

WisdomTree

Q1/14 Results



May 2, 2014

Forward Looking Statement



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; anticipated levels of inflows into and outflows out of our exchange traded funds; 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; 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:

We have only a limited operating history and, as a result, recent historical growth may not provide an accurate representation of the growth we may experience in the future, which may make it difficult to evaluate our future prospects.

Challenging market conditions associated with 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 revenue and operating margin.

Most of our assets under management are held in ETFs that invest in foreign securities and we therefore have substantial exposure to foreign market conditions and are subject to currency exchange rate risks.

We derive a substantial portion of our revenue from products invested in emerging markets and are exposed to the market-specific political and economic risks as well as general investor sentiment regarding future growth of those markets.

We derive a substantial portion of our revenue from a limited number of products and, as a result, our operating results are particularly exposed to the performance of those funds, investor sentiment toward the strategies pursued by those funds and our ability to maintain the assets under management of those funds.

The WisdomTree ETFs have a limited track record, and poor investment performance could cause our revenue to decline.

We depend on other third parties to provide many critical services to operate our business and the WisdomTree 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, 2013. 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.

I. Review Operating Results

II. WisdomTree Europe

III. Taxes

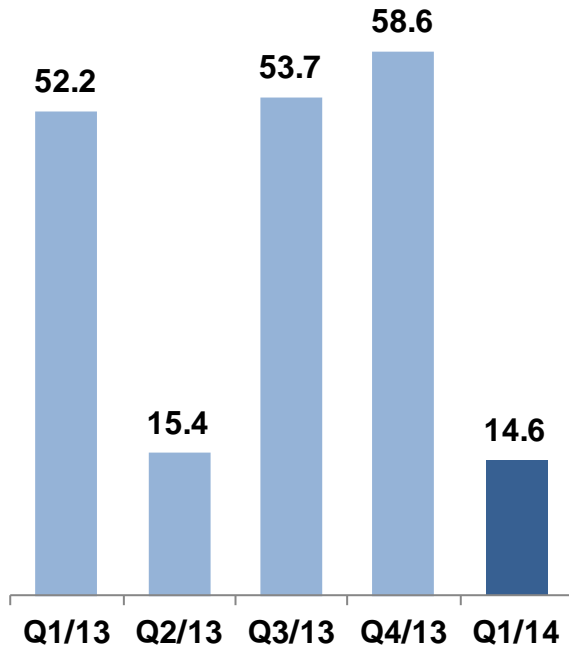
IV. Q2 Update

V. Closing Comments

VI. Q&A

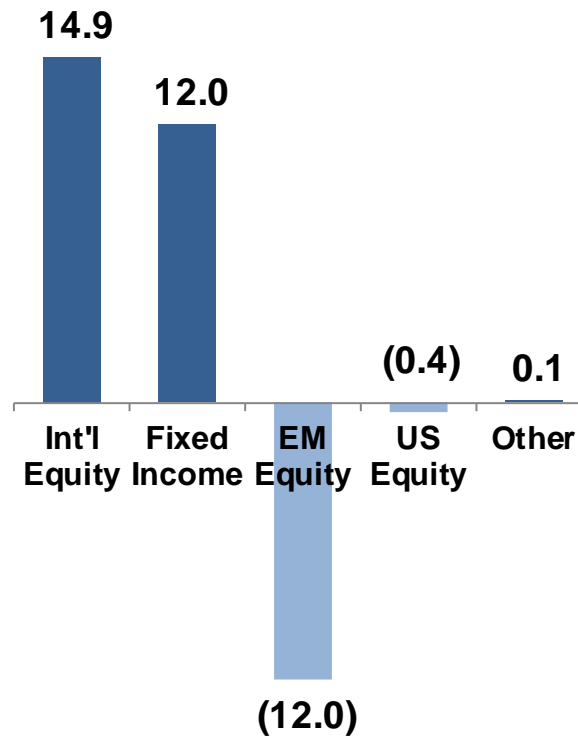
US ETF Industry Inflows

(\$ billions)

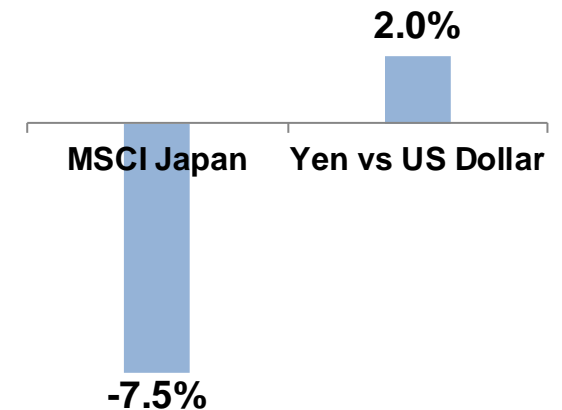


Net Inflows by Category

(\$ billions)

