



WisdomTree

Q4/14 and 2014 Results



February 6, 2015

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.

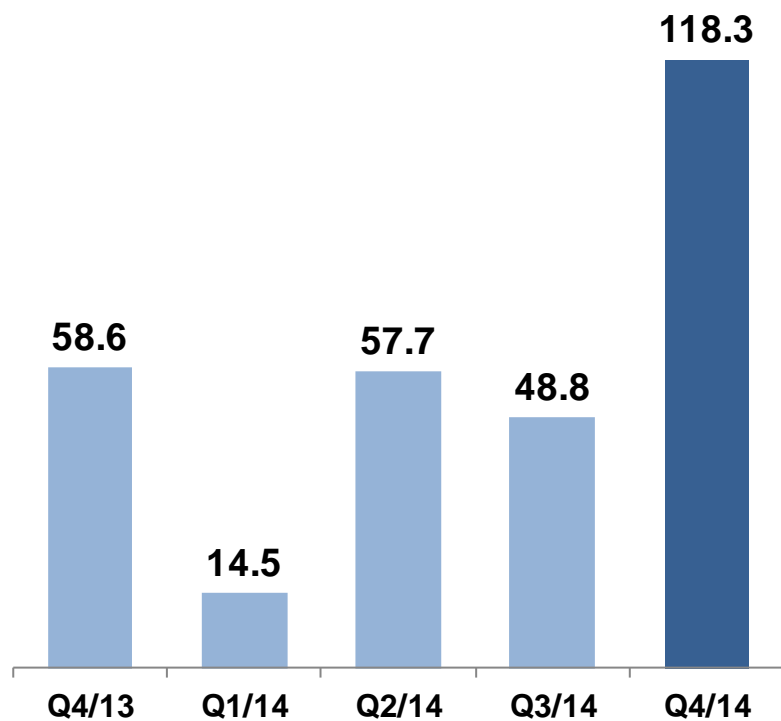
We depend on other third parties to provide many critical services to operate our business and our ETPs and ETFs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm our customers.

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.

- Strong operating results
 - \$4.5 billion inflows
 - Strong dollar and depreciating euro
 - Strength of HEDJ
 - \$4.6 billion net inflows Q1 2015
 - ETF industry reaches record levels
 - \$2 trillion US AUM / \$2.8 trillion worldwide AUM / \$239 billion US net inflows
 - Benefits of ETF structure
 - Transparency, liquidity, tax efficiency, flexibility and convenience
 - Industry growth should accelerate
 - Position WisdomTree to maximize growth
 - Strategic investments in products, people and platform
 - \$0.08 quarterly dividend
 - Commitment to the ETF global growth phenomenon
-

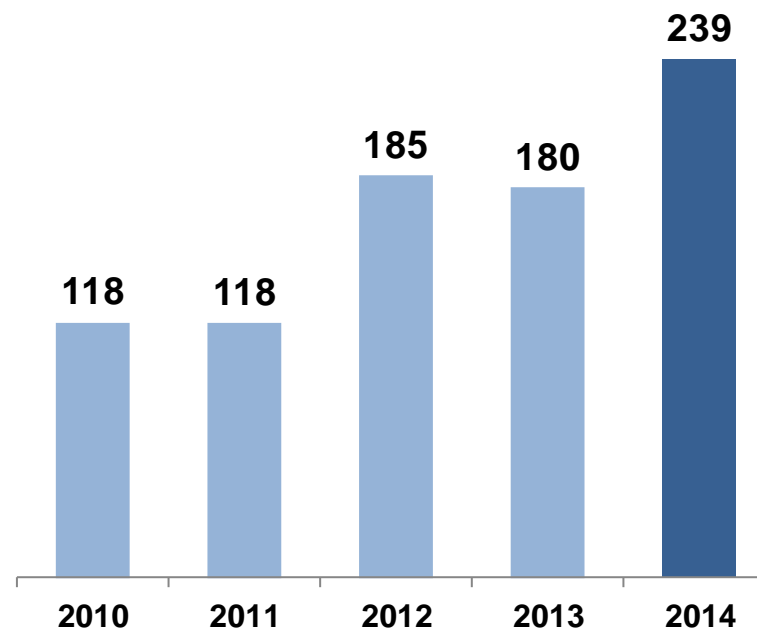
US ETF Industry Net Inflows

(\$ billions)



