

WisdomTree

Q3/14 Results



October 31, 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 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:

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 our U.S. listed WisdomTree 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.

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

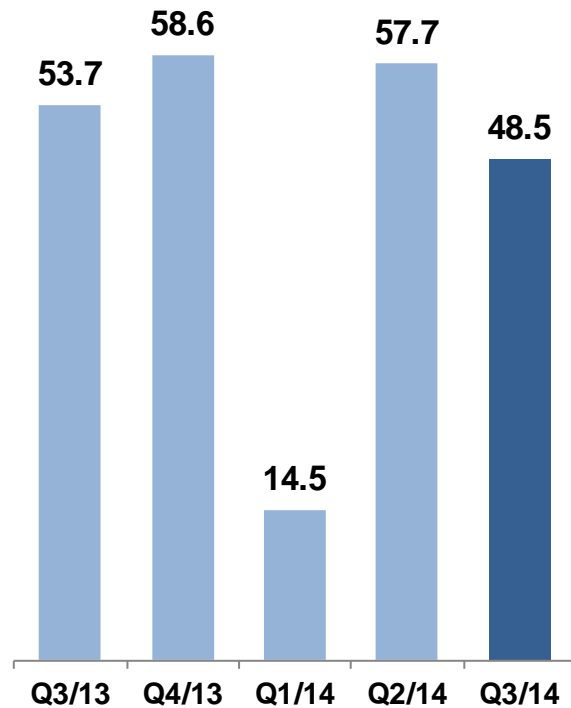
We depend on other third parties to provide many critical services to operate our business and our ETPs and ETFs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm our customers.

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, 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.

- Record revenues
- \$748 million net inflows
- Strength in currency hedged ETFs
- Early interest in rising rate ETFs
- Continued focus on products and clients
- Lower baseline US tax rate to approximately 38% from 45%
- Instituted new component of capital management program – return of capital
 - \$0.08 quarterly dividend
 - Up to \$100 million stock buyback
- Well positioned to continue to make growth investments in the business and return excess capital to shareholders
- Launched WisdomTree UCITS ETFs
- Momentum into Q4

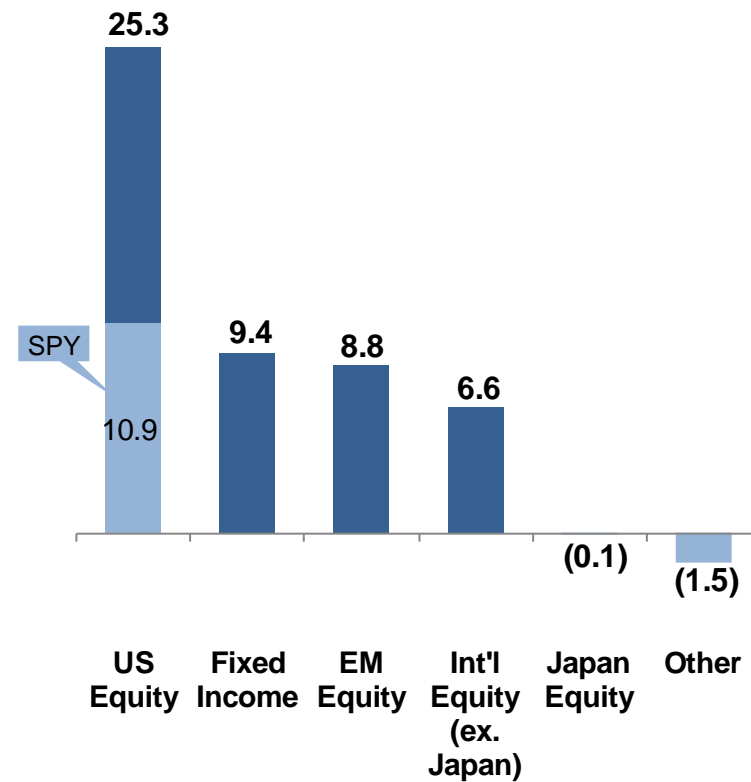
US ETF Industry Net Inflows

(\$ billions)



Q3/14 Net Inflows by Category

(\$ billions)