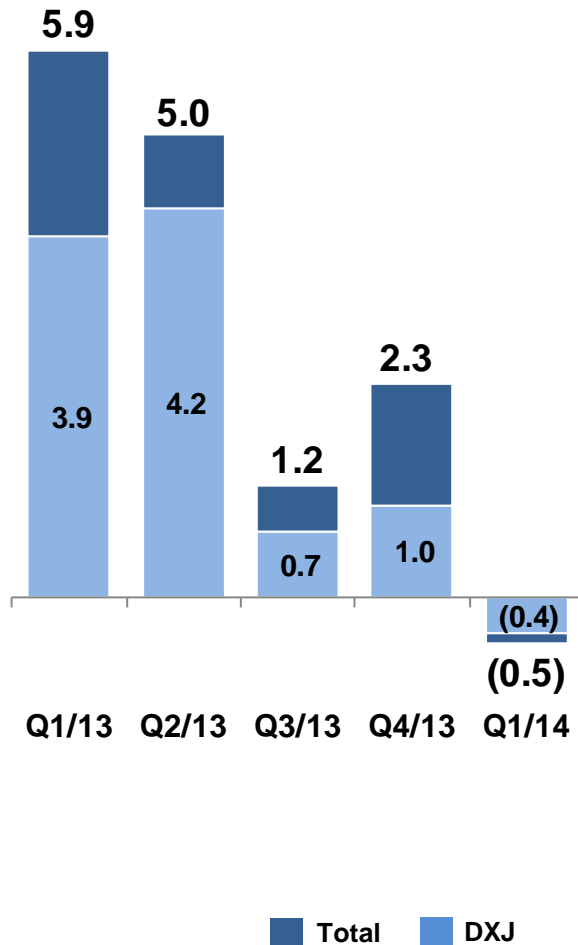


Japan Equity and Currency Return



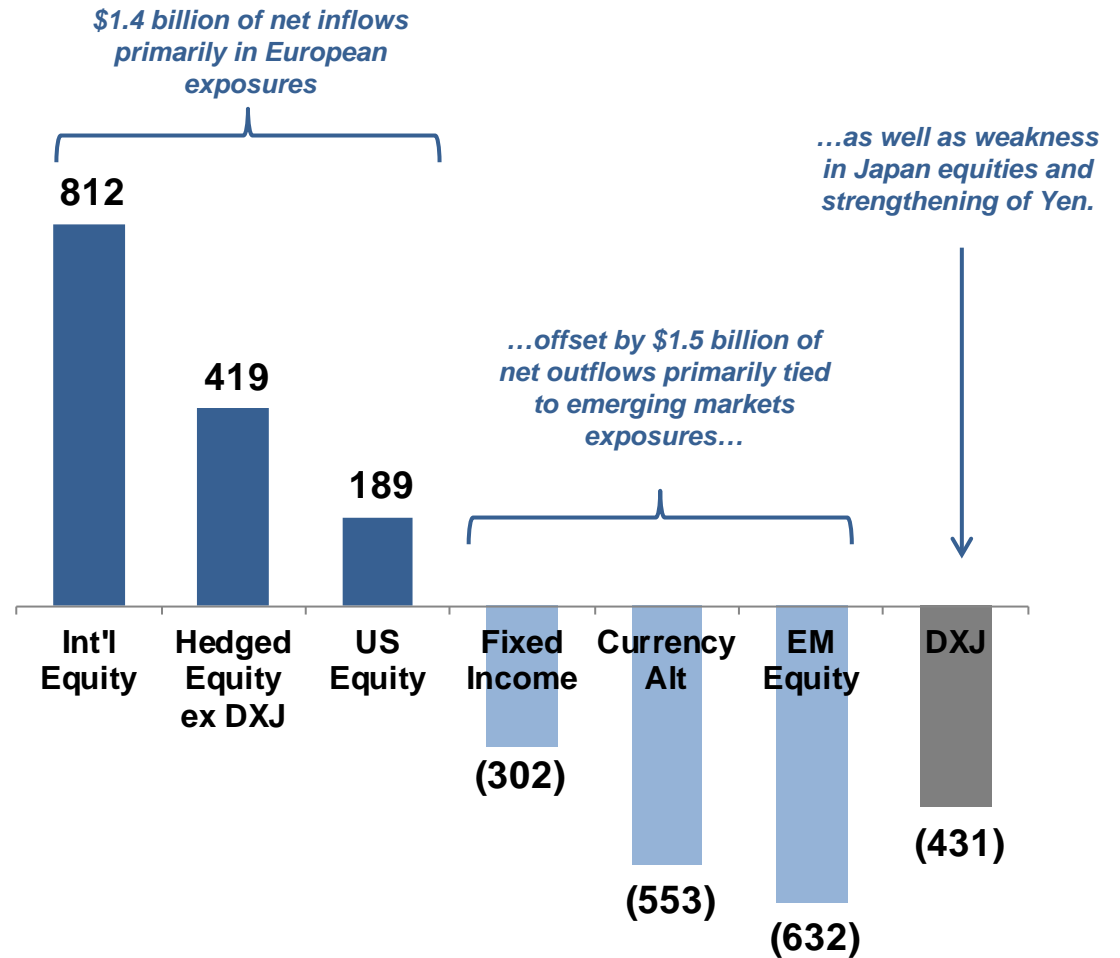
Quarterly Net Inflows

(\$ billions)



Q1 Net Inflows

(\$ millions)



Industry Net Inflows

European Themed Flows

(\$ millions)

	<u>Sponsor</u>	<u>AUM</u>	<u>Net Inflows</u>	<u>Market Share</u>
1	iShares	29,494	3,657	48%
2	Vanguard	15,817	2,057	27%
3	WisdomTree	2,520	1,103	15%
4	First Trust	854	303	4%
5	StateStreet	5,469	278	4%
6	GlobalX	365	129	2%
7	Deutsche Bank	78	43	-
8	Direxion	8	8	-
9	ProShares	38	6	-
10	PowerShares	19	1	-
11	Van Eck	5	(2)	-
	Total	54,666	7,583	

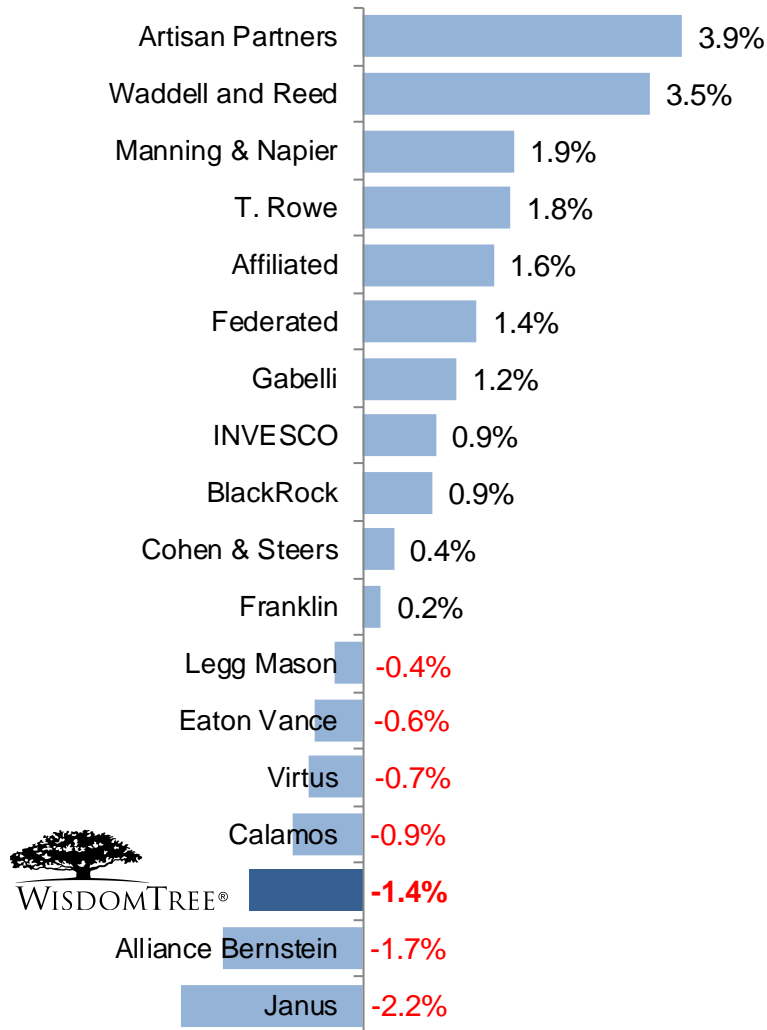
US ETF Sponsors

(\$ billions)

