



WisdomTree
Q1/16 Results



April 29, 2016

Forward looking statements

This presentation contains forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this presentation completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this presentation may include statements about: anticipated trends, conditions and investor sentiment in the global markets and exchange-traded products ("ETPs"); anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; our ability to develop new products and services; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully expand our business into non-U.S. markets; timing of payment of our cash income taxes; competition in our business; and the effect of laws and regulations that apply to our business.

Our business is subject to many risks and uncertainties, including without limitation:

Financial growth in recent years may not provide an accurate representation of the financial growth we may experience in the future, which may make it difficult to evaluate our future prospects.

Declining prices of securities can adversely affect our business by reducing the market value of the assets we manage or causing customers to sell their fund shares and trigger redemptions.

Fluctuations in the amount and mix of our AUM may negatively impact revenues and operating margins.

We derive a substantial portion of our revenues from two products – the WisdomTree Europe Hedged Equity Fund and the WisdomTree Japan Hedged Equity Fund – and, as a result, our operating results are particularly exposed to the performance of these funds and our ability to maintain the AUM of these funds, as well as investor sentiment toward investing in the funds' strategies and market-specific and political and economic risk.

Most of our AUM are held in our U.S. listed ETFs that invest in foreign securities and we therefore have substantial exposure to foreign market conditions and are subject to currency exchange rate risks.

Many of our ETPs and ETFs have a limited track record, and poor investment performance could cause our revenues to decline.

We depend on third parties to provide many critical services to operate our business and our ETPs and ETFs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm our customers.

Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015. The forward-looking statements in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this presentation.

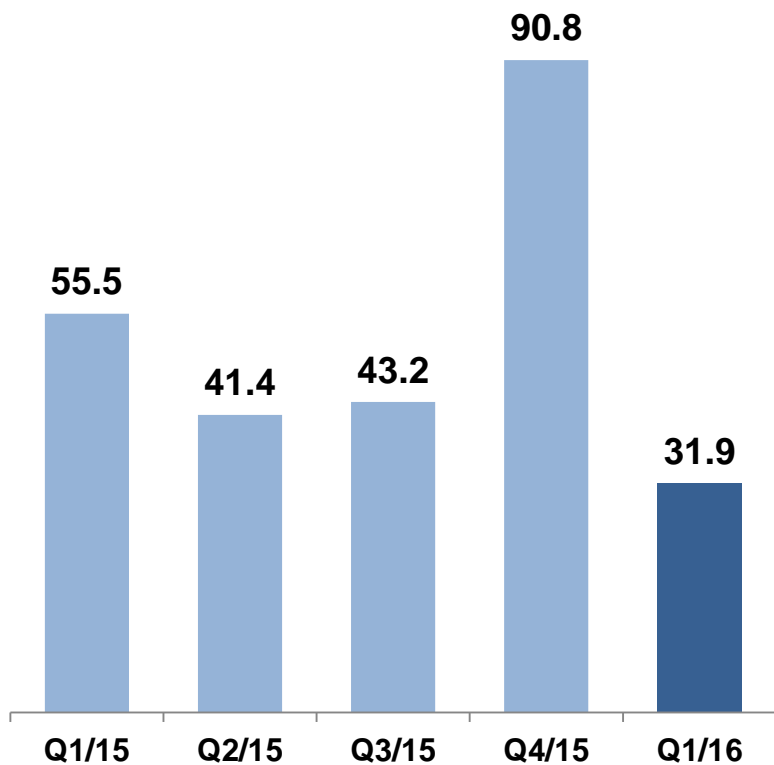
Q1 highlights

- Challenging quarter
- Solid financial results
- \$46 million Q1 capital return
- Buyback authorization increased by \$60 million to \$100 million
- Building on market leadership position
- Investing for long-term growth

Industry flows driven by fixed income and gold ETFs

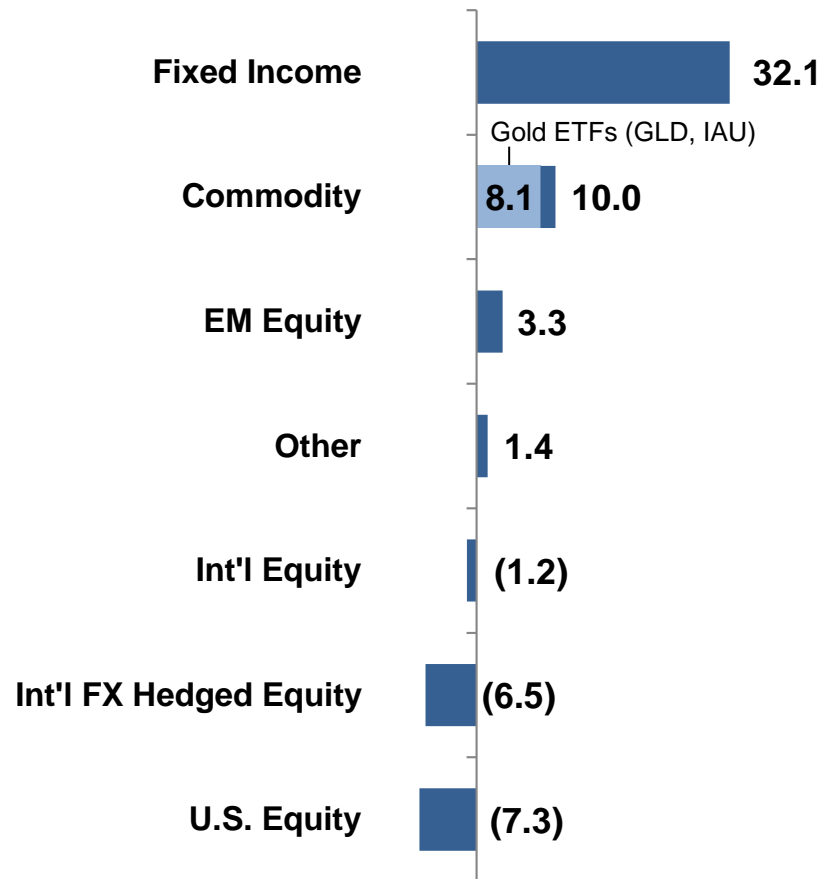
U.S. ETF Industry Net Inflows

(\$ billions)



Q1/16 Net Inflows by Category

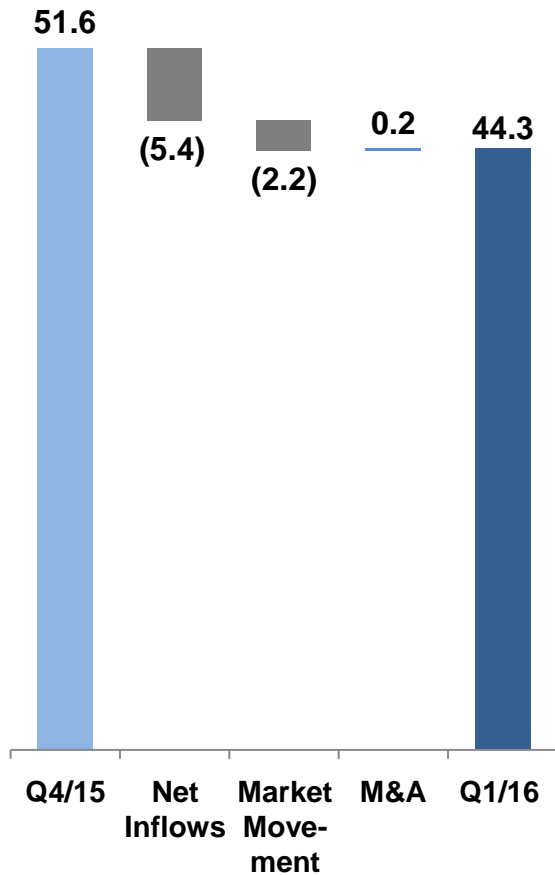
(\$ billions)



Challenging flow quarter for WisdomTree

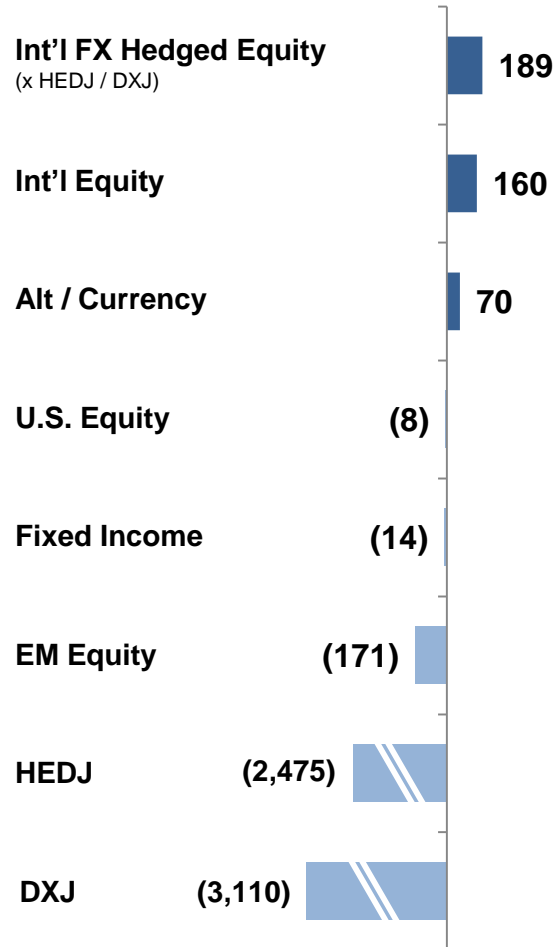
Quarterly AUM Change

(\$ billions)