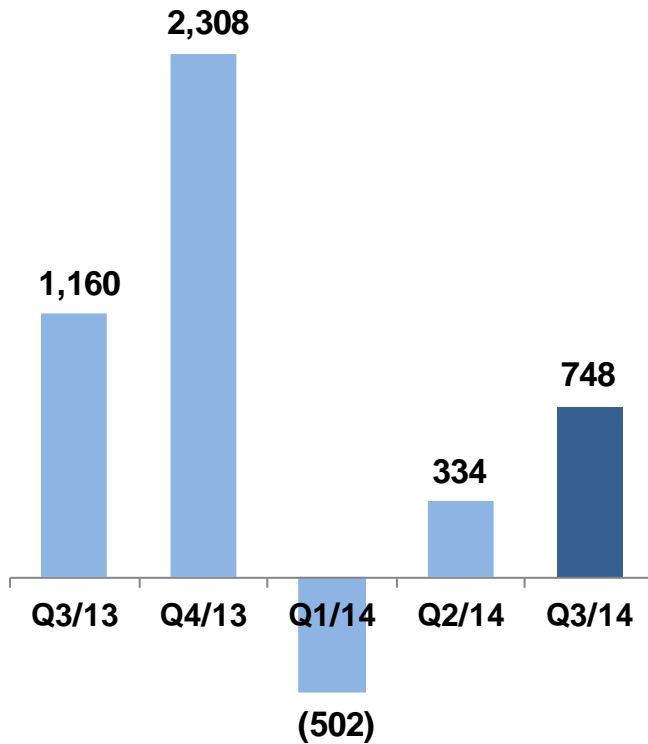


WisdomTree US Listed ETF Net Inflows



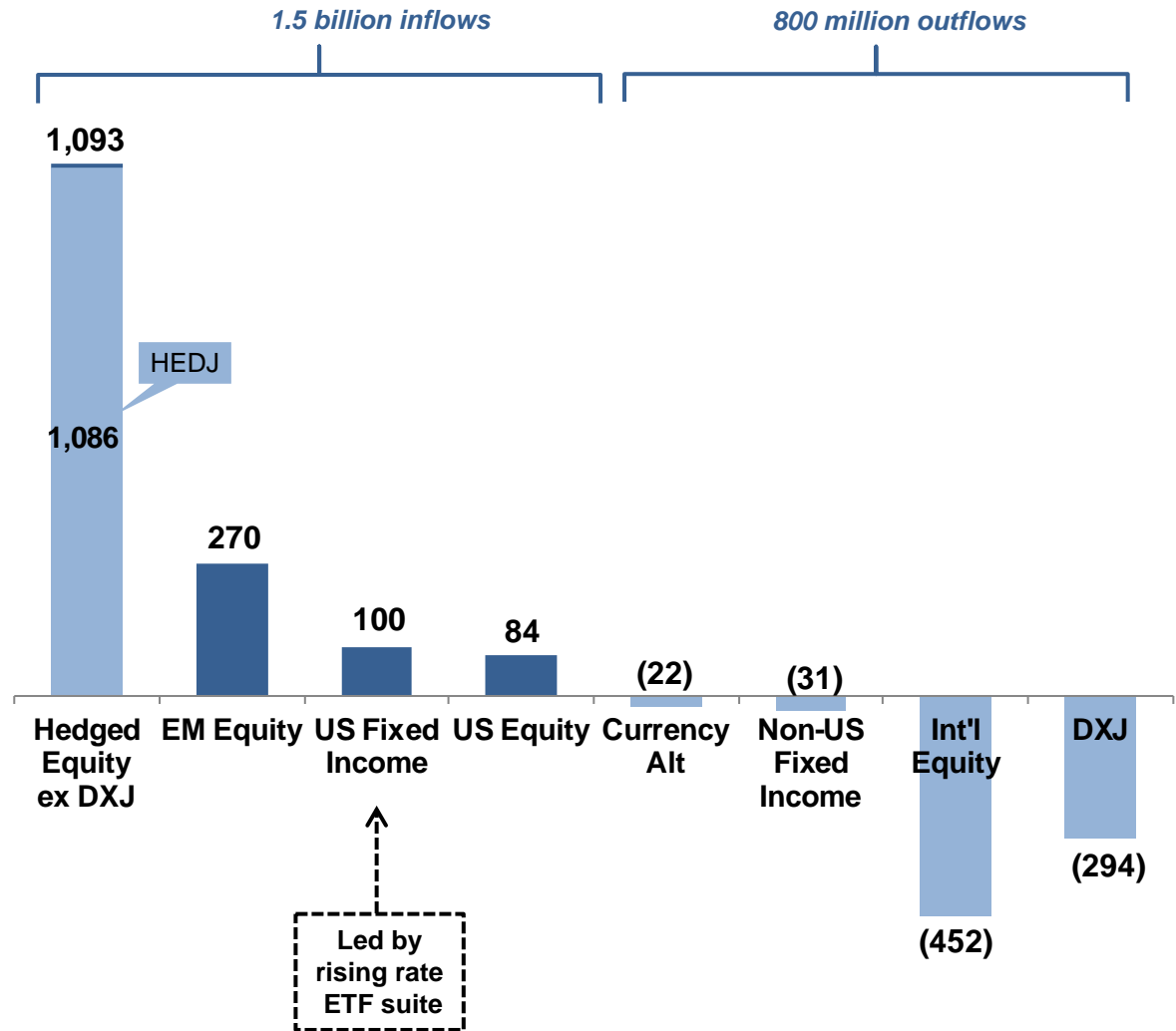
Quarterly Net Inflows

(\$ millions)



Q3 Net Inflows

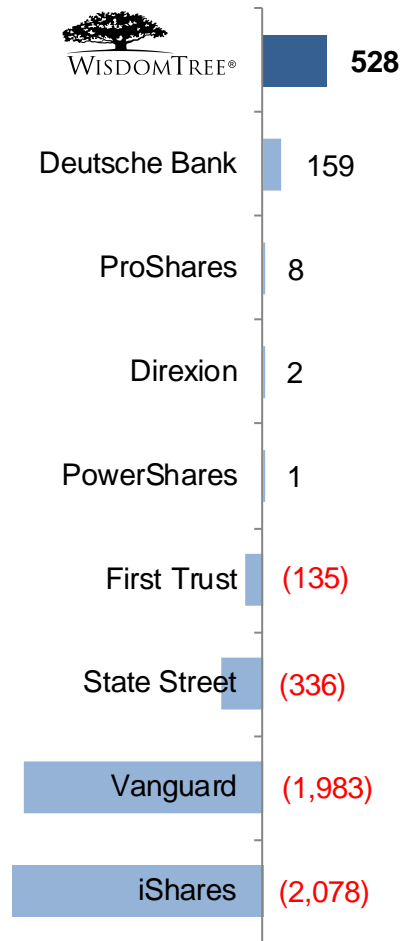
(\$ millions)



European Themed ETF Flows

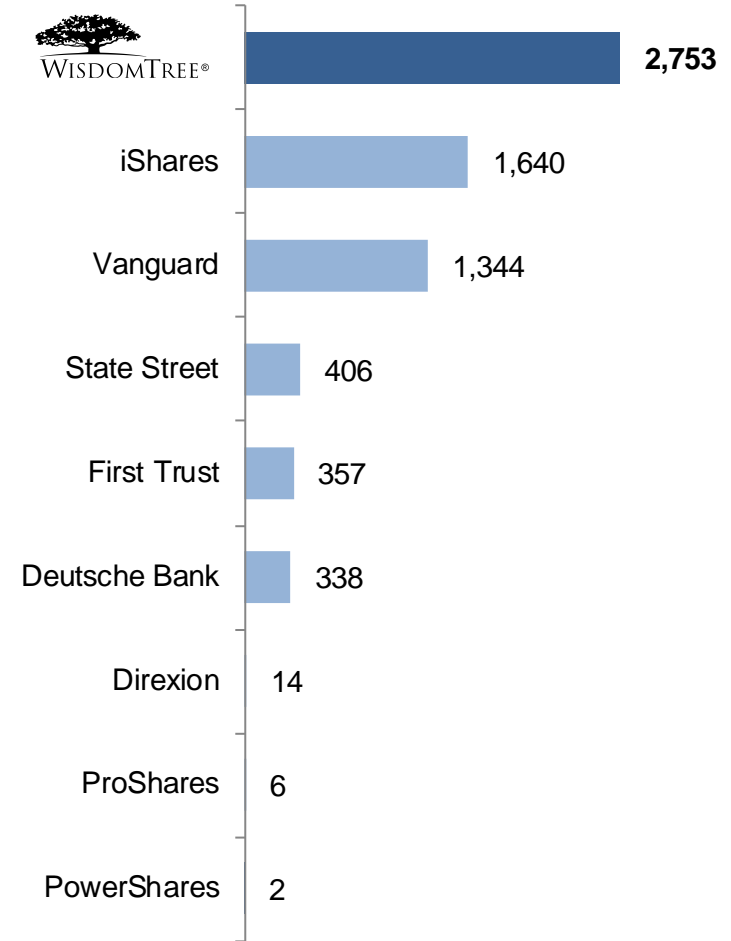
Q3/14 Net Inflows

(\$ millions)



9M/14 Net Inflows

(\$ millions)



US Listed ETF Net Inflows



Q3/14 US ETF Sponsors

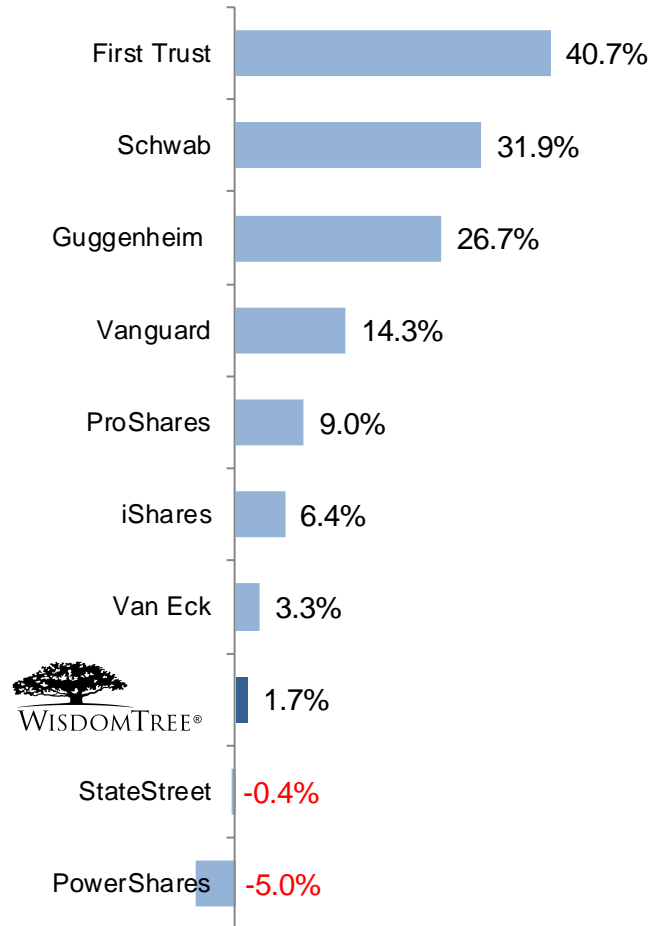
(\$ billions)

<u>Rank</u>	<u>ETF Sponsor</u>	<u>Net Inflows</u>
1	Vanguard	16.7
2	iShares	16.3
2	State Street	7.7
4	First Trust	2.0
5	Schwab	1.9
6	Guggenheim	1.5
7	Direxion	1.2
8	WBI	1.1
9	Van Eck	0.9
10	WisdomTree	0.7
Top 10		50.0
Total Industry		48.5

