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WisdomTree Celebrates the 10th Anniversary of its First ETFs

A Decade after Offering Alternatives to Cap-Weighted Indexes, WisdomTree Continues to Redefine the ETF Industry through Innovation

NEW YORK, June 22, 2016 (GLOBE NEWSWIRE) -- WisdomTree Investments, Inc. (NASDAQ:WETF), an exchange-traded fund ("ETF") and exchange-traded product ("ETP") sponsor and asset manager, today announces the 10th anniversary of the launch of its first 20 equity ETFs.

A Decade of Excellence

Ten years ago in the summer of 2006, WisdomTree launched its first family of fundamentally weighted ETFs, pioneering the concept of dividend-weighted ETFs through the listing of 20 funds in a single day. The Company's 2006 launch was based on its original vision that weighting equity markets by income, rather than by market capitalization, would represent a significant evolution in indexing.

WisdomTree sought to create new broad-based indexes that adopted the best practices of index investing: broad representation, rules-based transparency and low turnover. At the same time, these indexes were constructed to introduce a measure of valuation into index weights in order to address the potential drawbacks of traditional indexes, which are vulnerable to bubbles over full market cycles. Rather than weighting each component based on its market value, WisdomTree's broad-based dividend indexes typically include all investable stocks¹ that pay dividends and then weight them annually based on a measure of relative value: the cash dividends each company pays as a percentage of the total amount of cash dividends paid by all the companies in that market.

These equity indexes would ultimately serve as the basis for WisdomTree's successful ETF platform today.

WisdomTree's Chief Investment Strategist, Luciano Siracusano, commented on the significance of WisdomTree's ten-year track records: "Passive investing has undoubtedly served investors well over the past 30 years. Numerous studies confirm that, over time, the vast majority of actively managed mutual funds have failed to outperform comparable cap-weighted indexes, after accounting for fees, expenses and transaction costs. The real time track records of our indexes in the market underscore that there is in fact room for improvement beyond traditional indexing to achieve better risk adjusted returns."

WisdomTree is marking this milestone with the release of *Dividend-Weighting Equity Markets: 2006-2016*, a research paper that examines the outperformance of WisdomTree's core indexes: Click [HERE](#) to view the PDF.

Leading ETF Industry Innovation

In addition to its groundbreaking Smart Beta ETFs, WisdomTree changed the competitive landscape through a novel, research-driven business model of self-indexing. By creating its own proprietary indexes and operating as both index developer and ETF sponsor, WisdomTree creates its own investor-focused intellectual property and remains at the forefront of investment innovation today. WisdomTree has grown from its initial family of 20 products in 2006 to 99 funds in the U.S.; covering domestic, international and global equities, fixed income, currencies, commodities and alternative strategies. Most recently, WisdomTree launched a family of fundamentally weighted fixed income ETFs, once again seeking to address a flaw in conventional indexing which in the case of fixed income, assigns the most weight to the most indebted companies.

"Ten years ago, WisdomTree believed ETFs represented the future of asset management because of their investor-friendly characteristics; we introduced an important evolution in index construction through fundamental weighting and a novel business model of self-indexing which allowed WisdomTree to become one of the world's leading ETF sponsors. Today, ETFs are in fact a global phenomenon poised to overtake traditional mutual fund assets over time, and alternative index weighting schemes under the Smart Beta moniker are becoming widely accepted by individual and institutional investors alike. Not only was WisdomTree's early vision validated, our value proposition and competitive strategy position us incredibly well for the next decade and beyond," said WisdomTree CEO and President Jonathan Steinberg.

Mr. Steinberg added, "The future for both traditional Beta and Smart Beta ETFs across equities and fixed income remains bright as more individuals, financial advisors and institutions embrace a structure which promotes transparency, liquidity and a level playing field in financial markets. Continued investment innovations like currency hedging and liquid alternatives, in addition to new regulations encouraging transparency of fees and advice, will further contribute to ETF industry growth in the U.S. and in fast-growing ETF markets around the world. As WisdomTree expands in new asset classes and geographic markets, we are still executing against our original business plan: to develop innovative, thoughtful, and differentiated ETFs which serve the needs of investors."

Today with more than \$40.4 billion in assets under management, WisdomTree is headquartered in New York City with offices in Japan, Europe and most recently, Canada.

About WisdomTree

WisdomTree Investments, Inc., through its subsidiaries in the U.S., Europe and Japan (collectively, "WisdomTree"), is an exchange-traded fund ("ETF") and exchange-traded product ("ETP") sponsor and asset manager headquartered in New York. WisdomTree offers products covering equities, fixed income, currencies, commodities and alternative strategies. WisdomTree currently has approximately \$40.4 billion in assets under management globally.

WisdomTree® is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide.

¹ That meet WisdomTree's minimum market capitalization and liquidity thresholds.

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