Q1/16 Net Inflows

(\$ millions)



Themes Resonating

- Small caps
- Dividends
- Quality dividend growth
- Volatility reduction
- Rates staying lower for longer
- Emerging markets

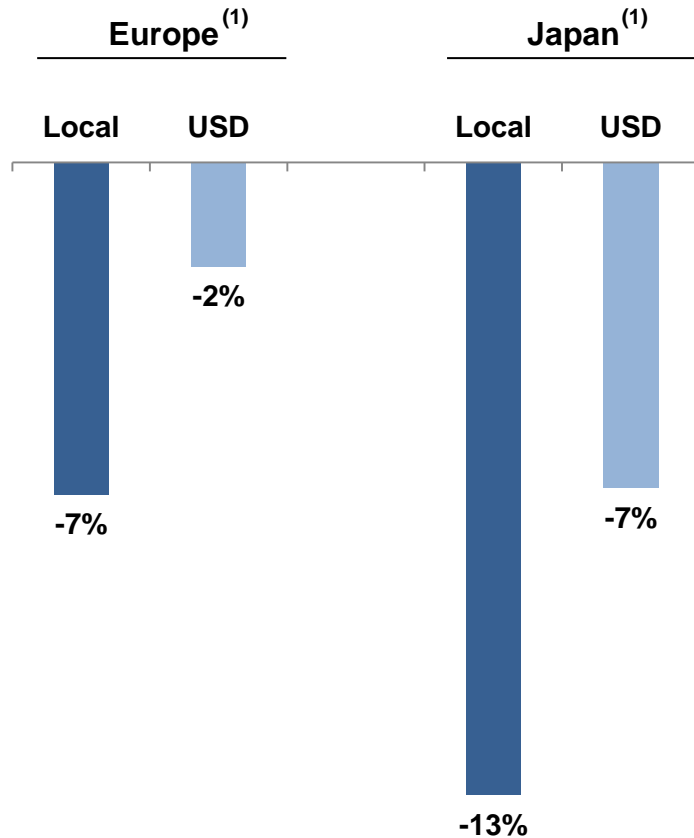
Negative sentiment towards Europe and Japan

Europe and Japan equity markets have been negative...

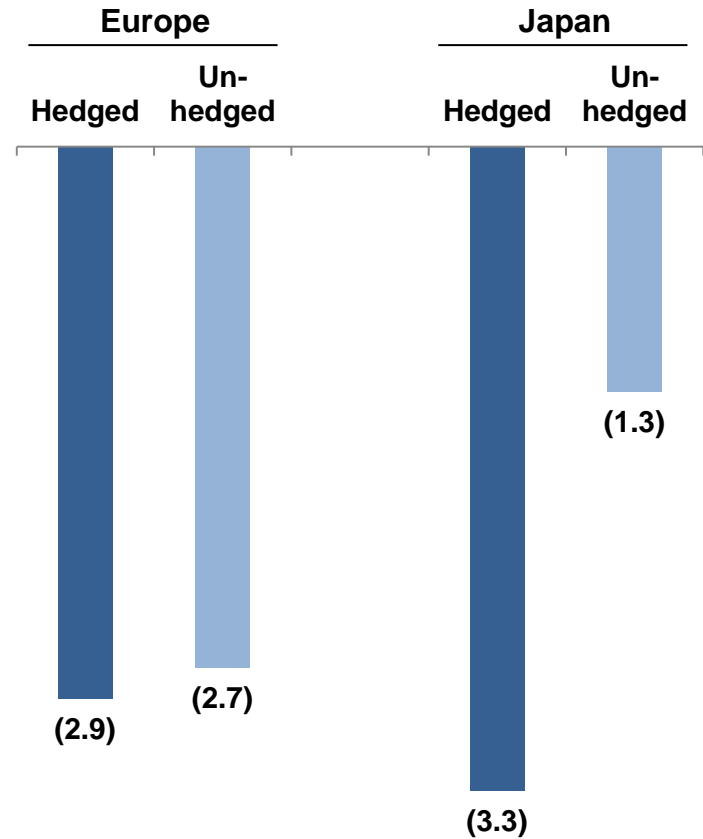
...which has led to outflows in both hedged and unhedged ETFs

Q1/16 Equity Market Returns

Q1/16 Net Inflow by Category



(\$ billions)

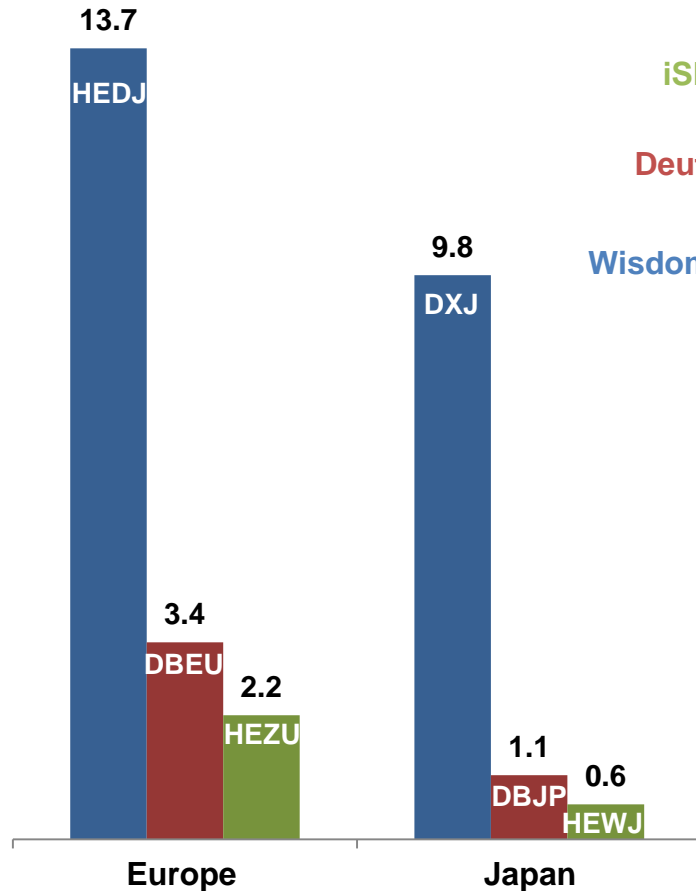


WisdomTree continues to lead FX hedged category

WisdomTree ETFs are significantly larger than largest competitor ETFs...

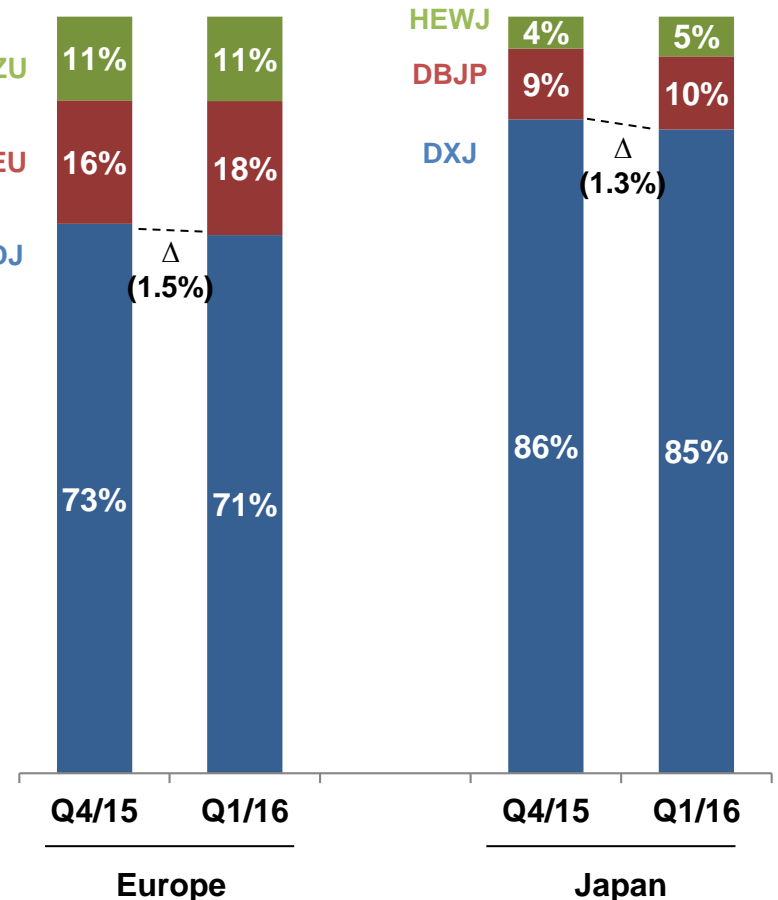
Europe and Japan FX Hedged ETF AUM Q1/16