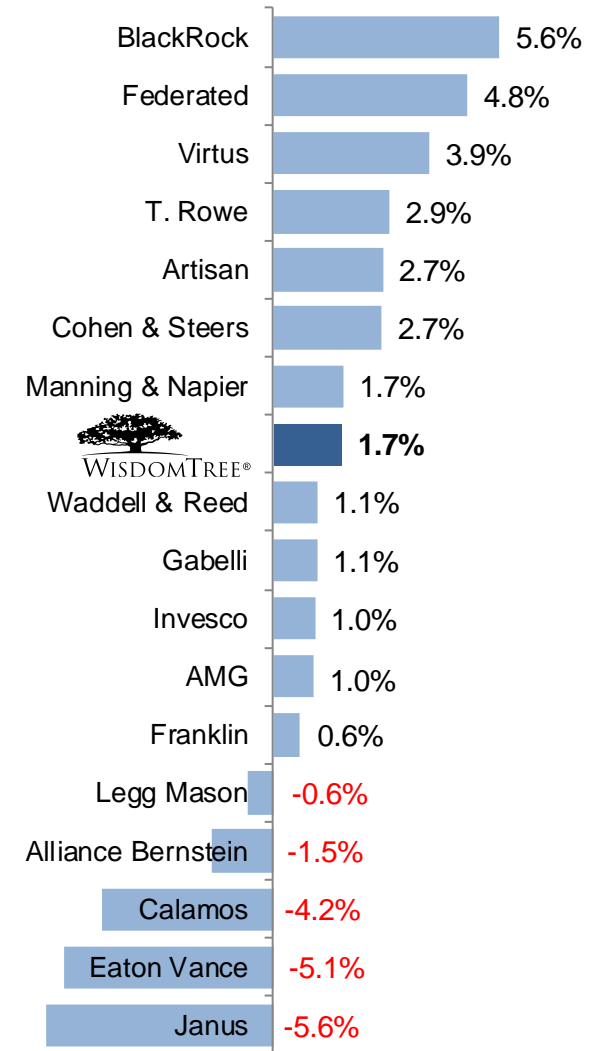
WisdomTree Inflow Market Share

Q1/13	11.3%
Q2/13	32.2%
Q3/13	2.2%
Q4/13	3.9%
Q1/14	n/a
Q2/14	0.6%
Q3/14	1.5%

Top 10 US ETF Sponsors ⁽¹⁾



Publicly Traded Asset Managers ⁽²⁾



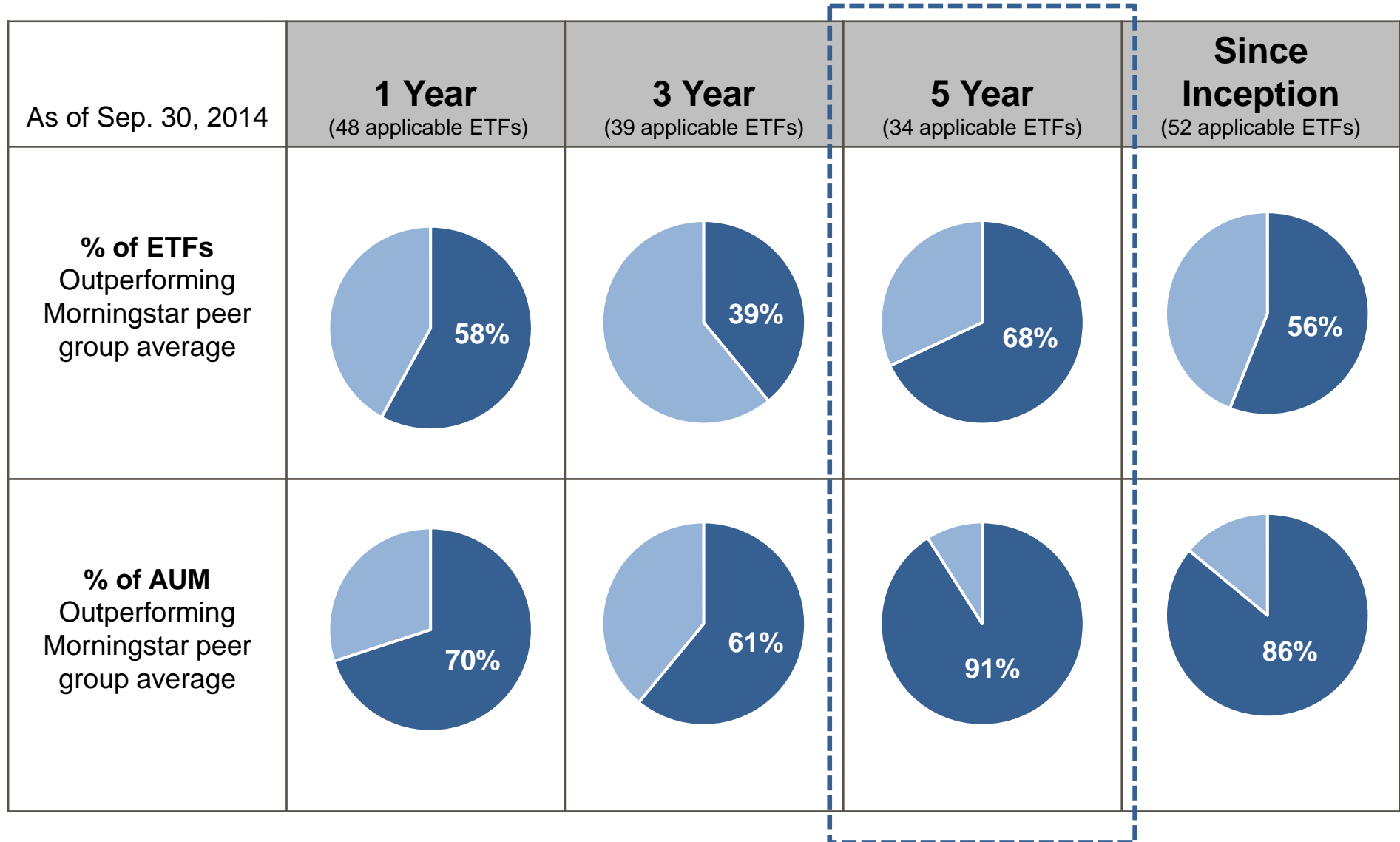
(1) Source: Bloomberg, WisdomTree. Calculated as US net flows for the period over U.S. BoP AUM.

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

Morningstar Performance of US Listed ETFs



Our performance against actively managed and indexed mutual funds and ETFs



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

Excludes ETFs for which Morningstar does not provide relevant peer groups and funds with less than one full month of performance history.

European Listed ETPs

(\$ millions)

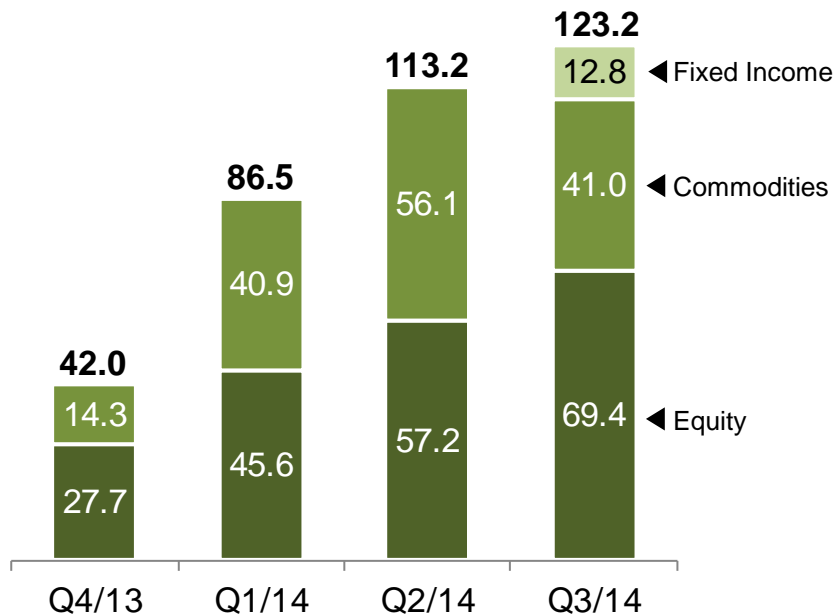


- Launched commodity ETPs in Italy
- Launched equity ETPs in Germany
- Launched fixed income ETPs in UK and Italy