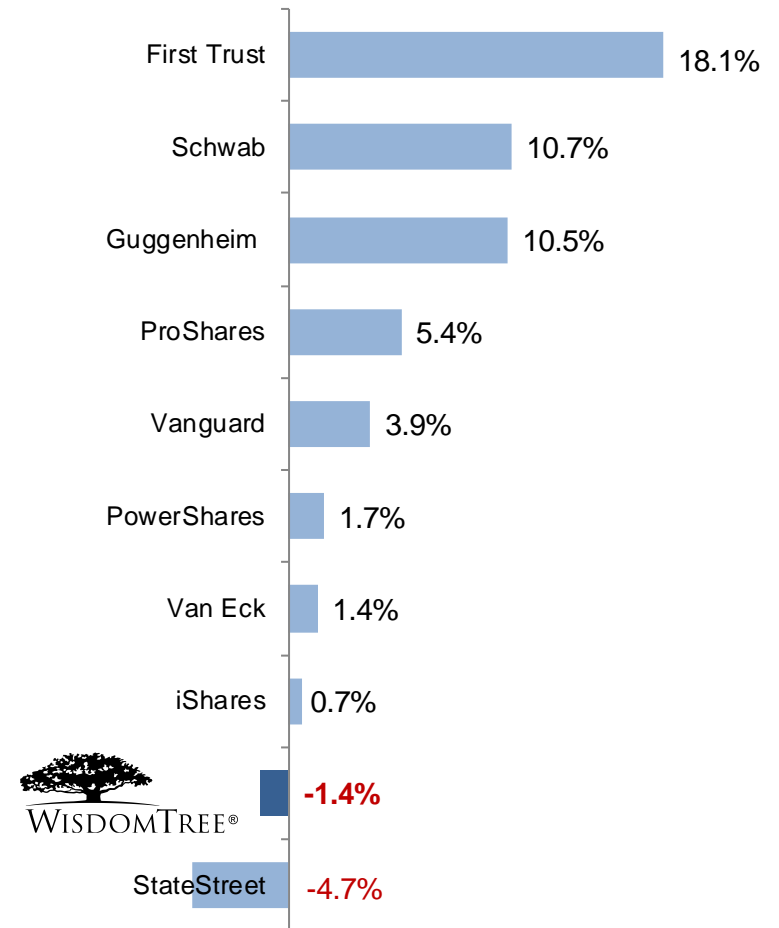
<u>Rank</u>	<u>ETF Sponsor</u>	<u>Net Inflows</u>
1	Vanguard	13.1
2	iShares	4.5
2	First Trust	3.6
4	Guggenheim	2.3
5	Schwab	1.8
6	PowerShares	1.5
7	ProShares	1.5
8	PIMCO	1.2
9	FlexShares	0.8
10	ALPS	0.7
41	WisdomTree	(0.5)
42	StateStreet	(18.3)
	Total Industry	14.6

Q1/14 Organic Growth

Traditional Publicly Traded Asset Managers ⁽¹⁾



Top 10 ETF Sponsors ⁽²⁾



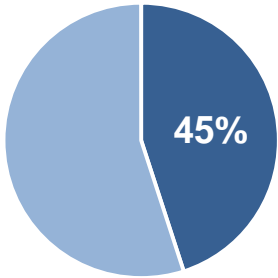
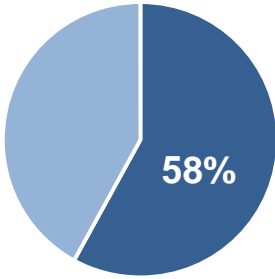
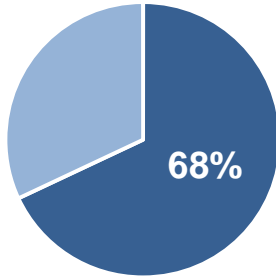
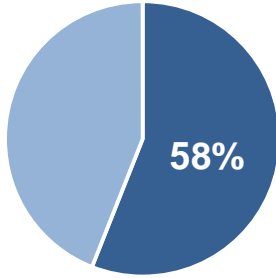
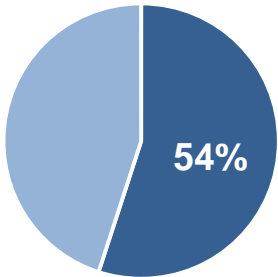
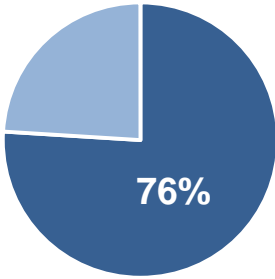
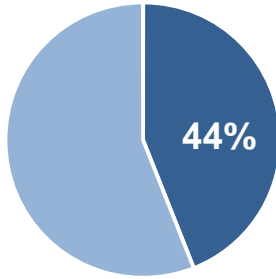
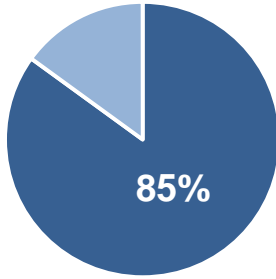
(1) Source: Strategic Insights. Calculated as net flows for the period over BoP AUM. Excludes money market funds.

(2) Source: Bloomberg, WisdomTree. Calculated as U.S net flows for the period over U.S. BoP AUM.