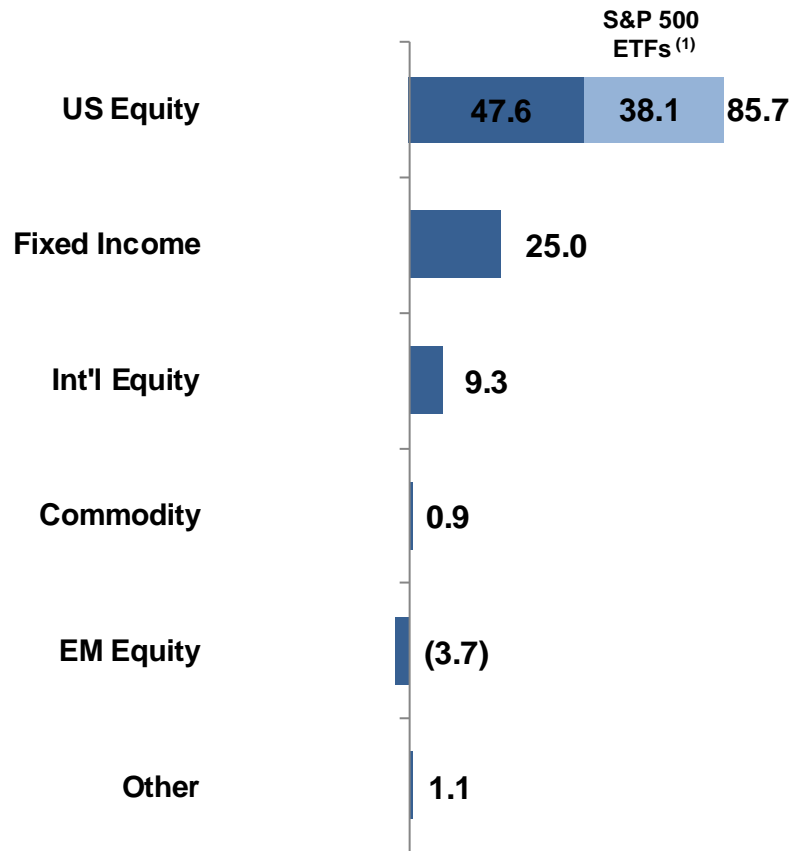
US ETF Industry Net Inflows

(\$ billions)



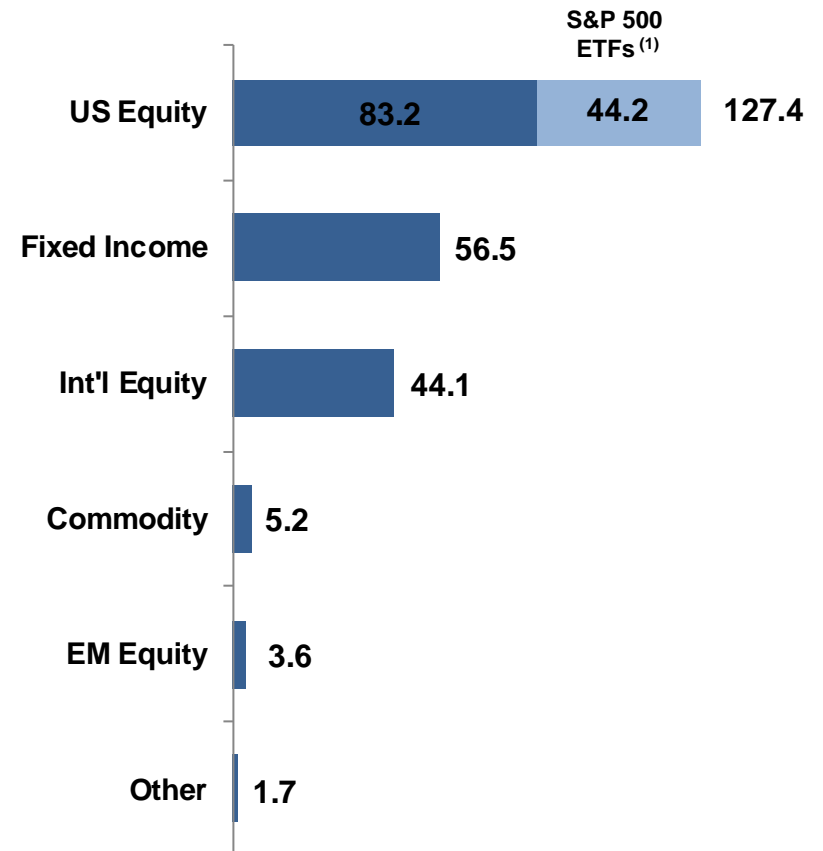
Q4/14 US ETF Industry Net Inflows

(\$ billions)