- Launched 4 ETFs on LSE
- Targeting two to four additional ETFs before end of the year

(\$ millions)

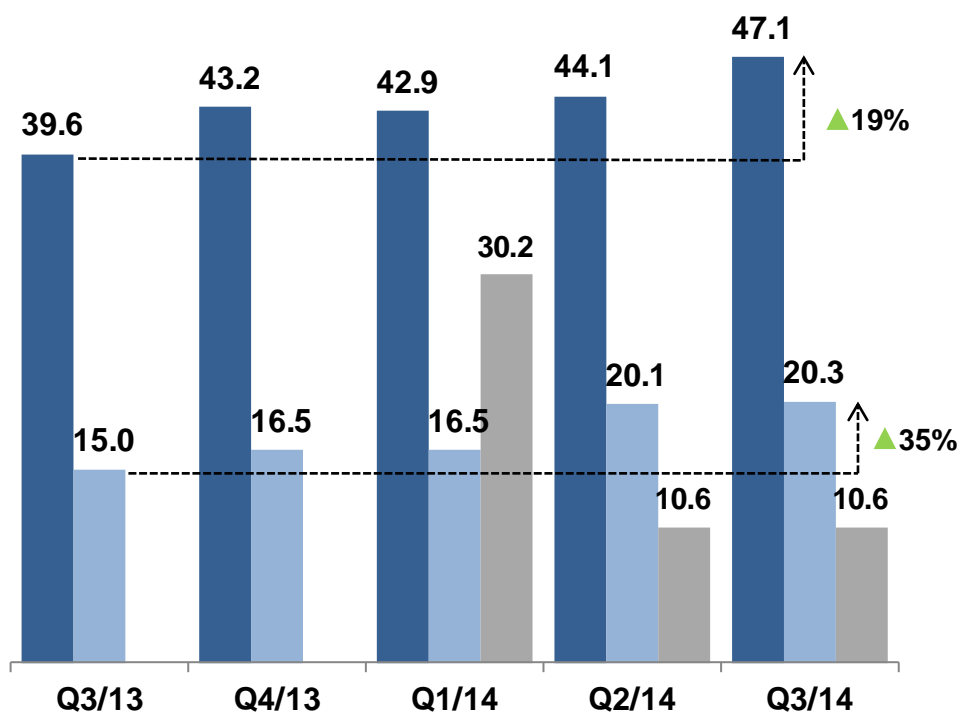


Financial Results

Financial Highlights

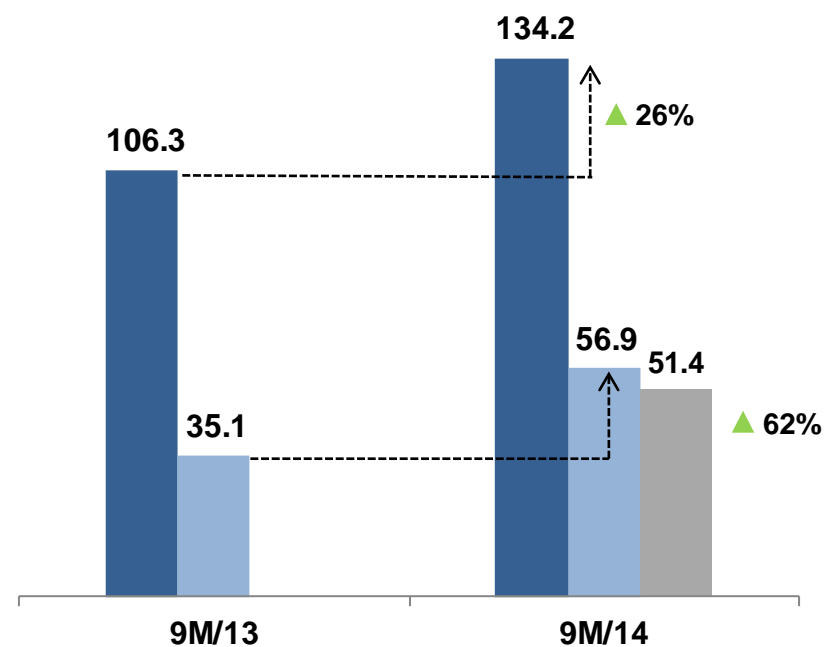
Quarterly

(\$ millions)



9M/13 vs 9M/14

(\$ millions)



■ Revenues ■ Pre-tax income ■ Net income

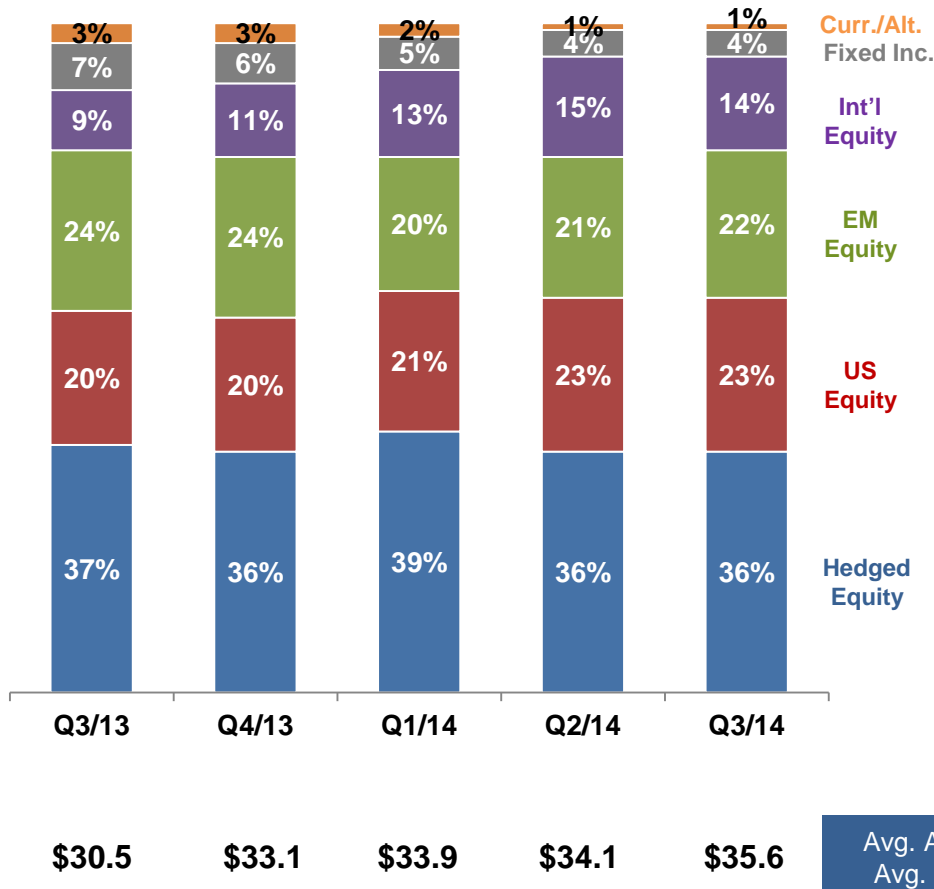
The company did not record tax expense prior to 2014.