(\$ billions)



...and any changes in market share have been minimal

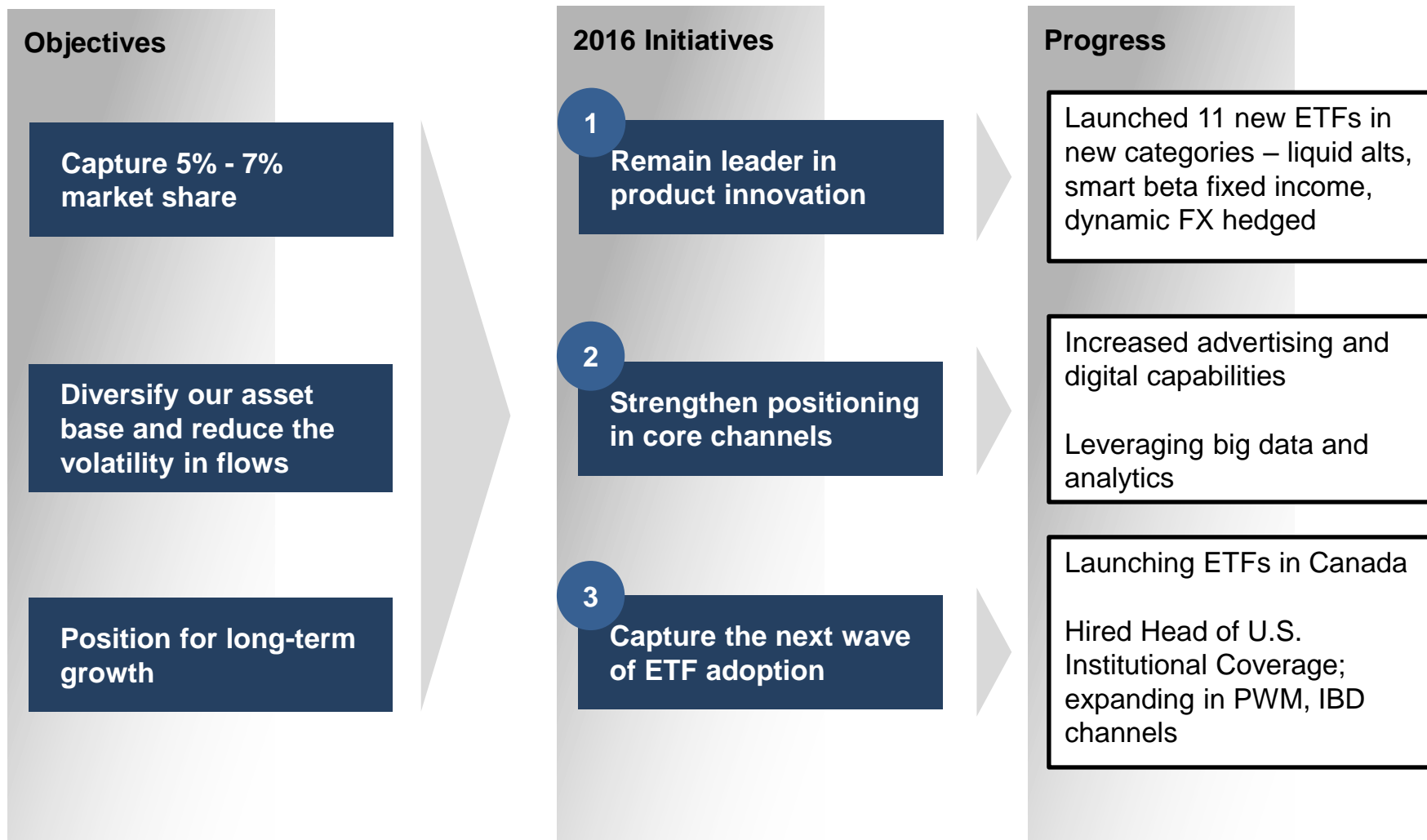
Europe and Japan FX Hedged AUM Market Share⁽¹⁾



Source: Bloomberg, WisdomTree.

(1) AUM market share amongst three largest ETFs in category.