2014 US ETF Industry Net Inflows

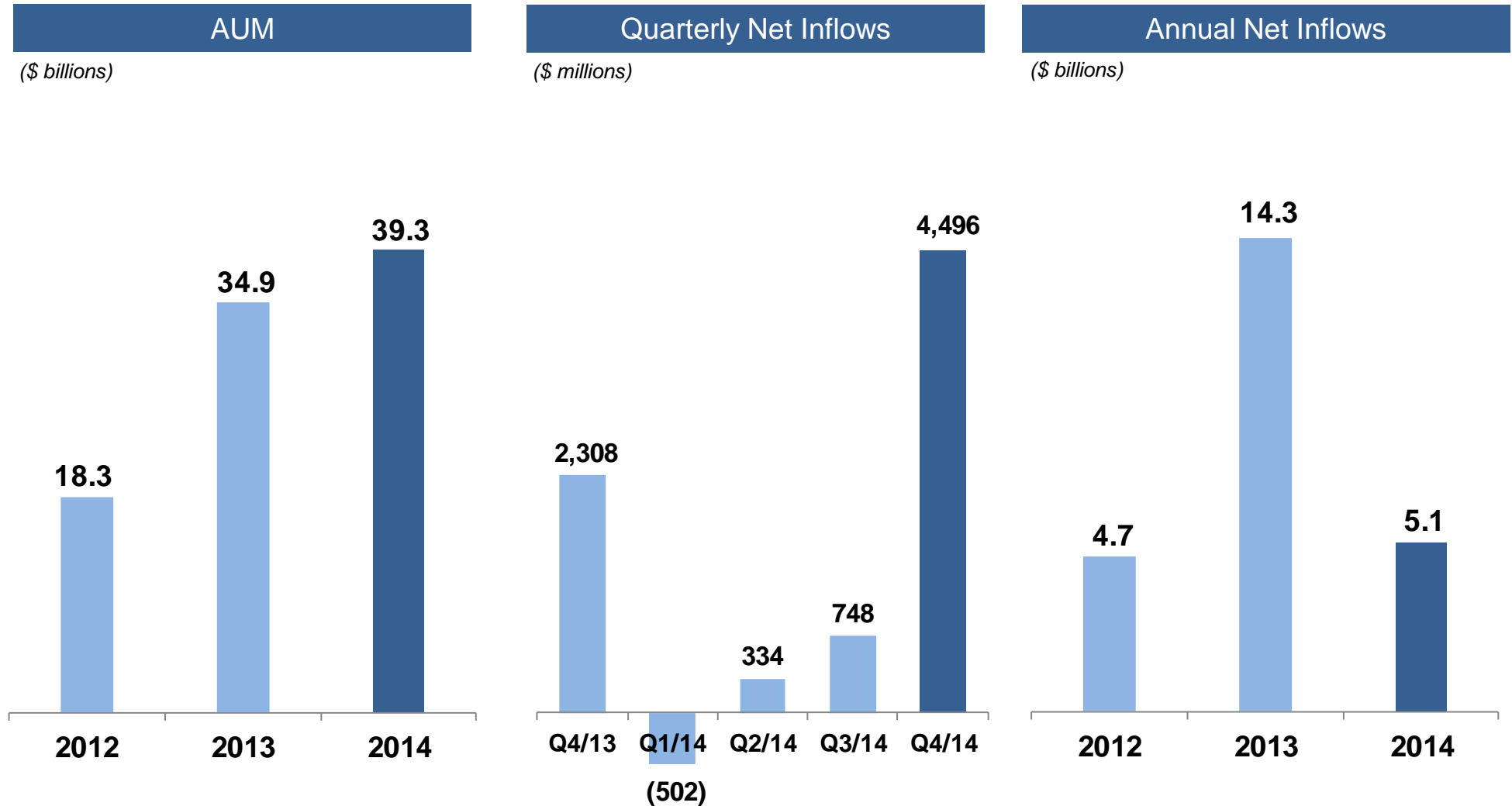
(\$ billions)



Source: ICI, Bloomberg, WisdomTree. Excludes ETNs.