US Listed ETF Revenues

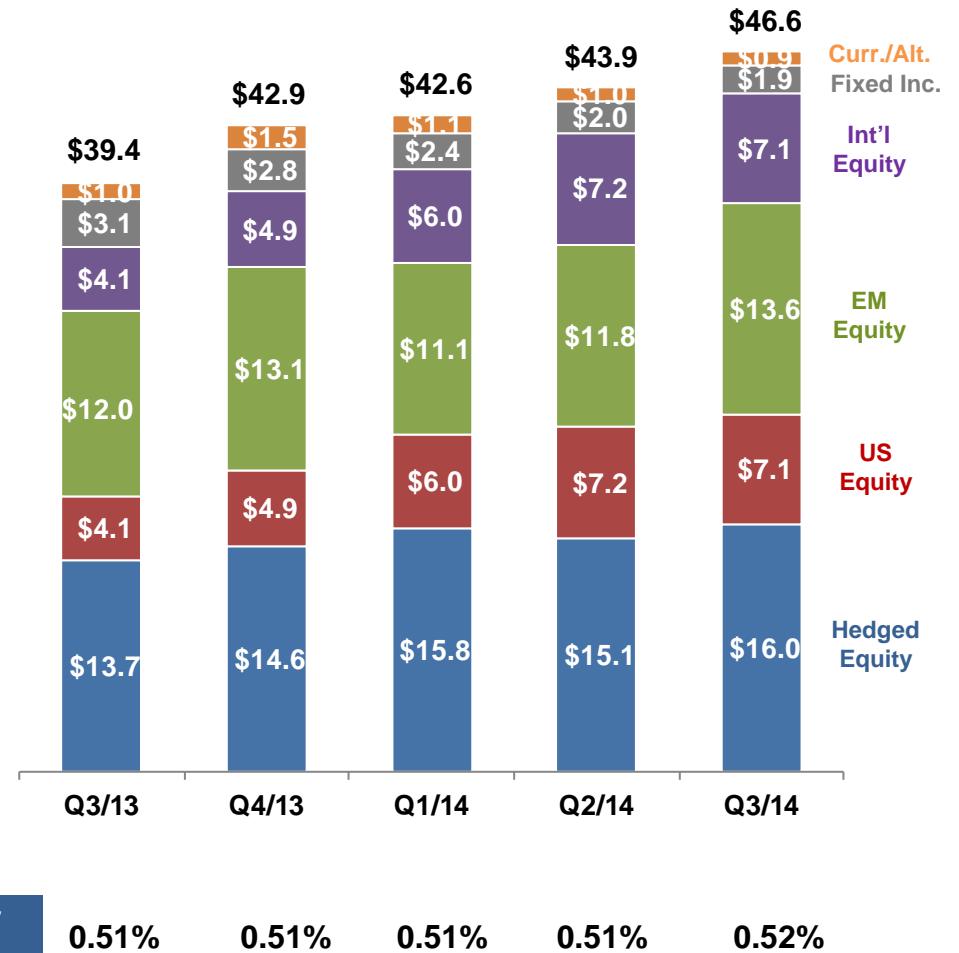


(Revenue in millions; AUM in billions)