Morningstar Performance



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

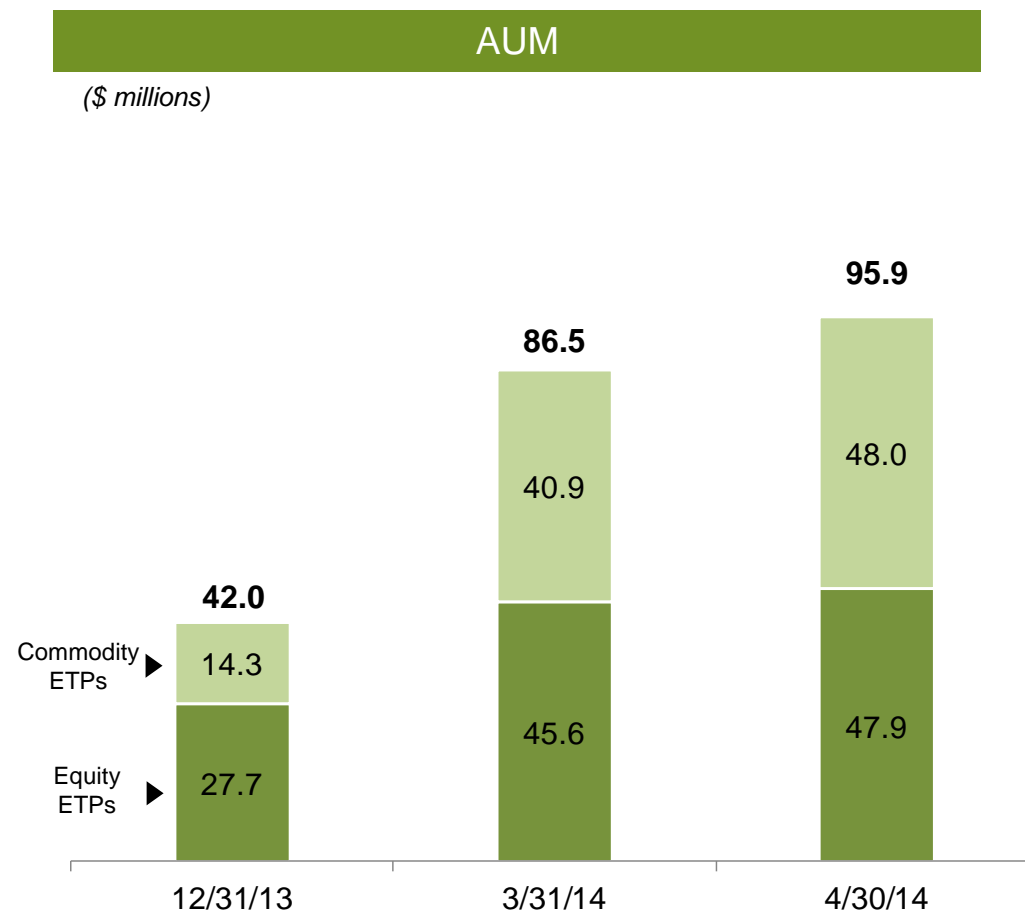
As of Mar 31, 2014	1 Year (42 applicable ETFs)	3 Year (38 applicable ETFs)	5 Year (34 applicable ETFs)	Since Inception (50 applicable ETFs)
% of ETFs Outperforming Morningstar peer group average				
% of AUM Outperforming Morningstar peer group average				

[Click Here](#) for most recent standardized performance report.

Excludes Currency ETFs as Morningstar does not provide individual currency categories and funds with less than one full month of performance history



- Transaction closed April 17, 2014
- 38 short and leveraged ETPs
- Headquartered in London
- 12 employees
- WisdomTree UCITS ETFs targeted Q4/14
- Consolidate 100%/25% minority interest
- Projected losses:
 - 2014 = \$4-6m
 - 2015 = \$6-9m
- Buyout expense recognized quarterly over 4 years:
 - Europe AUM x WETF AUM multiple x 25%



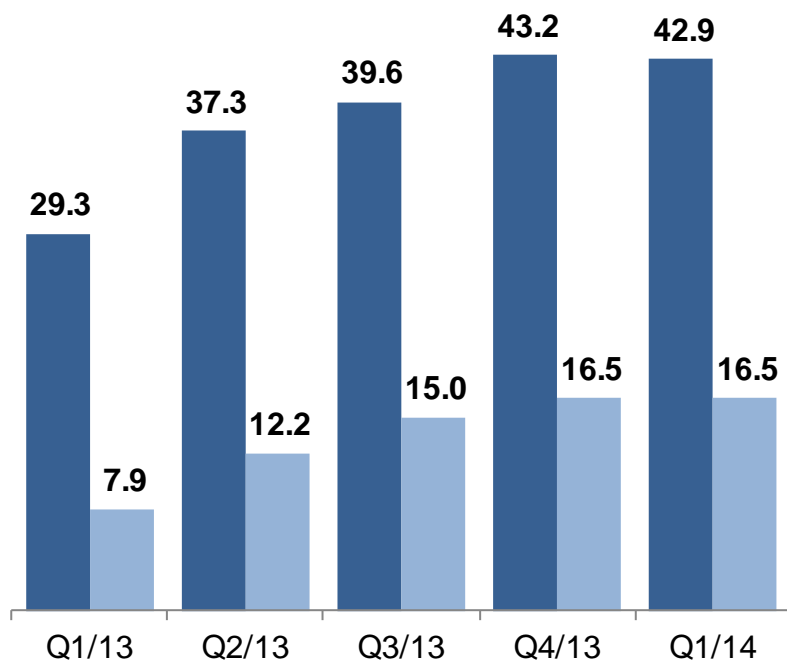
Financial Results

Financial Review Highlights



Revenues and Pre Tax Income

(\$ millions)



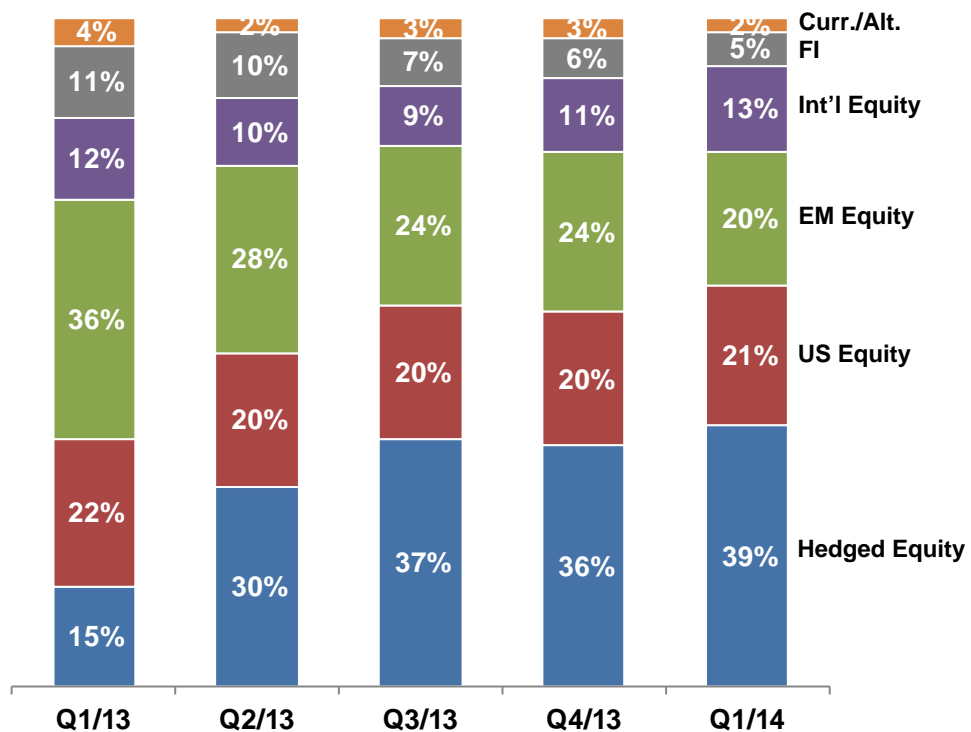
Changes

	Q1/14 vs. <u>Q1/13</u>	Q1/14 vs. <u>Q4/13</u>
Revenues	+46.3%	(0.6%)
Expenses	+23.1%	(0.9%)
Pre-Tax Income	+109.8%	0.0%