(1) Reflects inflows into SPY, IVV and VOO.

WisdomTree US Listed ETF AUM & Net Inflows

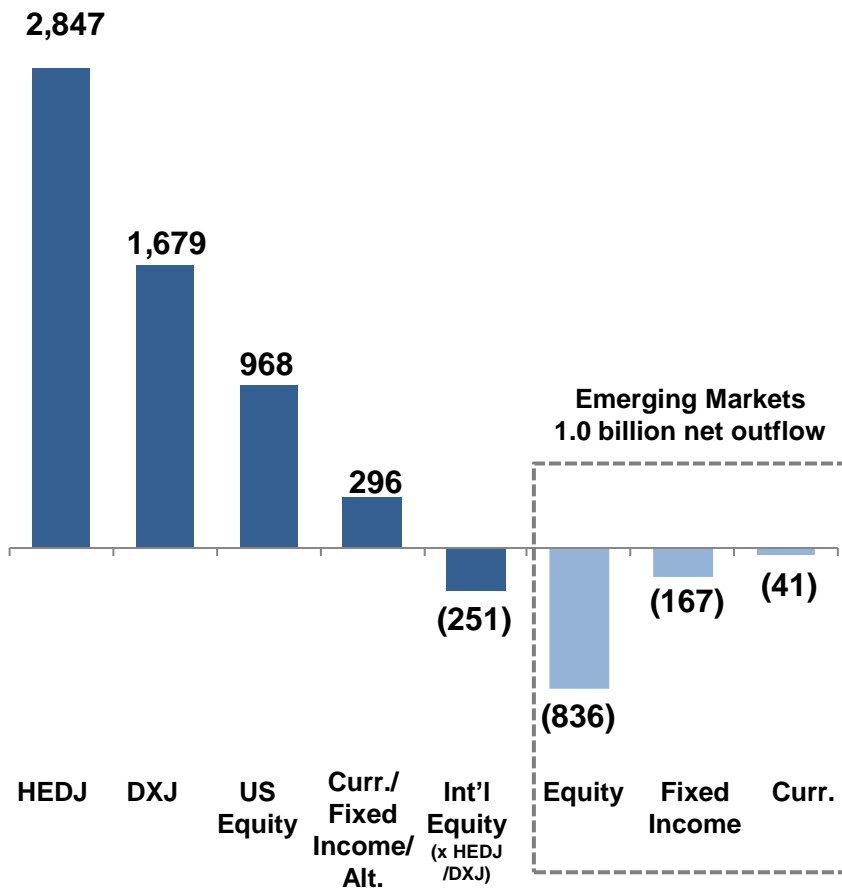


WisdomTree US Listed ETF Net Inflows