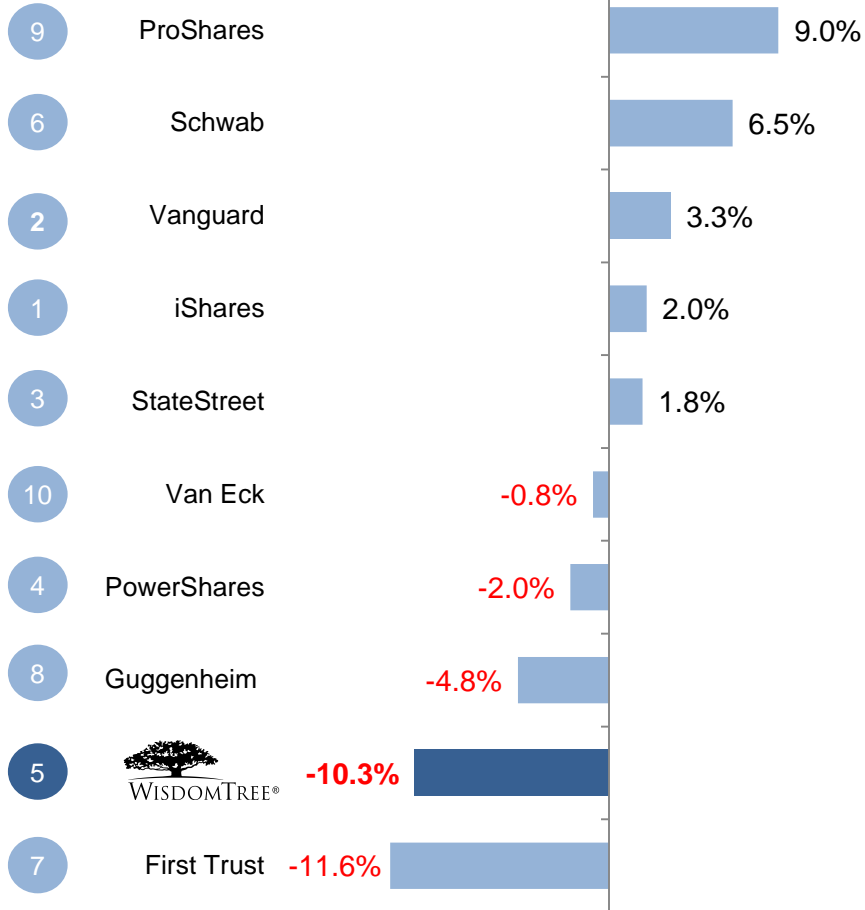
Executing on our strategic initiatives



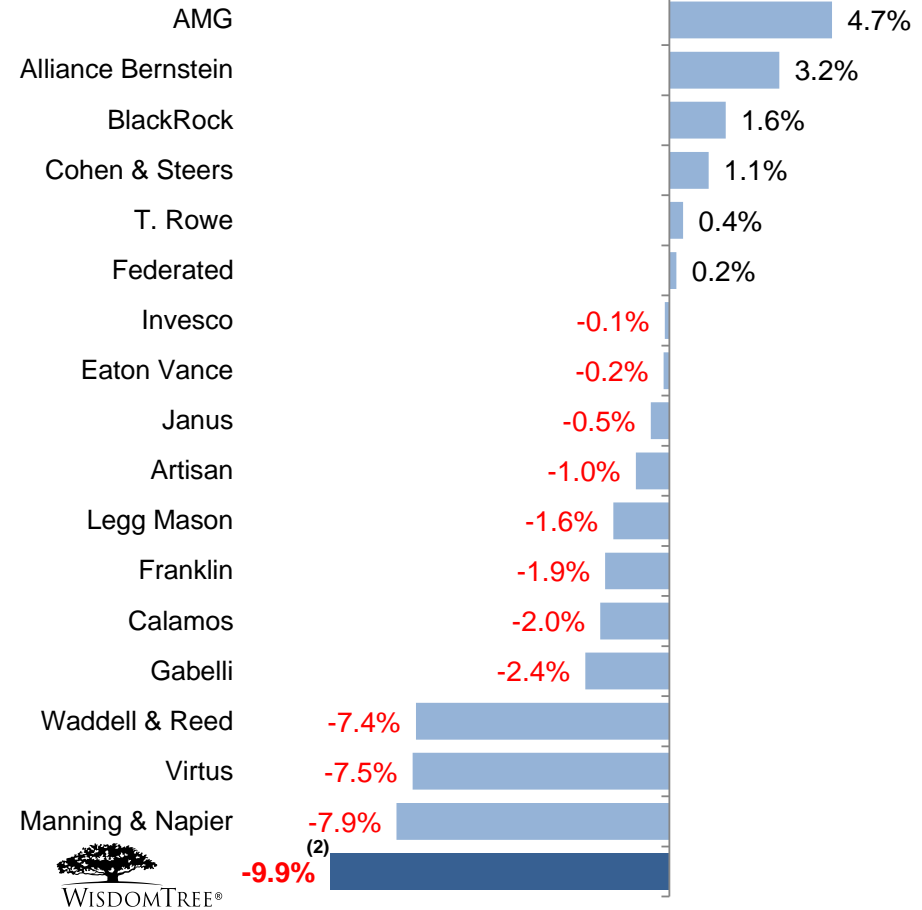
Organic growth lagged peers

Top 10 U.S. ETF Sponsors Q1/16 Org. Growth ⁽¹⁾

AUM rank



Public Asset Managers Q1/16 Org. Growth ⁽¹⁾



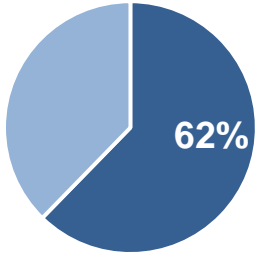
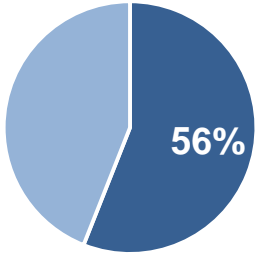
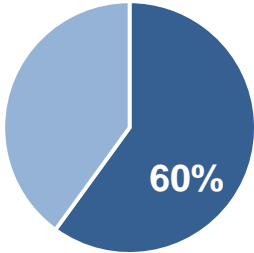
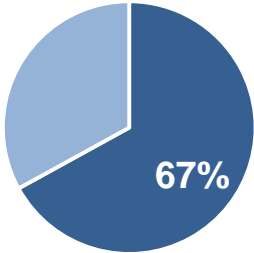
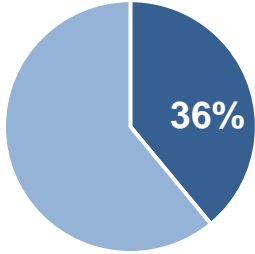
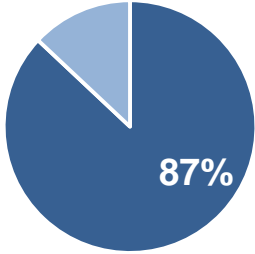
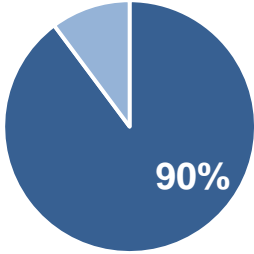
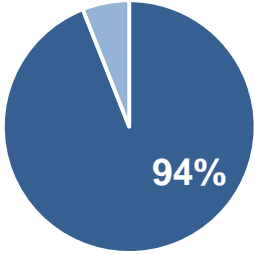
Source: Bloomberg, WisdomTree, Strategic Insights.

(1) Calculated as net inflows for the period over BoP AUM. Excludes money market funds for public asset managers.

(2) Includes U.S. and Europe.

Morningstar performance of U.S. listed ETFs

Our performance against *actively managed and indexed mutual funds and ETFs*

As of March 31, 2016	1 Year (53 applicable ETFs)	3 Year (41 applicable ETFs)	5 Year (37 applicable ETFs)	Since Inception (70 applicable ETFs)
% of ETFs Outperforming Morningstar peer group average				
% of AUM Outperforming Morningstar peer group average				

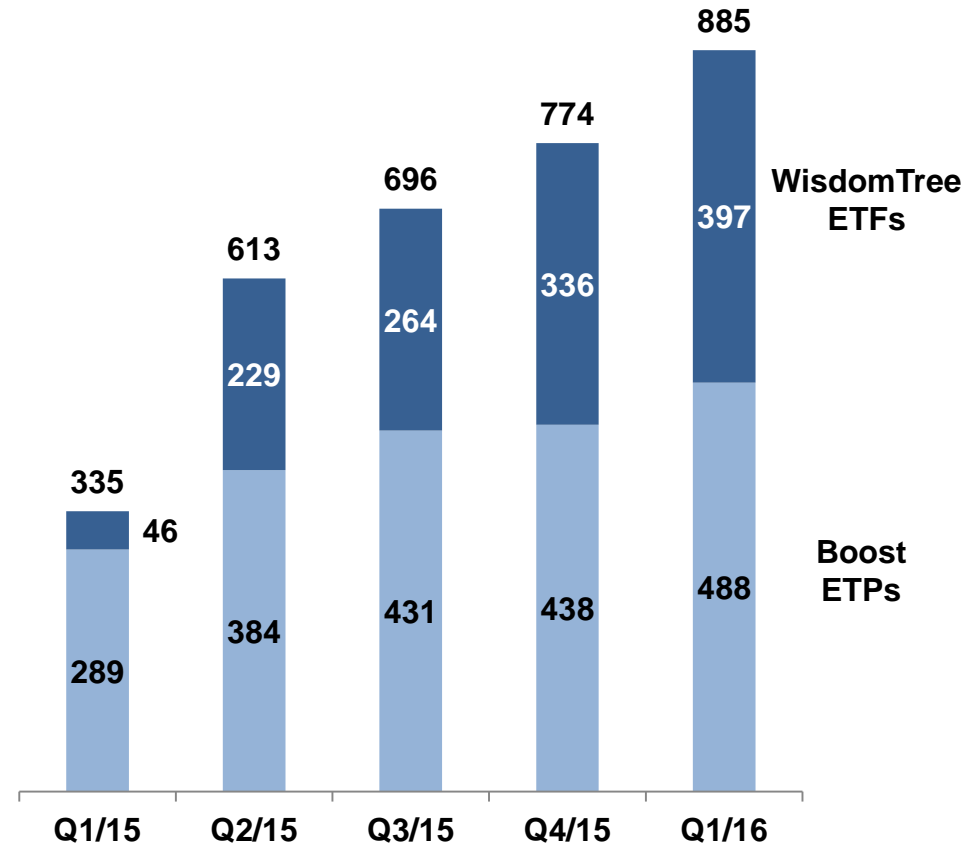
Europe continuing to scale

Highlights

- ETPs had strong inflows amidst market sell-off in Q1/16
- ETFs continue to grow on strength of Europe and emerging markets strategies
- Introduced additional currency hedged share classes of flagship ETFs
- Recognized by *etfexpress* as the Best Smart Beta Provider and Most Innovative European ETN Provider for 2015

AUM

(\$ millions)