ETF Revenues

(Revenue in millions; AUM in billions)

Average AUM



\$21.9

\$28.4

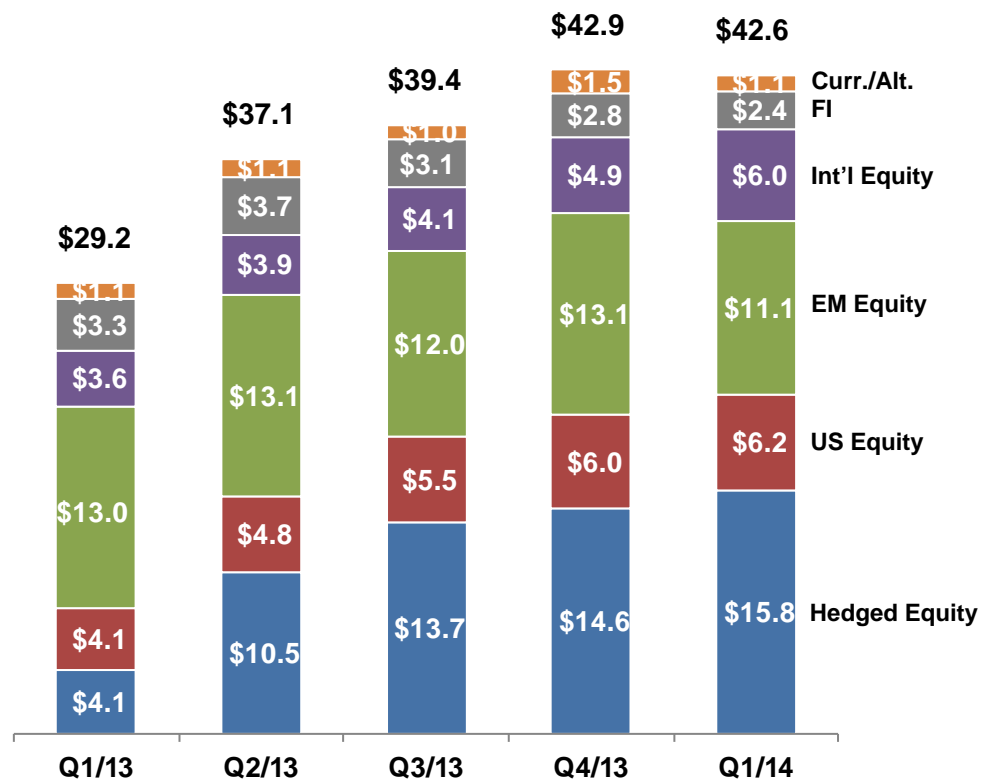
\$30.5

\$33.1

\$33.9

Avg. AUM/
Avg. BPS

ETF Revenues



0.54%

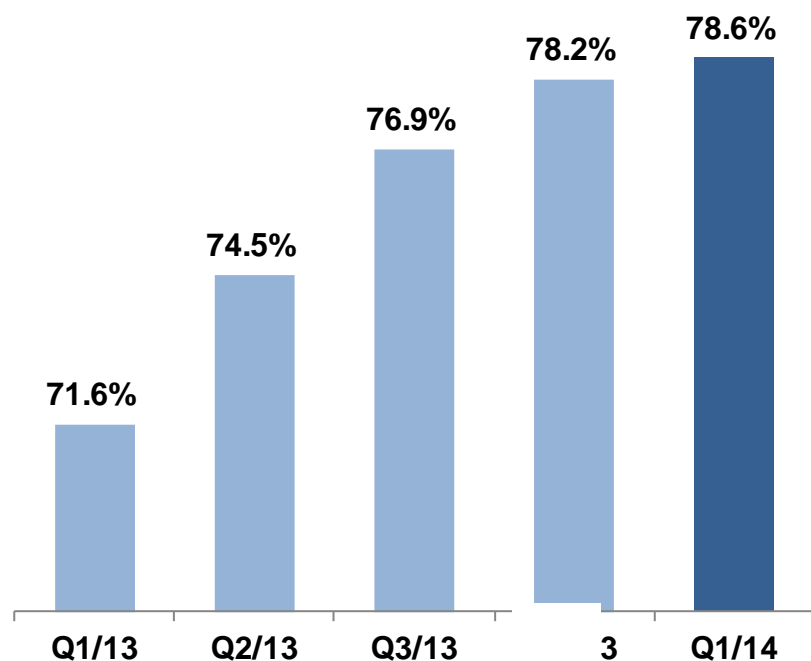
0.52%

0.51%

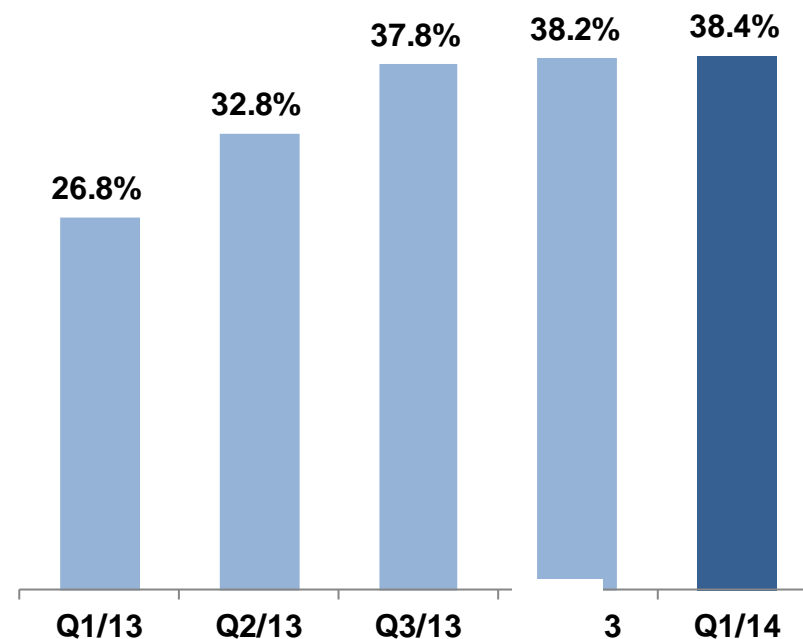
0.51%

0.51%

Gross Margin⁽¹⁾



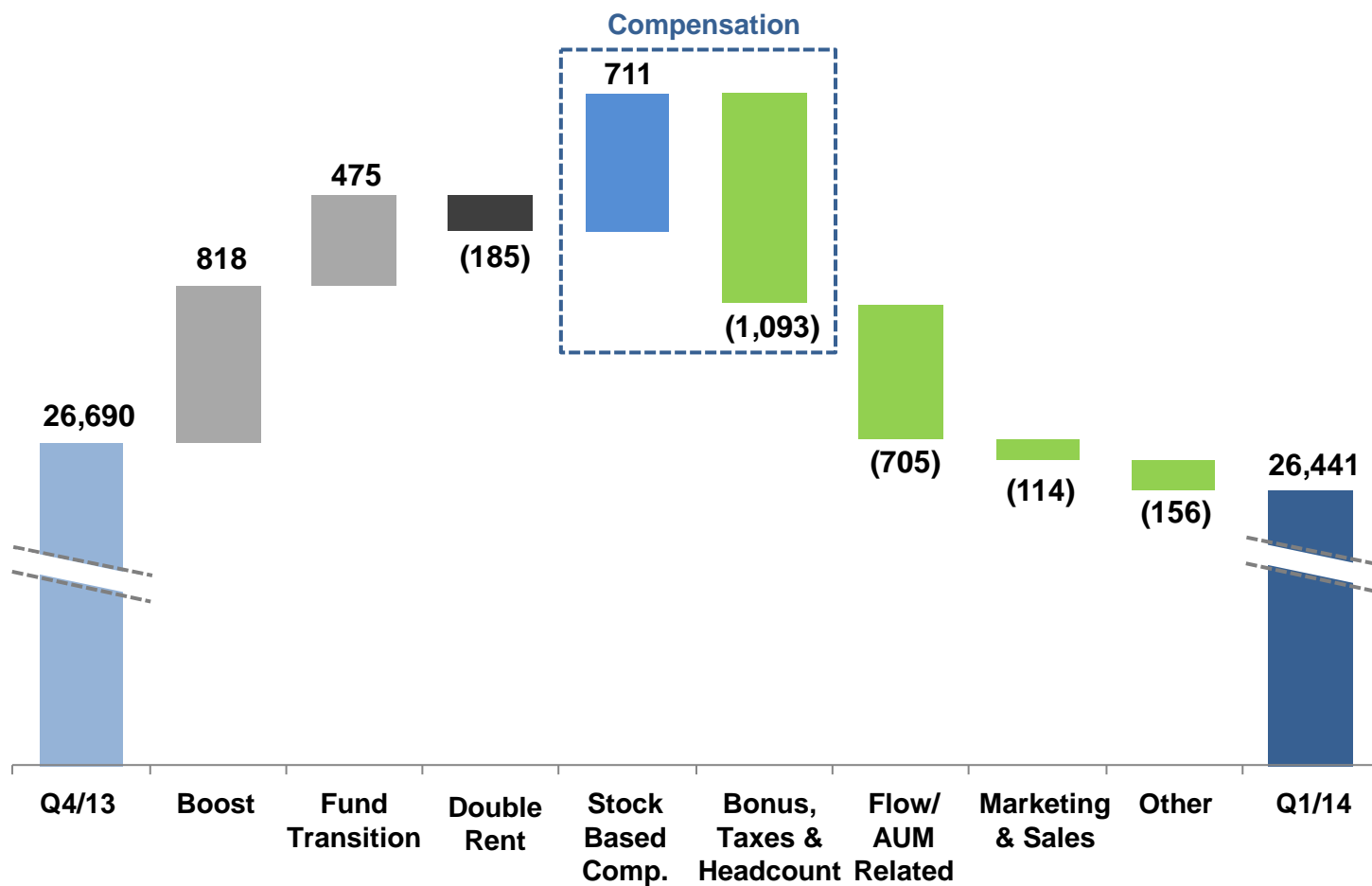
Pre-Tax Margin



(1) Total revenues less fund management and administration and third party sharing arrangements expenses. See "Non-GAAP Financial Measurements."