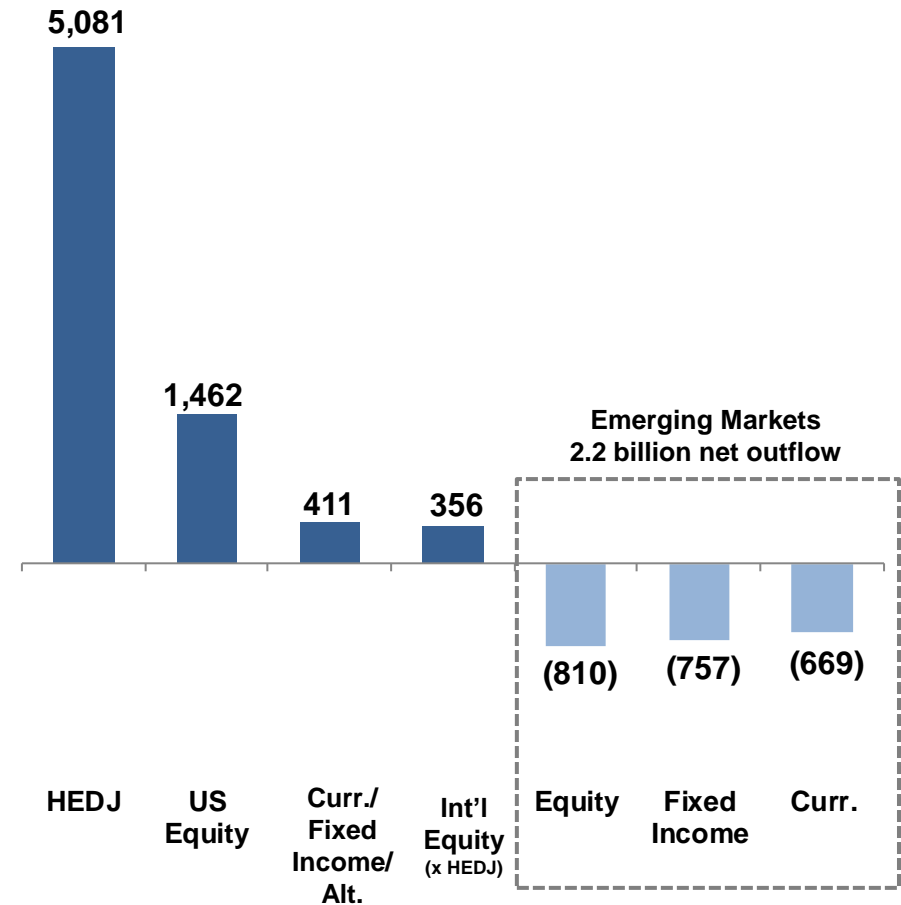
Quarterly Net Inflows by Category

(\$ millions)



Annual Net Inflows by Category

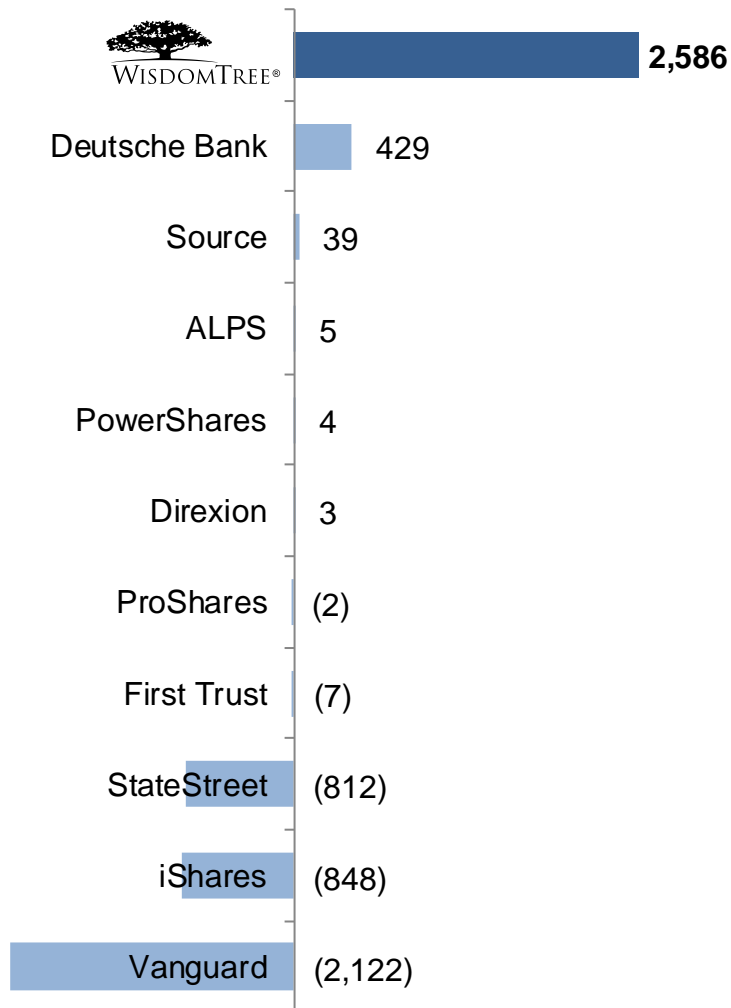
(\$ millions)