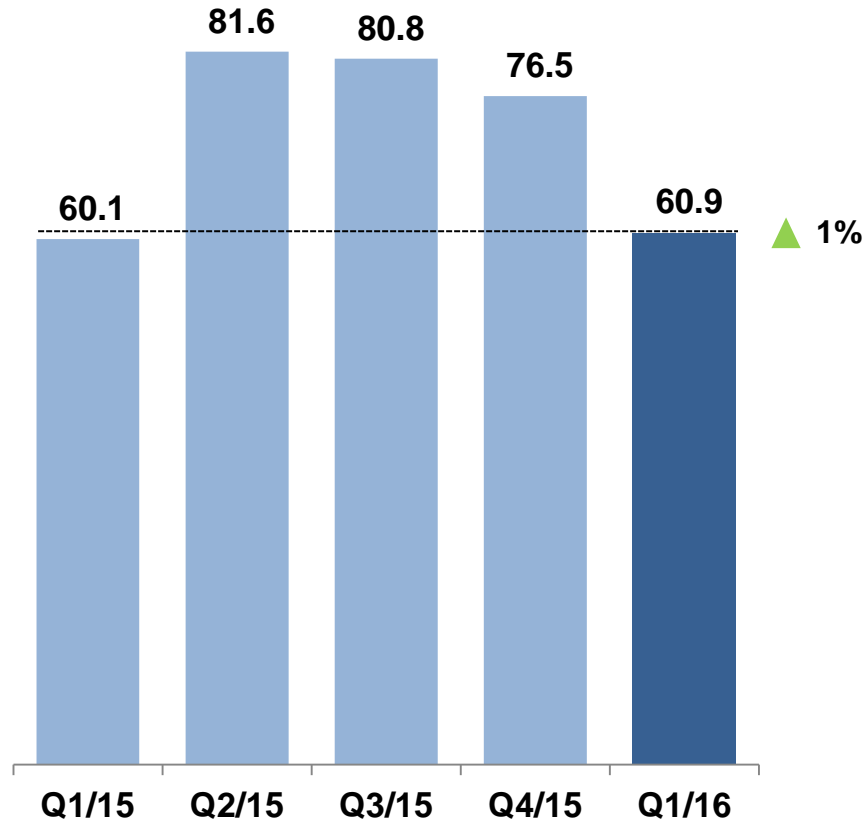


Financial Results

Net income flat year-over-year

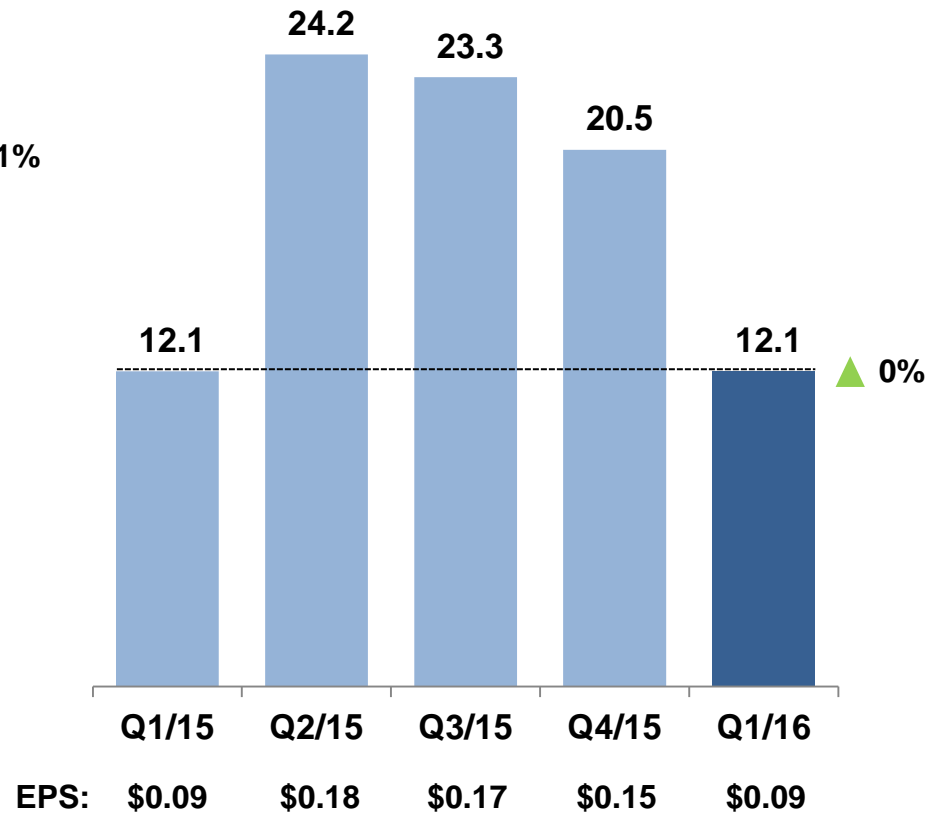
Revenue

(\$ millions)



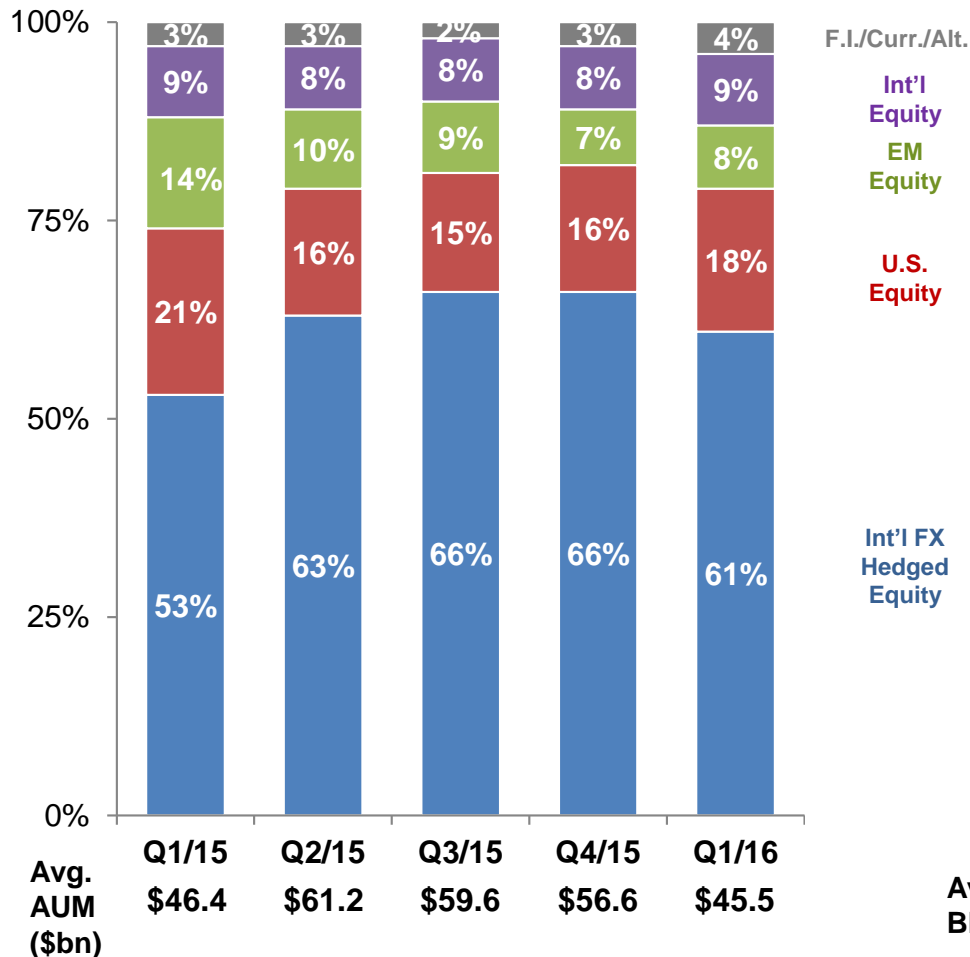
Net Income

(\$ millions)



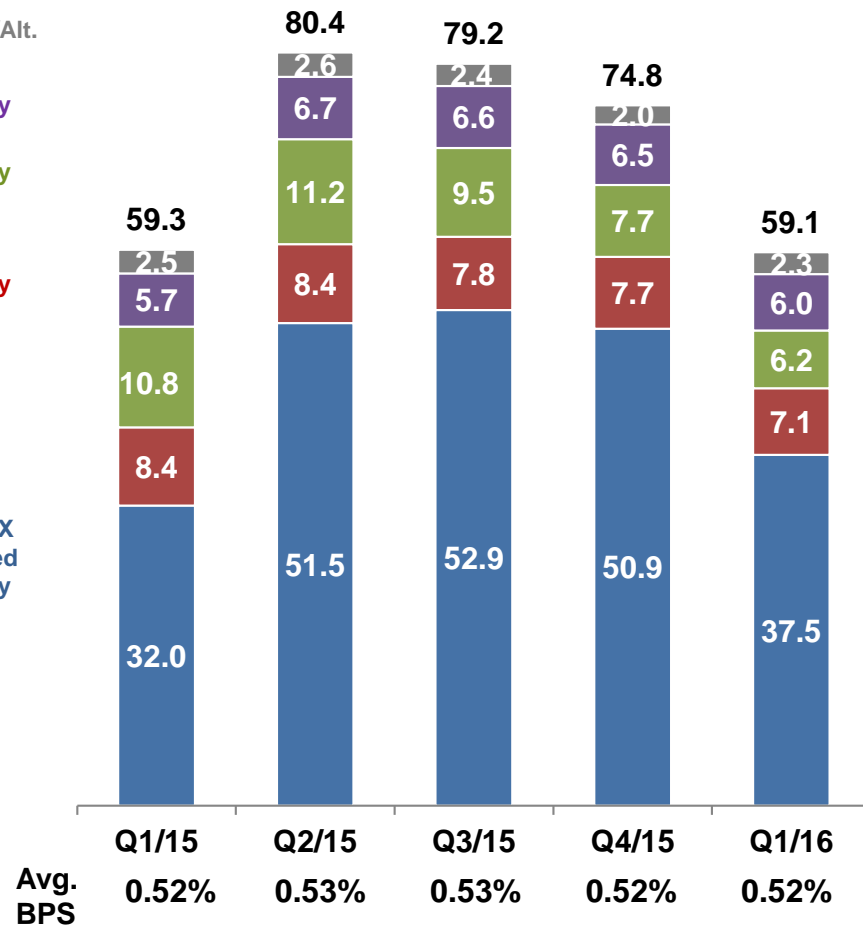
U.S. AUM and revenue down in Q1

U.S. Average AUM



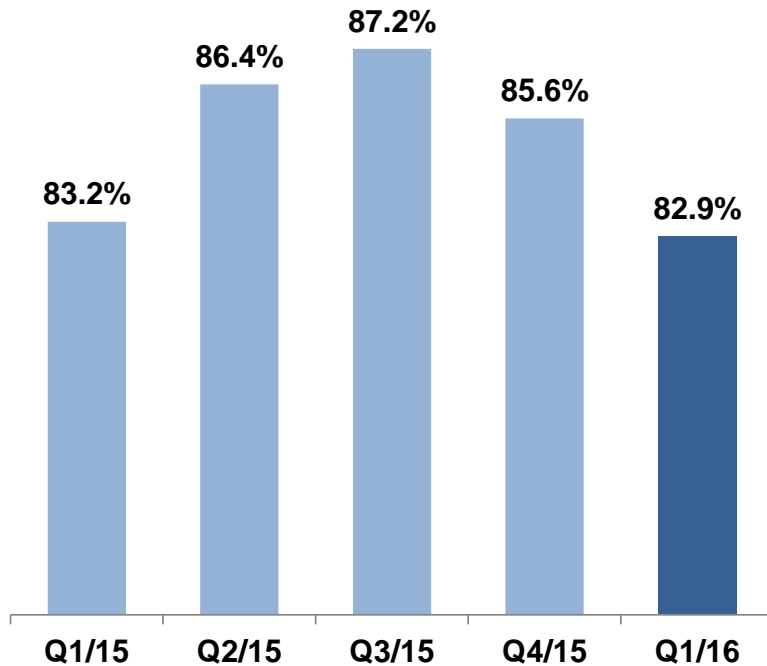
U.S. ETF Revenue

(\$ millions)