Expense Base Changes – Q4/13 to Q1/14

(\$ thousands)

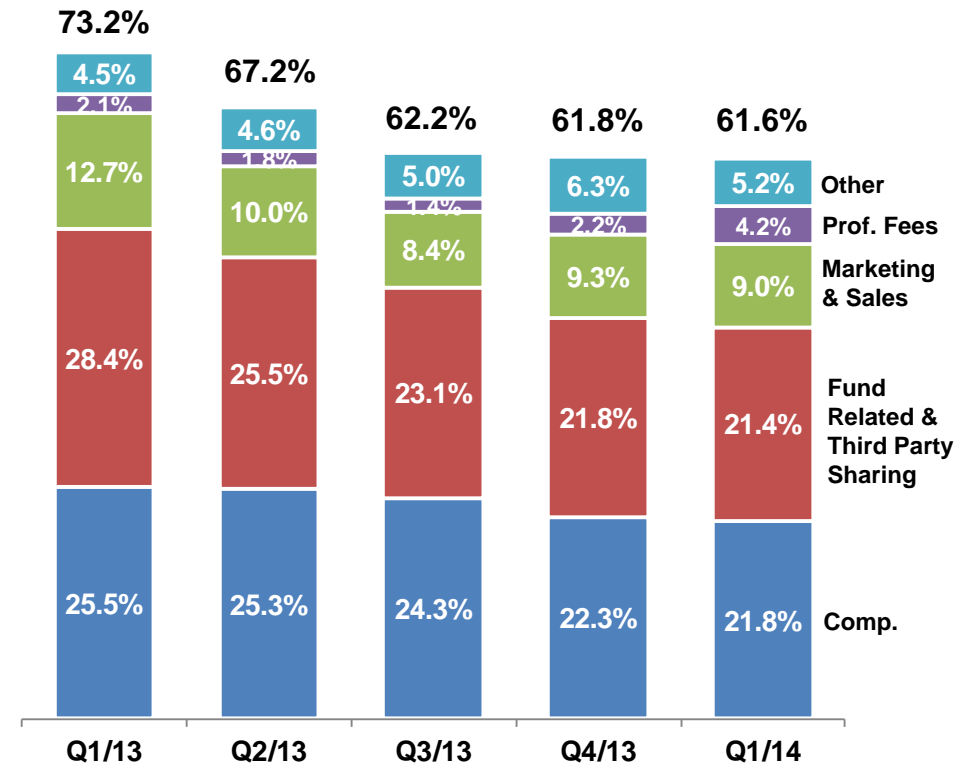


Expenses

Q1/14 vs Q1/13

	<u>Q1/14</u>	<u>Change</u>
Compensation and benefits	9,355	25%
Fund mgt & Third party	9,178	10%
Marketing & Sales	3,879	4%
Professional fees	1,795	193%
Occupancy, comm. and equip.	900	139%
Depreciation and amort.	192	134%
Other	1,142	33%
Total expenses	26,441	23%