European Themed US ETF Flows

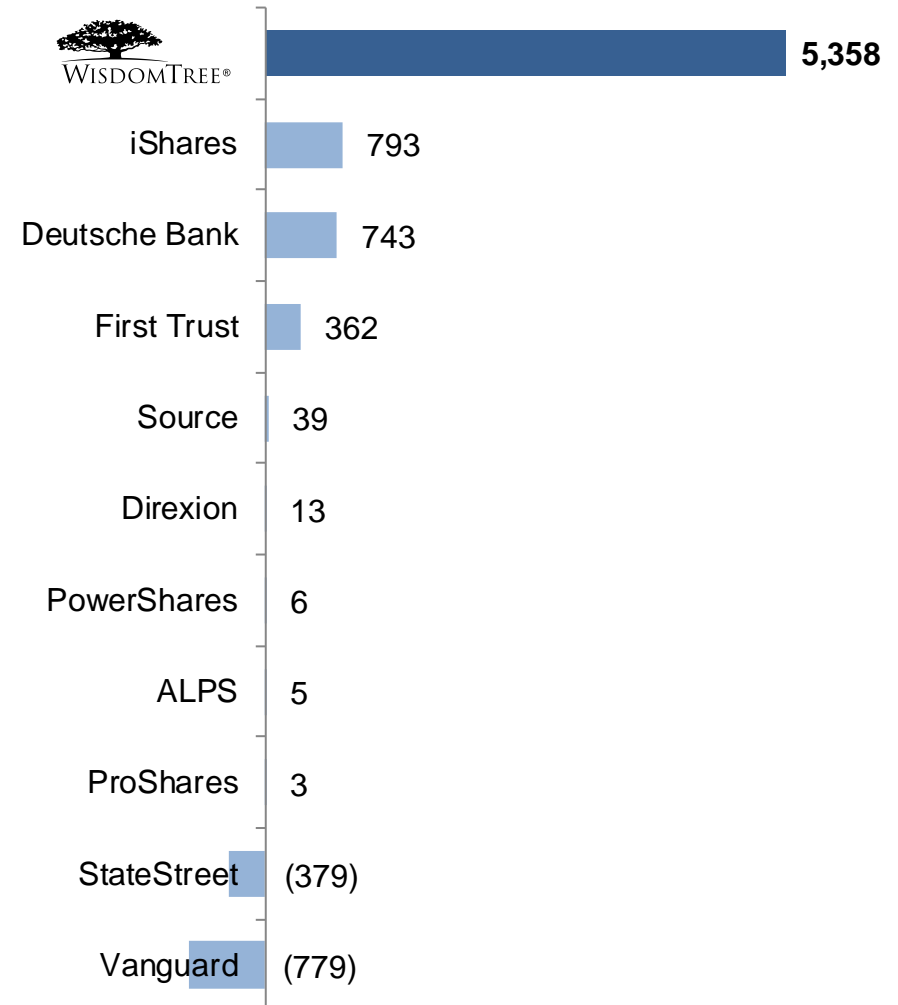
Q4/14 Net Inflows

(\$ millions)



2014 Net Inflows

(\$ millions)



US Listed ETF Net Inflows & Market Share

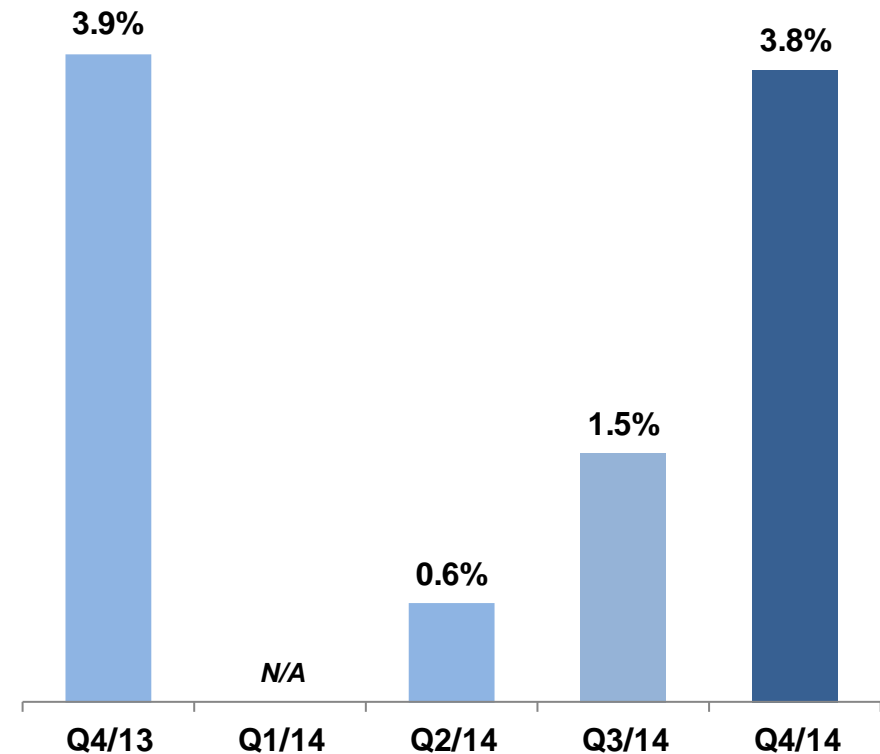


Q4/14 US ETF Sponsors

(\$ billions)