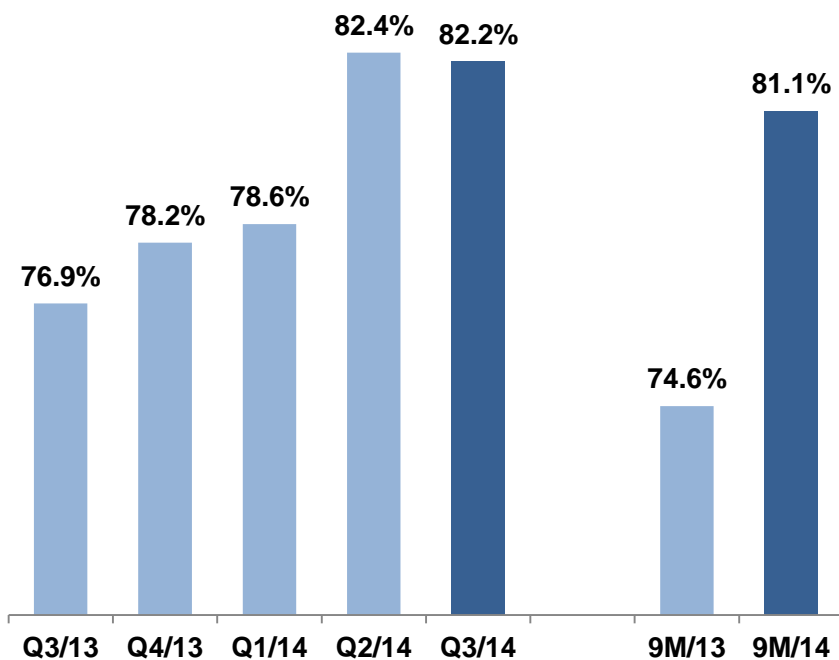
Average AUM



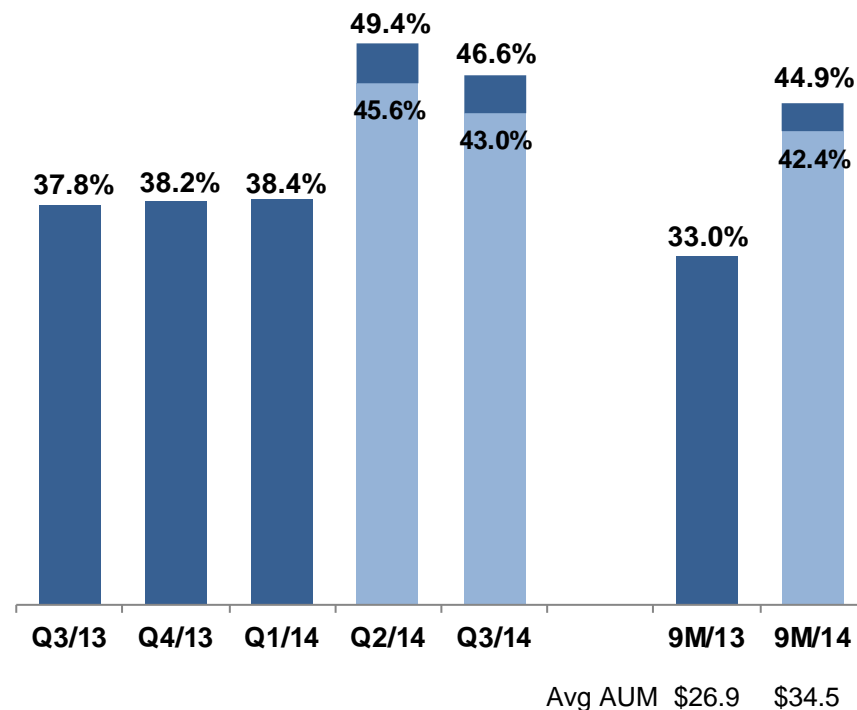
ETF Revenues



US Listed Gross Margin ⁽¹⁾



Pre-Tax Margin

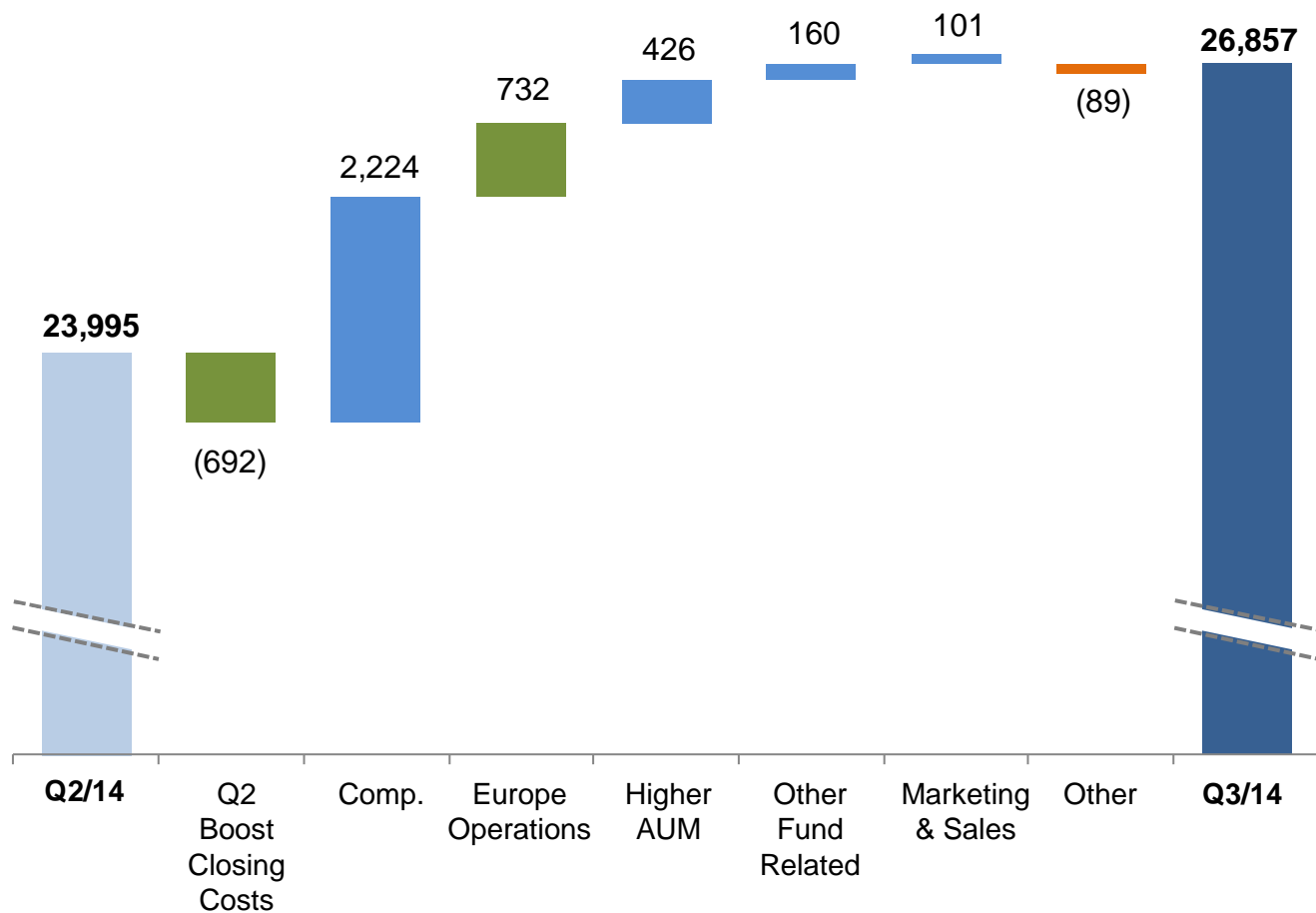


■ US listed ETFs ■ Total

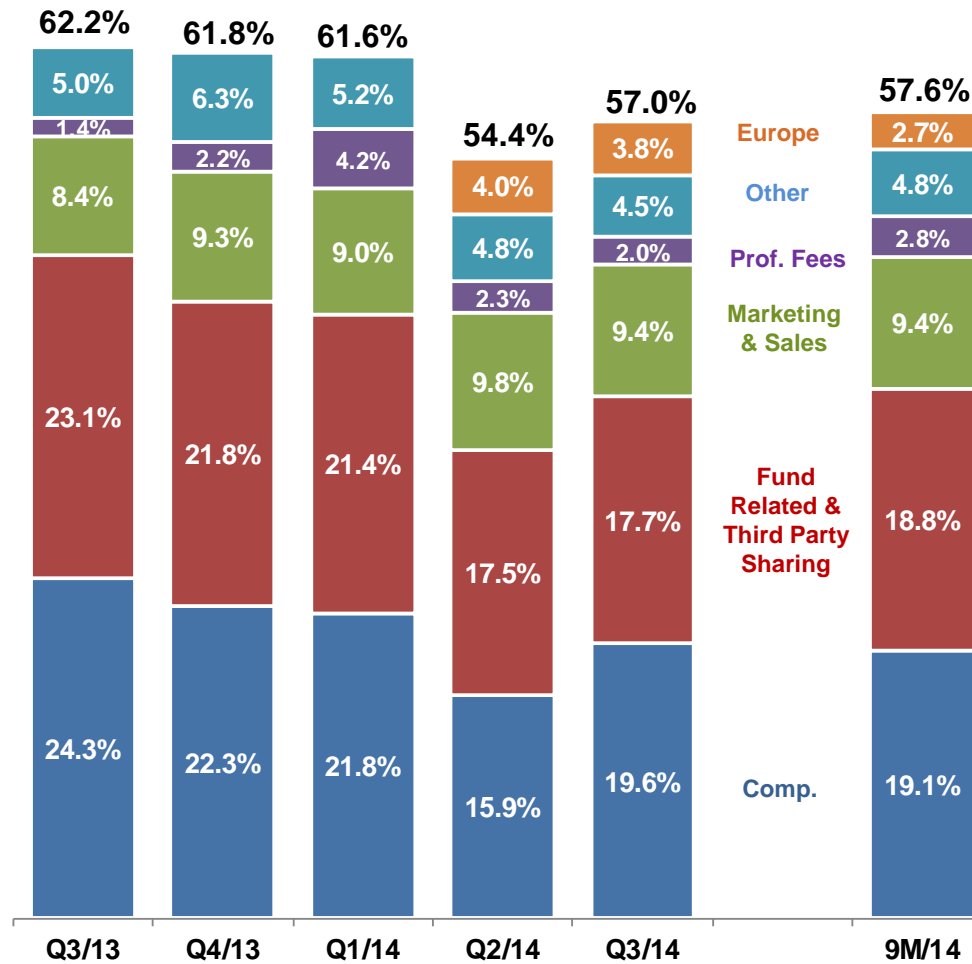
(1) Total revenues less fund management and administration and third party sharing arrangements expenses. See "Non-GAAP Financial Measurements."

Expense Base Changes – Q2/14 to Q3/14

(\$ thousands)



Expenses as % of Revenue



Summary Balance Sheet

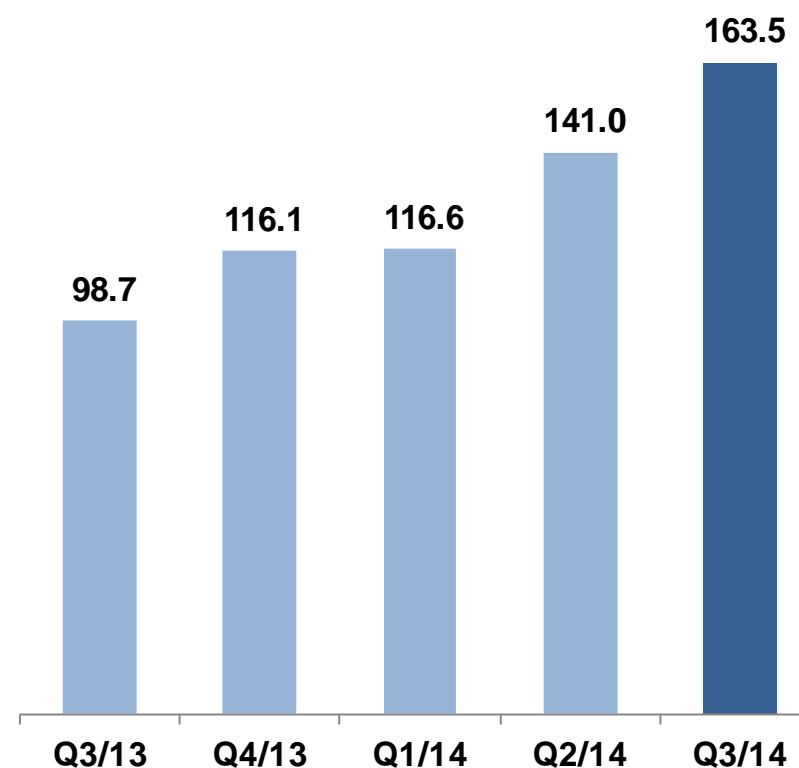
Balance Sheet

(\$ millions)