% of Revenue



Summary Balance Sheet



Balance Sheet

(\$ millions)

	Mar. 31, 2014	Dec. 31, 2013
Assets		
Cash and cash equivalents	\$104.8	\$104.3
Investments	11.8	11.7
Accounts receivable	17.8	18.1
Deferred taxes	13.7	-
Fixed assets, net	9.6	6.3
Other assets	2.0	1.4
Total assets	\$159.7	\$141.8
Liabilities		
Fund management and administration	\$11.7	\$10.4
Compensation and benefits	2.8	14.3
Other	9.3	8.1
Total liabilities	23.8	32.8
Stockholders' equity	135.9	109.0
Total liabilities and stockholders' equity	\$159.7	\$141.8

Capitalization

(\$ millions)

	Mar. 31, 2014	Dec. 31, 2013
Common shares outstanding	131.5	130.4
Options (\$1.42 weighted avg strike price)	7.1	7.8
Unvested restricted stock	1.7	1.7
Total	140.3	139.9

Taxes

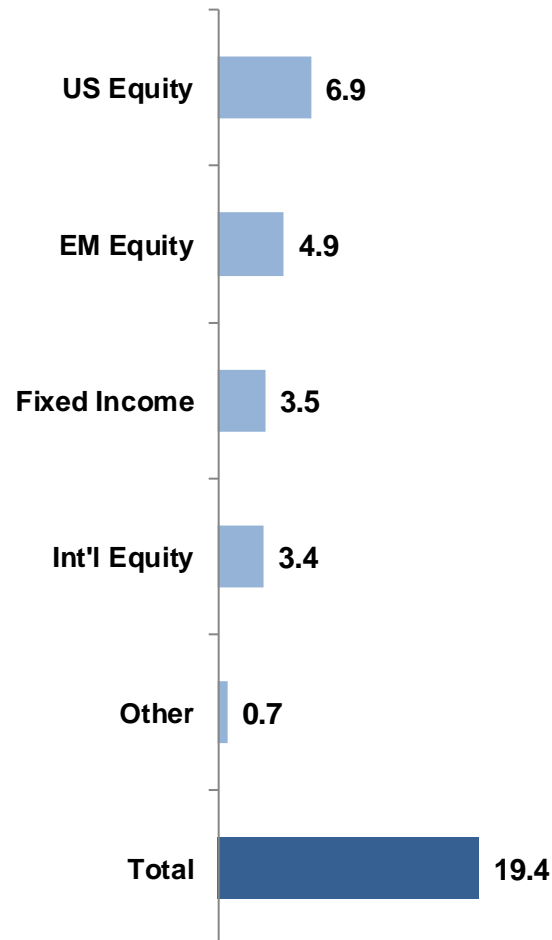
(\$ in millions except per share; shares in thousands)

- Releasing the deferred tax asset valuation allowance (\$13.7 million) by recording a one-time tax benefit
- We will record GAAP tax expense beginning Q2 as a result of recording the DTA
- Q2 will reflect a normalized GAAP tax expense using 45.4% rate
- We will not be paying cash taxes for some time because of stock based compensation deductions

NOL Roll Forward		Potential Future Additions		Additional Detail			
12/31/13	140.9	WETF stock price, 5/1/14	\$11.40	<u>Options Expiration</u>		Intrinsic	
Q1/14 pre-tax income	(16.5)	Outstanding options, 3/31/14	7,059		#	Strike	Value
Net stock based compensation	20.8	Weighted average strike price	<u>\$1.42</u>	2014	916	\$0.10	\$10.4
Other adjustments	<u>0.7</u>		\$70.4 <i>a</i>	2015	897	\$1.39	\$9.0
Pretax NOL 3/31/14	145.9	Unvested restricted stock, 3/31/14	1,740	2016	185	\$1.07	\$1.9
Estimated tax rate	<u>45.4%</u>	Value yet to be recognized	<u>\$19.8 <i>b</i></u>	2017	688	\$1.07	\$7.1
Post tax NOL	<u>\$66.2</u>			2018-2021	<u>4,373</u>	<u>\$1.77</u>	<u>\$42.1</u>
		Potential future additions to NOL	<u>\$90.3 <i>a+b</i></u>		7,059	\$1.42	\$70.4
		NOL at 3/31/14	<u>145.9</u>	<u>Stock Vesting</u>			
		Total	<u>236.2</u>	2014	294		\$3.4
		Estimated tax rate	<u>45.4%</u>	2015	705		\$8.0
		Potential cash tax savings	<u>\$107.2</u>	2016	559		\$6.4
				2017	<u>182</u>		<u>\$2.1</u>
					1,740		\$19.8

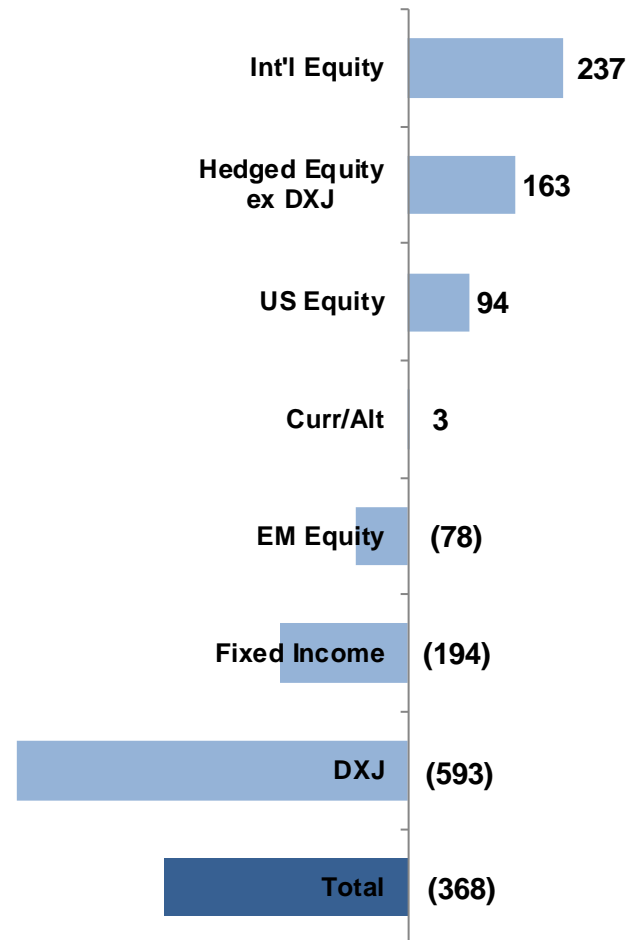
US ETF Industry

(\$ billions)