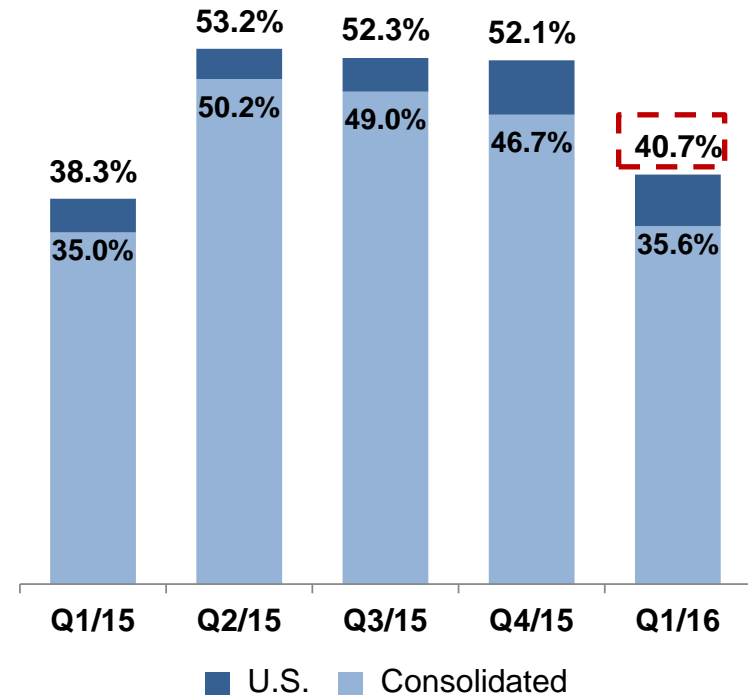


Continue to generate high pre-tax margins

U.S. Listed Gross Margin ⁽¹⁾



Pre-tax Margin

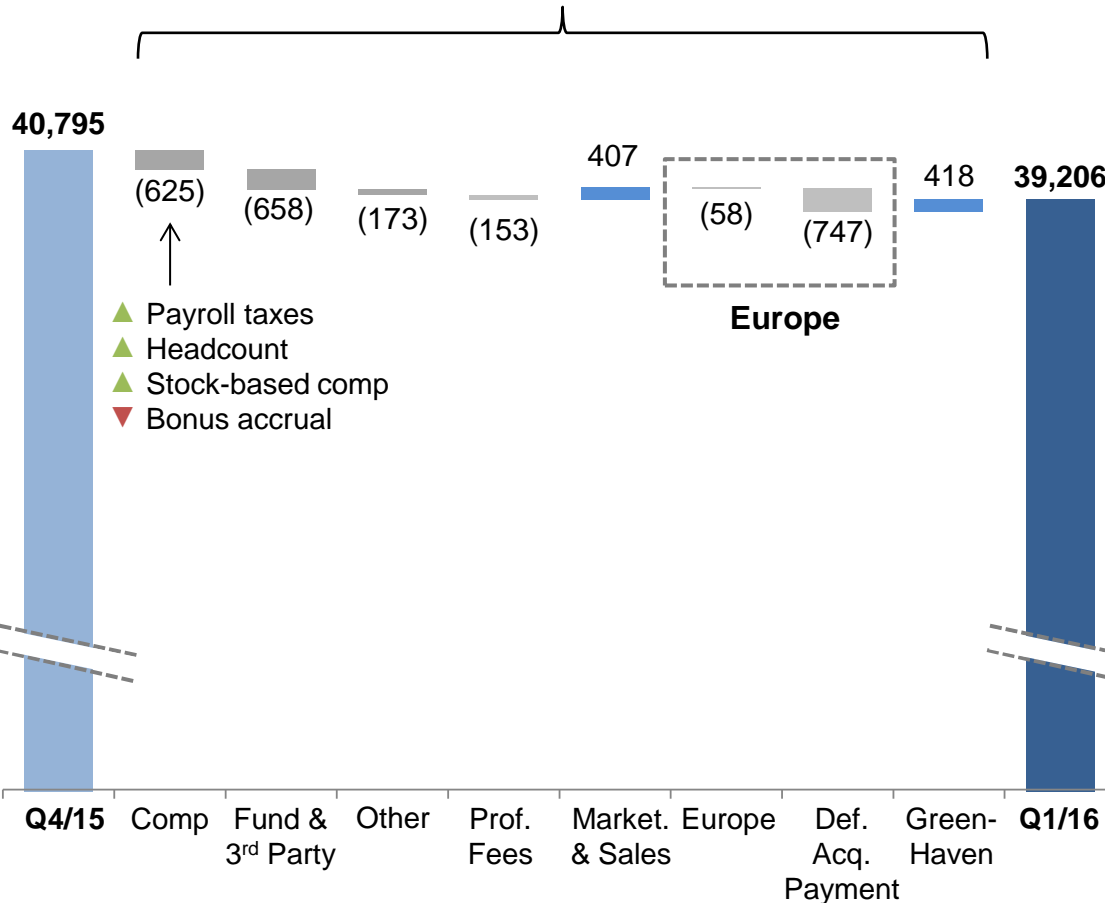


Q1 expenses down on comp., AUM and buyout

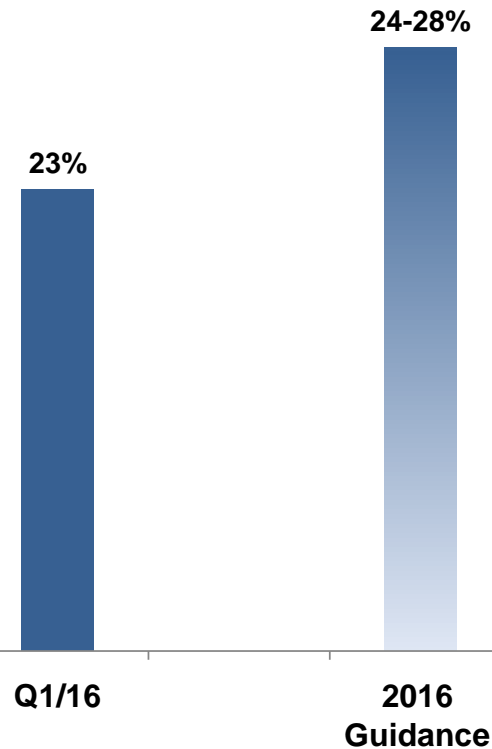
Expense Base Change – Q4/15 to Q1/16

(\$ thousands)

(\$1.6) million



Comp as % of Revenue – U.S.



Significant capital return in Q1

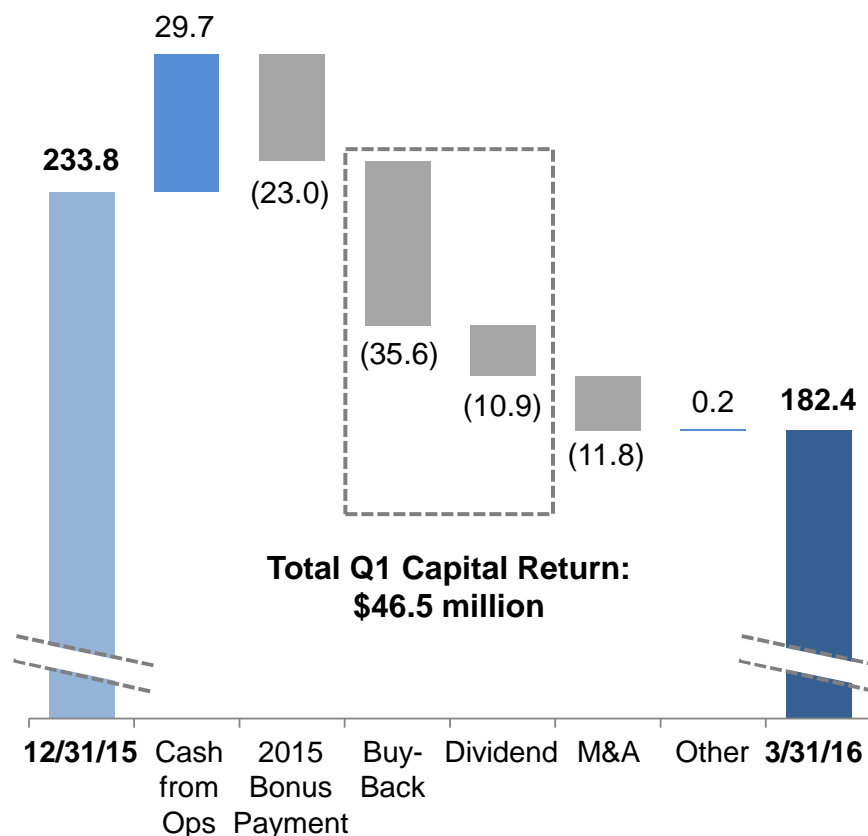
Balance Sheet

(\$ millions)

