012

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### Glossary

**Authorised participant** Banks or other financial institutions that act as intermediaries between issuers of securities and other investors or intermediaries. Authorised participants subscribe for and redeem securities directly with the Issuer and buy and sell those securities to investors or intermediaries either directly or via stock exchanges. **Collateral held** Cash or other transferable securities which are held independently to reduce the Issuer's credit risk in respect of any single counterparty. For example, if the Index (tracked by the ETC) decreases, the amount owed to the Issuer by the swap counterparty increases and therefore additional collateral is transferred by the swap counterparty to reduce the increased risk to the ETC of that counterparty.

**Collateral yield** The collateral yield is the hypothetical interest that an investor would have received on cash equal in value to the underlying futures contracts. **Exposure** An ETC has exposure to an index or commodity if its value is directly affected by movements in the price of that index or commodity. Exposure to an index or commodity can be achieved in various different ways. This ETC aims to provide exposure to the Index using swaps.

**Fully funded swap** This is a swap whereby the cash from investors is transferred by the Issuer to the swap counterparties. **Futures contract** A futures contract is an agreement to purchase a commodity at an agreed price, with delivery and payment to take place at a specified point in the future.

Futures contracts are generally disposed of just before the term of the contract expires and new contracts entered into in order to avoid taking actual delivery of the commodity in question (a process known as 'rolling'), so that continuous exposure to the commodity is maintained. The contracts being purchased may be more expensive than the contracts being sold which would cause an investor in commodity futures to make an additional loss. This market trend is known as 'contango'. Alternatively the contracts being purchased may be cheaper than the ones being sold which would result in an additional gain, known as 'backwardation'. This price difference is commonly referred to as "roll yield". As the roll yield is incorporated into the calculation of the value of the Index, it may therefore have a positive or negative impact on the value of the Index depending on whether there is contango or backwardation. The ETC will also be affected as its value is based upon the value of the Index. **Swap or swap agreement** This is where the Issuer enters into contracts with one or more swap counterparties whereby the Issuer is owed money from a swap counterparty when the value of the Index (tracked by the relevant ETC) goes down and the Issuer owes money to the swap counterparty when the value of the Index goes up. By using swaps, the ETC can efficiently track the upward or downward performance of the Index without having to actually own the Index constituents themselves. **Swap counterparty** Typically a large bank or financial institution with whom the Issuer enters into swaps. **Marked to market** The amount of collateral held will be adjusted on a daily basis in order to reflect the value of the swaps. **UCITS** The Undertakings for Collective Investment in Transferable Securities Directives (UCITS) are a set of European Union Directives that aim to harmonise, regulate and facilitate the offer of collective investment schemes in Europe by imposing certain requirements which collective investment schemes must meet if they are to be approved as UCITS products. This ETC is not a UCITS product.

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