<u>Rank</u>	<u>ETF Sponsor</u>	<u>Net Inflows</u>
1	iShares	41.5
2	State Street	35.0
3	Vanguard	28.9
4	WisdomTree	4.5
5	First Trust	3.5
6	Schwab	3.5
7	Deutsche Bank	2.2
8	US Commodity	1.3
9	Fidelity	0.8
10	Direxion	0.8
Top 10		122.0
Total Industry		118.3

WisdomTree Inflow Market Share



US Listed ETF Net Inflows & Market Share

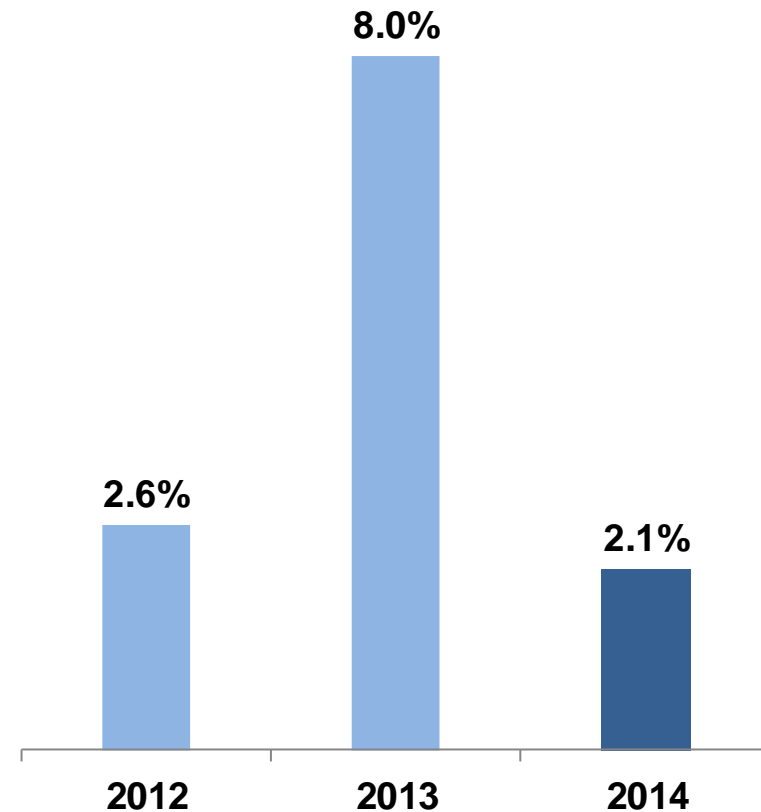


2014 US ETF Sponsors

(\$ billions)

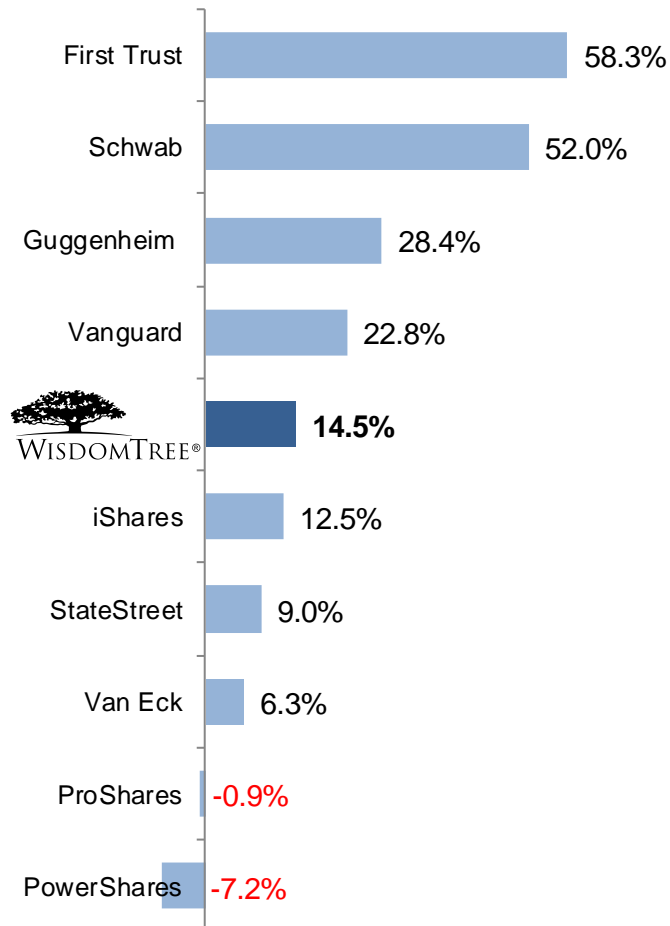
<u>Rank</u>	<u>ETF Sponsor</u>	<u>Net Inflows</u>
1	iShares	82.7
2	Vanguard	76.0
3	State Street	35.0
4	First Trust	11.5
5	Schwab	8.8
6	Guggenheim	6.3
7	WisdomTree	5.1
8	Deutsche Bank	3.1
9	ALPS	2.9
10	Direxion	2.2
Top 10		233.6
Total Industry		239.3