	March 31, 2016	Dec. 31, 2015
Assets		
Cash and cash equivalents	\$159.8	\$210.1
Investments	22.6	23.7
Accounts receivable	20.7	27.5
Deferred tax asset, net	4.7	14.1
Fixed assets, net	12.1	12.0
Goodwill and intangibles	13.4	1.7
Other assets	4.4	3.6
Total assets	\$237.7	\$292.7
Liabilities		
Fund management and administration	\$12.8	\$13.0
Compensation and benefits	5.1	28.1
Accounts payable and other liabilities	10.8	12.0
Deferred rent	5.1	5.1
Total liabilities	33.8	58.2
Stockholders' equity	203.9	234.5
Total liabilities and stockholders' equity	\$237.7	\$292.7

Cash and Investments Change YTD

(\$ millions)



Buyback authorization increased by \$60 million

Income taxes

- U.S. baseline tax rate approximately 39%
- Recording GAAP tax expense; however still not paying full amount in federal cash taxes
- Cannot offset U.S. taxes by losses generated by European operations

NOL Roll Forward

WisdomTree records GAAP tax expense, however, we pay minimal cash taxes due to our net operating loss.

Net Operating Loss

12/31/15	26.1
2016 U.S. pre tax income ⁽¹⁾	(23.2)
Net stock based compensation	4.9
2015 incentive compensation paid in Feb.	21.9
Other adjustments	(0.8)
Pre-tax NOL 3/31/16	28.9
Approximate tax rate	39%
Post-tax NOL	\$11.3

Potential Future Additions

We continue to generate additional tax deductions due to tax benefits from equity grants. Value and timing of the tax benefit depends on WETF price and date of exercise or vesting of equity awards.

<i>WETF stock price, 4/28/16</i>	\$11.83
Outstanding options, 3/31/16	1,475
Weighted average strike price	\$2.70
Value yet to be recognized	\$13.5 <i>a</i>
Unvested restricted stock, 3/31/16	2,379
Value yet to be recognized	\$28.1 <i>b</i>
Potential future additions to NOL	\$41.6 <i>a+b</i>
Approximate tax rate	39%
Potential cash tax savings	\$16.2

Additional Detail

Nearly all options are currently exercisable and restricted stock will vest according to the schedule below.

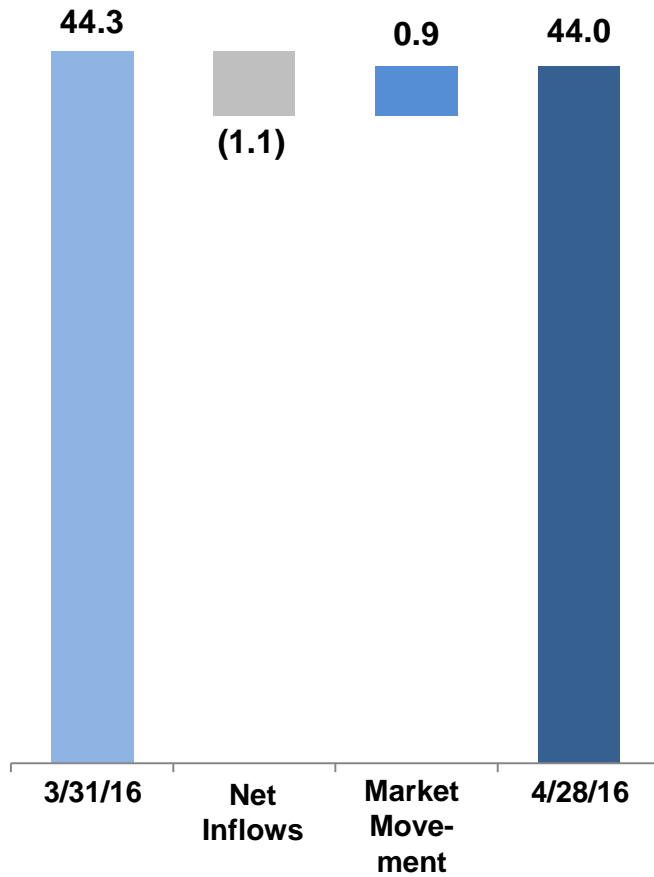
	<u>Options Expiration</u>		<u>Intrinsic Value</u>
	<u>#</u>	<u>Strike</u>	
2016	19	\$1.07	\$0.2
2017	118	\$1.07	\$1.3
2018-2021	1,338	\$2.86	\$12.0
	1,475	\$2.70	\$13.5

	<u>Stock Vesting</u>		
	<u>#</u>	<u>Value</u>	
2016	221	\$2.6	
2017	926	\$11.0	
2018 - 2020	1,232	\$14.6	
	2,379	\$28.1	

Q2 as of 4/28/16

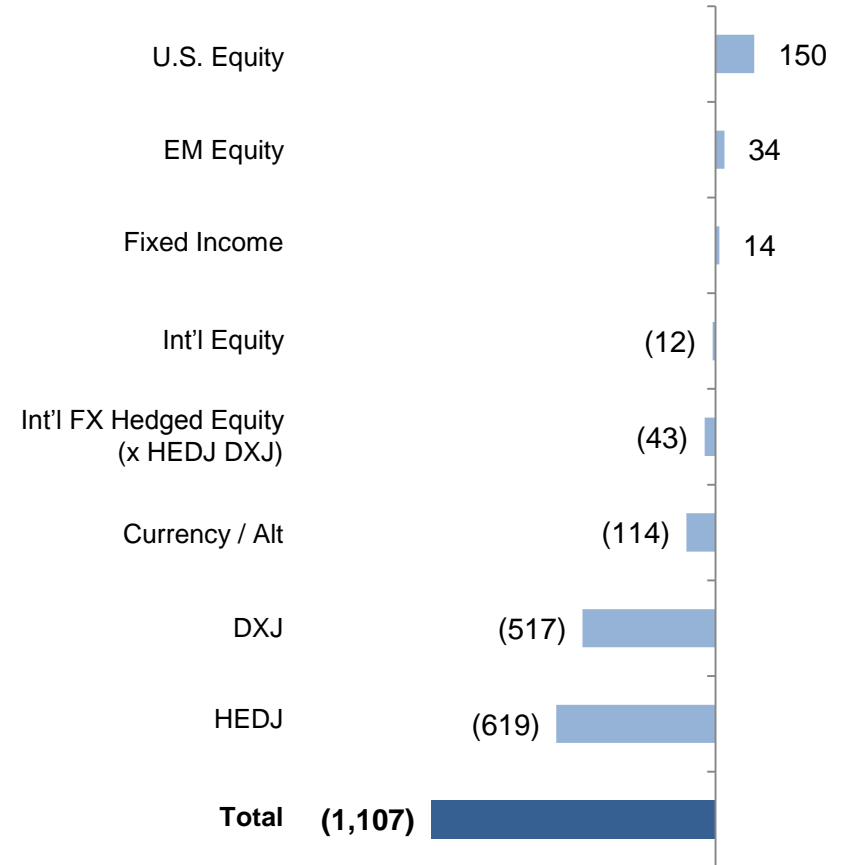
WisdomTree U.S. Listed AUM

(\$ billions)



U.S. Net Inflows

(\$ millions)



Difficult environment, but no change in our outlook

- Difficult market environment for WisdomTree in Q1
- Strong financial results
- Outlook for ETF industry and WisdomTree continues to strengthen
 - Regulatory tailwinds
 - Shift to fee-based advice

Appendix

Key operating statistics

(\$ millions)