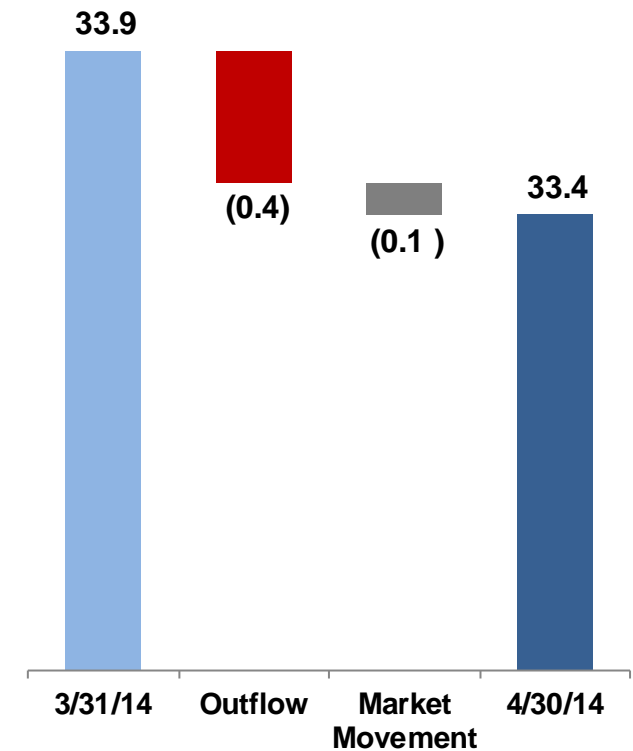
WisdomTree Inflows

(\$ millions)



WisdomTree AUM

(\$ billions)



- Reported strong financial results
- Financial position is continuing to get stronger
- ETF growth opportunity is vast
- We are investing for future growth
- We are building our global footprint
- Long term goal: \$100B in US AUM; Top 5 ETF sponsor globally

Global ETF Sponsors

Rank	ETF Sponsor	AUM
1	iShares	\$937
2	State Street	\$402
3	Vanguard	\$359
4	PowerShares	\$103
5	Deutsche Bank	\$52
6	Lyxor	\$48
7	Nomura	\$39
8	WisdomTree	\$33
9	ProShares	\$27
10	UBS	\$24

Appendix

Non-GAAP Financial Measurements



In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. The non-GAAP financial measurements included in this release include gross margin and gross margin percentage. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. We disclose gross margin as a non-GAAP financial measurement to allow investors to analyze our revenues less the direct costs paid to third parties attributable to those revenues.

	Three Months Ended		
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2013
GAAP total revenue	\$ 42,920	\$ 43,166	\$ 29,341
Fund management and administration	(9,168)	(8,953)	(8,223)
Third party sharing arrangements	(10)	(455)	(111)
Gross margin	<u>\$ 33,742</u>	<u>\$ 33,758</u>	<u>\$ 21,007</u>
Gross margin percentage	<u>78.6%</u>	<u>78.2%</u>	<u>71.6%</u>

Key Operating Statistics

(\$ millions)

	2013				2014
	Q1	Q2	Q3	Q4	Q1
<u>AUM (end of period)</u>					
International Hedged Equity	\$5,797	\$10,270	\$11,481	\$13,348	\$12,612
U.S. Equity	5,161	5,777	6,271	7,181	7,505
Emerging Markets Equity	8,071	7,172	7,703	7,448	6,753
International Developed Equity	2,728	2,633	3,150	3,864	4,830
Fixed Income	2,600	2,437	2,095	1,906	1,610
Currency	626	547	502	979	422
Alternative Strategy	120	139	150	158	152
	\$25,103	\$28,975	\$31,352	\$34,884	\$33,884
Average ETF AUM	\$21,934	\$28,390	\$30,473	\$33,091	\$33,859
<u>Net Inflows</u>					
International Developed Equity	\$139	\$57	\$205	\$565	\$812
U.S. Equity	291	547	273	367	189
Alternative Strategy	(4)	17	12	8	(4)
International Hedged Equity	4,071	4,376	752	1,243	(12)
Fixed Income	508	78	(320)	(144)	(302)
Currency	12	(62)	(48)	515	(549)
Emerging Markets Equity	876	(51)	286	(246)	(632)
Total	\$5,893	\$4,962	\$1,160	\$2,308	(\$498)
Average ETF Advisory Fee	0.54%	0.52%	0.51%	0.51%	0.51%
<u>Average Mix</u>					
International Hedged Equity	15%	30%	37%	36%	39%
U.S. Equity	22%	20%	20%	20%	21%
Emerging Markets Equity	36%	28%	24%	24%	20%
International Developed Equity	12%	10%	9%	11%	13%
Fixed Income	11%	10%	7%	6%	5%
Currency	3%	2%	2%	3%	2%
Alternative Strategy	1%	0%	1%	0%	0%
Total	100%	100%	100%	100%	100%
# of ETFs	47	50	53	61	62
Headcount	72	79	84	87	90

Financial Results

(\$ thousands)

	2013				2014
	Q1	Q2	Q3	Q4	Q1
Revenues					
Advisory fees	\$29,153	\$37,101	\$39,437	\$42,903	\$42,609
Other income	188	230	193	263	311
Total revenues	29,341	37,331	39,630	43,166	42,920
Expenses					
Compensation and benefits	7,482	9,447	9,648	9,633	9,355
Fund management and administration	8,223	9,106	8,794	8,953	9,168
Marketing and advertising	1,937	2,196	2,031	2,145	2,578
Sales and business development	1,801	1,520	1,305	1,848	1,301
Professional and consulting fees	613	657	542	936	1,795
Occupancy, communication and equipment	377	591	723	1,093	900
Depreciation and amortization	82	83	84	190	192
Third party sharing arrangements	111	428	374	455	10
Other	861	1,061	1,164	1,437	1,142
Total expenses	21,487	25,089	24,665	26,690	26,441
Income before taxes	7,854	12,242	14,965	16,476	16,479
Income tax benefit	--	--	--	--	(13,725)
Net Income	<u>\$ 7,854</u>	<u>\$ 12,242</u>	<u>\$ 14,965</u>	<u>\$ 16,476</u>	<u>\$ 30,204</u>
Note:					
Stock-based compensation included above	\$ 1,714	\$ 1,691	\$ 1,781	\$ 1,273	\$ 2,015

Historical Statistics

	Net Inflows		Market Share	Market Movement	AUM
	Industry (in billions)	WisdomTree (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	\$14.6	(498)	n/a	(502)	33,884
Total	\$1,123.8	\$32,640	2.9%	\$1,245	

	Net Inflows		Market Share	Market Movement	AUM
	Industry (in billions)	WisdomTree (in millions)			
2006	\$64.0	\$1,408	2.2%	\$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



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