	Sep. 30, 2014	Dec. 31, 2013
Assets		
Cash and cash equivalents	\$151.3	\$104.3
Investments	12.2	11.7
Accounts receivable	16.3	18.1
Deferred tax asset, net	8.2	-
Fixed assets, net	10.3	6.3
Goodwill	1.7	-
Other assets	2.2	1.4
Total assets	\$202.2	\$141.8
Liabilities		
Fund management and administration	\$8.8	\$10.4
Compensation and benefits	7.1	14.3
Accounts payable and other liabilities	6.7	4.4
Deferred rent	5.3	3.7
Total liabilities	27.9	32.8
Stockholders' equity	174.3	109.0
Total liabilities and stockholders' equity	\$202.2	\$141.8

Cash and Investments

(\$ millions)



- Cash dividend
 - \$0.08 quarterly cash dividend
 - Record date Nov 12, 2014
 - Payment date Nov 26, 2014
- Buyback
 - Up to \$100 million over 3 years
 - Open market purchases
 - Eliminate share count increase from issuing equity to employees
 - Opportunistic
- Reflects the cash flow efficiency of our operating model
- Ample resources to continue to invest in growth initiatives

- Lowering US baseline tax rate to approximately 38% as a result of state tax planning
- \$1.3 million charge = Lowered value of deferred tax asset and non-deductible Boost closing costs
- Recording GAAP tax expense at lower rate; however still not paying cash taxes
- Cannot offset US taxes by losses generated by European operations

NOL Roll Forward

WisdomTree records GAAP tax expense, however, we do not pay cash taxes due to our net operating loss.

12/31/13	140.9
9M US pre tax income	(60.0)
Net stock based compensation	23.0
Other adjustments	(2.2)
Pretax NOL 9/30/14	101.7
Tax rate	38.4%
Post tax NOL	\$39.1

Potential Future Additions

We continue to generate additional NOL 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, 10/30/14</i>	<i>\$11.71</i>
Outstanding options, 9/30/14	6,802
Weighted average strike price	<u>\$1.44</u>
Value yet to be recognized	<u>\$69.9</u> <i>a</i>
Unvested restricted stock, 9/30/14	1,570
Value yet to be recognized	<u>\$18.4</u> <i>b</i>
Potential future additions to NOL	\$88.2 <i>a+b</i>
Tax rate	38.4%
Potential cash tax savings	\$33.9

Additional Detail

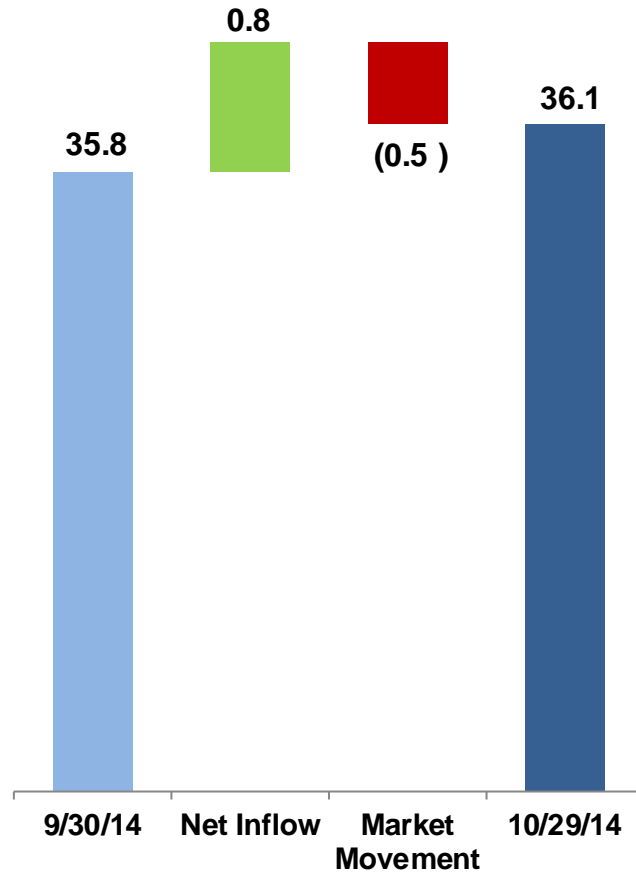
Nearly all options are currently exercisable and restricted stock will vest according to the schedule below.

<u>Options Expiration</u>		<u>Intrinsic</u>	
	<u>#</u>	<u>Strike</u>	<u>Value</u>
2014	835	\$0.16	\$9.6
2015	897	\$1.39	\$9.3
2016	127	\$1.07	\$1.4
2017	628	\$1.07	\$6.7
2018-2021	<u>4,315</u>	<u>\$1.76</u>	<u>\$42.9</u>
	6,802	\$1.44	\$69.9

<u>Stock Vesting</u>		
2014	50	\$0.6
2015	758	\$8.9
2016	568	\$6.7
2017	<u>194</u>	<u>\$2.3</u>
	1,570	\$18.4