	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<u>AUM (end of period)</u>									
International Hedged Equity	\$12,612	\$12,557	\$13,971	\$17,760	\$33,925	\$39,222	\$34,608	\$33,311	\$25,140
U.S. Equity	7,505	8,052	7,939	9,390	9,748	9,245	8,247	8,603	8,966
International Developed Equity	4,830	5,340	4,494	3,988	4,323	4,829	4,394	4,525	4,653
Emerging Markets Equity	6,753	7,606	7,495	6,187	6,068	6,244	4,288	3,825	3,803
Fixed Income	1,610	1,376	1,379	1,152	904	956	794	799	828
Alternative Strategy	152	163	183	205	225	230	211	208	440
Currency	422	406	362	599	565	573	505	368	426
	\$33,884	\$35,500	\$35,823	\$39,281	\$55,758	\$61,299	\$53,047	\$51,639	\$44,256
Average ETF AUM	\$33,859	\$34,141	\$35,554	\$37,680	\$46,391	\$61,153	\$59,572	\$56,603	\$45,475
<u>Net Inflows / (Outflows)</u>									
International Developed Equity	\$812	\$518	(\$452)	(\$305)	\$188	\$497	\$21	(\$56)	\$160
Currency	(549)	(21)	(35)	232	(44)	7	(63)	(121)	65
Alternative Strategy	(4)	8	13	21	17	14	(13)	(4)	5
U.S. Equity	189	221	84	968	294	(320)	(259)	(14)	(8)
Fixed Income	(306)	(278)	69	(164)	(210)	67	(85)	9	(14)
Emerging Markets Equity	(632)	388	270	(836)	(165)	250	(1,013)	(418)	(171)
International Hedged Equity	(12)	(502)	799	4,580	13,440	6,083	751	(1,997)	(5,396)
Total	(\$502)	\$334	\$748	\$4,496	\$13,520	\$6,598	(\$661)	(\$2,601)	(\$5,359)
Average ETF Advisory Fee	0.51%	0.51%	0.52%	0.52%	0.52%	0.53%	0.53%	0.52%	0.52%
<u>Average Mix</u>									
International Hedged Equity	39%	36%	36%	42%	53%	63%	66%	66%	61%
U.S. Equity	21%	23%	23%	23%	21%	16%	15%	15%	18%
International Developed Equity	13%	15%	14%	11%	9%	8%	8%	8%	9%
Emerging Markets Equity	20%	21%	22%	19%	14%	10%	9%	8%	8%
Fixed Income	5%	4%	4%	3%	2%	2%	1%	2%	2%
Currency	2%	1%	1%	1%	1%	1%	1%	1%	1%
Alternative Strategy	0%	0%	0%	1%	0%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
# of ETFs	62	69	69	70	70	75	79	86	93
<u>European Listed ETPs: (in thousands)</u>									
AUM (end of period)	\$113,244	\$123,210	\$165,018		\$288,801	\$384,089	\$431,259	\$437,934	\$488,069
Net Inflows	\$17,685	\$19,224	\$82,175		\$145,381	\$50,331	\$191,044	\$153,023	\$123,461
Average Advisory Fee		0.82%	0.79%	0.78%	0.81%	0.82%	0.83%	0.85%	0.84%
<u>Total UCITS ETFs: (in thousands)</u>									
AUM (end of period)			\$16,179		\$45,846	\$228,588	\$264,452	\$335,938	\$396,901
Net Inflows			\$16,036		\$28,851	\$144,234	\$62,217	\$52,271	\$69,878
Average Advisory Fee			0.38%		0.40%	0.44%	0.45%	0.45%	0.47%
U.S. Headcount	90	92	97	101	109	117	128	137	146
Non-U.S. Headcount		11	20	23	27	29	34	40	45

Consolidated financial results

(\$ thousands)

	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenues									
Advisory fees	\$ 42,609	\$ 43,938	\$ 46,942	\$ 49,327	\$ 59,869	\$ 81,320	\$ 80,520	\$ 76,235	\$ 60,615
Other income	311	190	172	273	272	239	233	254	263
Total revenues	42,920	44,128	47,114	49,600	60,141	81,559	80,753	76,489	60,878
Expenses									
Compensation and benefits	9,355	7,551	9,990	14,099	19,601	18,669	19,407	15,551	15,226
Fund management and administration	9,168	7,818	8,465	8,932	10,168	11,208	10,519	10,887	10,044
Marketing and advertising	2,578	2,726	3,341	2,869	3,076	3,628	3,573	3,094	3,832
Sales and business development	1,301	1,727	1,279	1,914	1,900	2,076	2,438	2,775	2,447
Professional and consulting fees	1,795	1,840	1,383	2,560	1,463	1,604	1,570	2,430	2,835
Occupancy, communications and equipment	900	853	882	943	918	943	1,183	1,255	1,222
Depreciation and amortization	192	201	207	221	220	223	253	310	316
Third party sharing arrangements	10	115	187	282	283	497	485	1,178	907
Acquisition contingent payment					257	264	172	1,492	745
Other	1,142	1,164	1,123	1,101	1,235	1,509	1,620	1,823	1,632
Total expenses	26,441	23,995	26,857	32,921	39,121	40,621	41,220	40,795	39,206
Income before taxes	16,479	20,133	20,257	16,679	21,020	40,938	39,533	35,694	21,672
Income tax (benefit)/expense	(13,725)	9,531	9,634	7,057	8,958	16,766	16,245	15,164	9,600
Net Income	\$ 30,204	\$ 10,602	\$ 10,623	\$ 9,622	\$ 12,062	\$ 24,172	\$ 23,288	\$ 20,530	\$ 12,072
Note:									
Stock-based compensation included above	\$ 2,015	\$ 2,030	\$ 2,077	\$ 2,015	\$ 2,344	\$ 2,608	\$ 2,926	\$ 3,022	\$ 3,503

Historical statistics – U.S.

	U.S. Net Inflows		Market Share	Market Movement	AUM
	Industry	WisdomTree			
	(in billions)	(in millions)		(in millions)	(in millions)
Q2 06	\$24.6	\$347	1.4%	\$18	\$365
Q3 06	\$5.3	212	4.0%	23	600
Q4 06	\$34.1	849	2.5%	75	1,523
Q1 07	\$14.3	1,475	10.3%	85	3,083
Q2 07	\$17.4	771	4.4%	146	4,001
Q3 07	\$48.1	405	0.8%	41	4,446
Q4 07	\$70.8	310	0.4%	(198)	4,559
Q1 08	\$8.8	136	1.5%	(399)	4,296
Q2 08	\$13.7	756	5.5%	(307)	4,746
Q3 08	\$81.5	(15)	n/a	(655)	4,075
Q4 08	\$73.2	30	0.0%	(925)	3,180
Q1 09	(\$2.5)	23	-0.9%	(428)	2,776
Q2 09	\$38.2	281	0.7%	606	3,663
Q3 09	\$27.1	559	2.1%	680	4,902
Q4 09	\$53.7	911	1.7%	166	5,979
Q1 10	\$7.0	582	8.3%	152	6,713
Q2 10	\$30.9	121	0.4%	(594)	6,240
Q3 10	\$33.4	1,161	3.5%	859	8,260
Q4 10	\$46.7	1,271	2.7%	360	9,891
Q1 11	\$23.6	1,264	5.4%	129	11,284
Q2 11	\$29.2	1,699	5.8%	(49)	12,934
Q3 11	\$20.9	179	0.9%	(1,929)	11,184
Q4 11	\$43.9	756	1.7%	242	12,182
Q1 12	\$53.2	2,299	4.3%	1,210	15,691
Q2 12	\$25.0	338	1.4%	(1,025)	15,004
Q3 12	\$51.8	1,036	2.0%	743	16,783
Q4 12	\$55.4	1,059	1.9%	444	18,286
Q1 13	\$52.2	5,893	11.3%	924	25,103
Q2 13	\$15.4	4,962	32.2%	(1,090)	28,975
Q3 13	\$53.7	1,160	2.2%	1,217	31,352
Q4 13	\$58.6	2,308	3.9%	1,224	34,884
Q1 14	\$14.5	(502)	n/a	(498)	33,884
Q2 14	\$57.7	334	0.6%	1,282	35,500
Q3 14	\$48.8	748	1.5%	(425)	35,823
Q4 14	\$119.7	4,496	3.8%	(1,038)	39,281
Q1 15	\$55.5	13,520	24.4%	2,957	55,758
Q2 15	\$41.4	6,598	15.9%	(1,057)	61,299
Q3 15	\$43.2	(661)	n/a	(7,591)	53,047
Q4 15	\$90.8	(2,601)	n/a	1,193	51,639
Q1 16	\$31.9	(5,359)	n/a	(2,024)	44,256
Total	\$1,612.7	\$49,711	3.1%	(\$5,454)	

	U.S. Net Inflows		Market Share	Market Movement	AUM
	Industry	WisdomTree			
	(in billions)	(in millions)		(in millions)	(in millions)
2006	\$74.0	\$1,408	1.9%	\$116	1,523
2007	\$150.6	2,961	2.0%	74	4,559
2008	\$177.2	907	0.5%	(2,286)	3,180
2009	\$116.5	1,774	1.5%	1,025	5,979
2010	\$118.0	3,135	2.7%	777	9,891
2011	\$117.6	3,898	3.3%	(1,607)	12,182
2012	\$185.4	4,732	2.6%	1,372	18,286
2013	\$179.9	14,323	8.0%	2,275	34,884
2014	\$240.7	5,076	2.1%	(679)	39,281
2015	\$230.9	16,856	7.3%	(4,498)	51,639
2016	\$31.9	(5,359)	n/a	(2,024)	44,256
Total	\$1,622.7	\$49,711	3.1%	(\$5,454)	



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