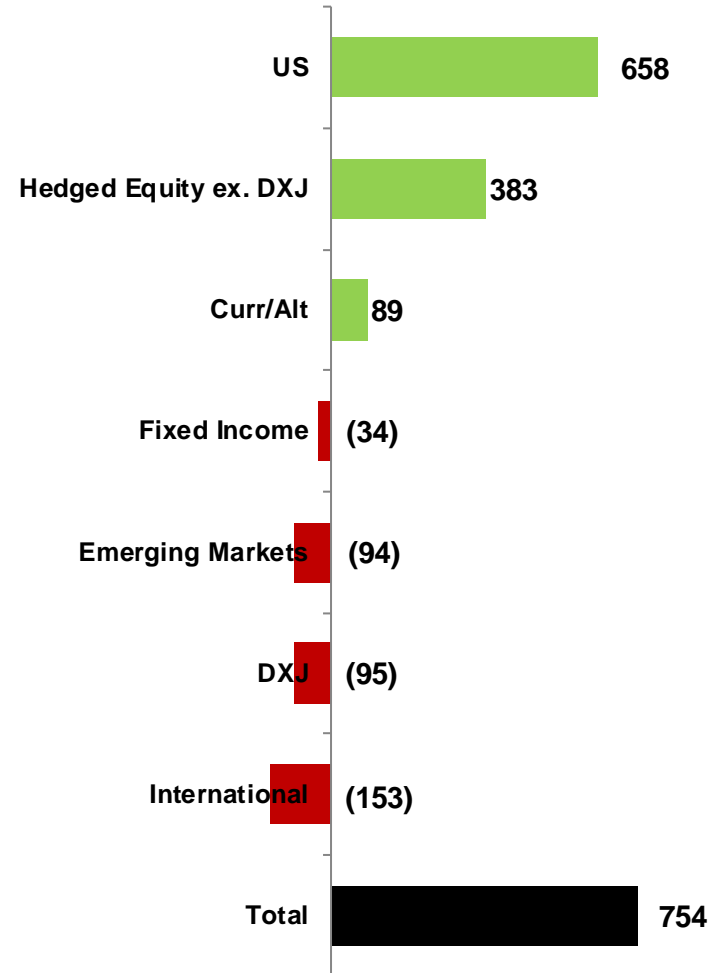
US Listed AUM

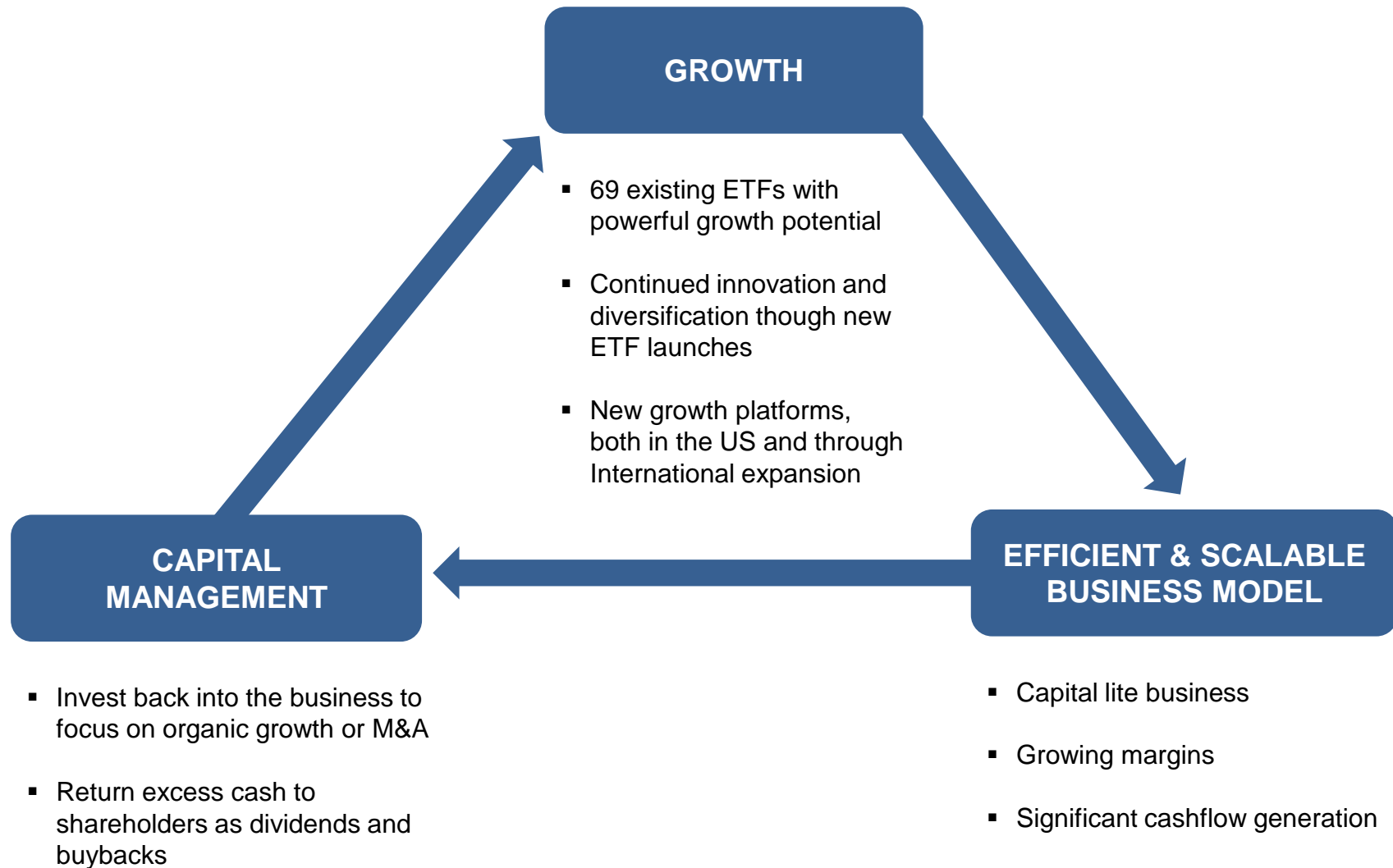
(\$ billions)



US Listed Net Inflows

(\$ millions)





Appendix

Key Operating Statistics

(\$ millions)

	2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<u>AUM (end of period)</u>							
International Hedged Equity	\$5,797	\$10,270	\$11,481	\$13,348	\$12,612	\$12,557	\$13,971
U.S. Equity	5,161	5,777	6,271	7,181	7,505	8,052	7,939
Emerging Markets Equity	8,071	7,172	7,703	7,448	6,753	7,606	7,495
International Developed Equity	2,728	2,633	3,150	3,864	4,830	5,340	4,494
Fixed Income	2,600	2,437	2,095	1,906	1,610	1,376	1,379
Currency	626	547	502	979	422	406	362
Alternative Strategy	120	139	150	158	152	163	183
	\$25,103	\$28,975	\$31,352	\$34,884	\$33,884	\$35,500	\$35,823
Average ETF AUM	\$21,934	\$28,390	\$30,473	\$33,091	\$33,859	\$34,141	\$35,554
<u>Net Inflows</u>							
International Hedged Equity	\$4,071	\$4,376	\$752	\$1,243	(\$12)	(\$502)	\$799
Emerging Markets Equity	876	(51)	286	(246)	(632)	388	270
U.S. Equity	291	547	273	367	189	221	84
Fixed Income	508	78	(320)	(144)	(306)	(278)	69
Alternative Strategy	(4)	17	12	8	(4)	8	13
Currency	12	(62)	(48)	515	(549)	(21)	(35)
International Developed Equity	139	57	205	565	812	518	(452)
Total	\$5,893	\$4,962	\$1,160	\$2,308	(\$502)	\$334	\$748
Average ETF Advisory Fee	0.54%	0.52%	0.51%	0.51%	0.51%	0.51%	0.52%
<u>Average Mix</u>							
International Hedged Equity	15%	30%	37%	36%	39%	36%	36%
U.S. Equity	22%	20%	20%	20%	21%	23%	23%
Emerging Markets Equity	36%	28%	24%	24%	20%	21%	22%
International Developed Equity	12%	10%	9%	11%	13%	15%	14%
Fixed Income	11%	10%	7%	6%	5%	4%	4%
Currency	3%	2%	2%	3%	2%	1%	1%
Alternative Strategy	1%	0%	1%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%
# of ETFs	47	50	53	61	62	69	69
<u>European Listed ETPs: (in thousands)</u>							
AUM (end of period)					\$113,244	\$123,210	
Net Inflows					\$17,658	\$19,192	
Average Advisory Fee					0.82%	0.79%	
Global Headcount	72	79	84	87	90	103	114

Financial Results



(\$ thousands)

	2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues							
Advisory fees	\$29,153	\$37,101	\$39,437	\$42,903	\$42,609	\$43,938	\$ 46,942
Other income	188	230	193	263	311	190	172
Total revenues	29,341	37,331	39,630	43,166	42,920	44,128	47,114
Expenses							
Compensation and benefits	7,482	9,447	9,648	9,633	9,355	7,551	9,990
Fund management and administration	8,223	9,106	8,794	8,953	9,168	7,818	8,465
Marketing and advertising	1,937	2,196	2,031	2,145	2,578	2,726	3,341
Sales and business development	1,801	1,520	1,305	1,848	1,301	1,727	1,279
Professional and consulting fees	613	657	542	936	1,795	1,840	1,383
Occupancy, communication and equipment	377	591	723	1,093	900	853	882
Depreciation and amortization	82	83	84	190	192	201	207
Third party sharing arrangements	111	428	374	455	10	115	187
Other	861	1,061	1,164	1,437	1,142	1,164	1,123
Total expenses	21,487	25,089	24,665	26,690	26,441	23,995	26,857
Income before taxes	7,854	12,242	14,965	16,476	16,479	20,133	20,257
Income tax (benefit)/expense	--	--	--	--	(13,725)	9,531	9,634
Net Income	\$ 7,854	\$ 12,242	\$ 14,965	\$ 16,476	\$ 30,204	\$ 10,602	\$ 10,623
Note:							
Stock-based compensation included above	\$ 1,714	\$ 1,691	\$ 1,781	\$ 1,273	\$ 2,015	\$ 2,030	\$ 2,077

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	\$14.5	(502)	n/a	(498)	33,884
Q2 14	\$57.7	334	0.6%	1,282	35,500
Q3 14	\$48.5	748	1.5%	(425)	35,823
Total	\$1,229.9	\$33,718	2.7%	\$2,106	

	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



WISDOMTREE®