WisdomTree Inflow Market Share

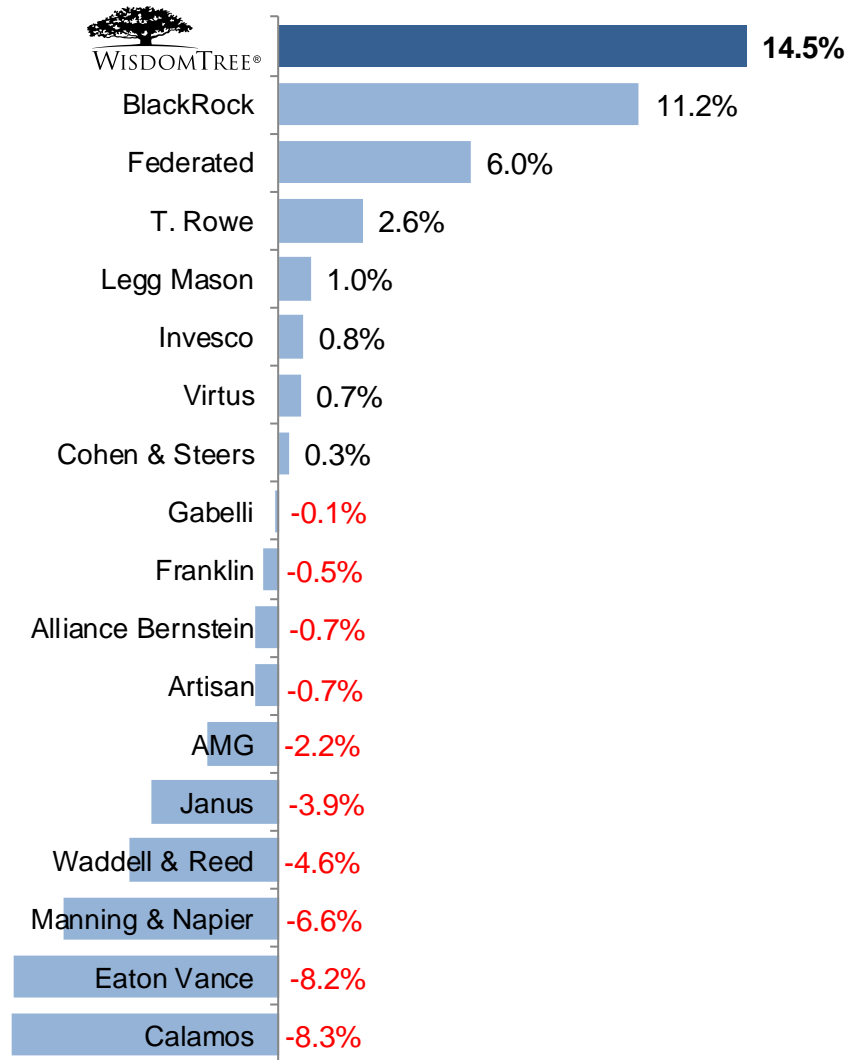


2014 Organic Growth

Top 10 US ETF Sponsors ⁽¹⁾



Publicly Traded Asset Managers ⁽²⁾



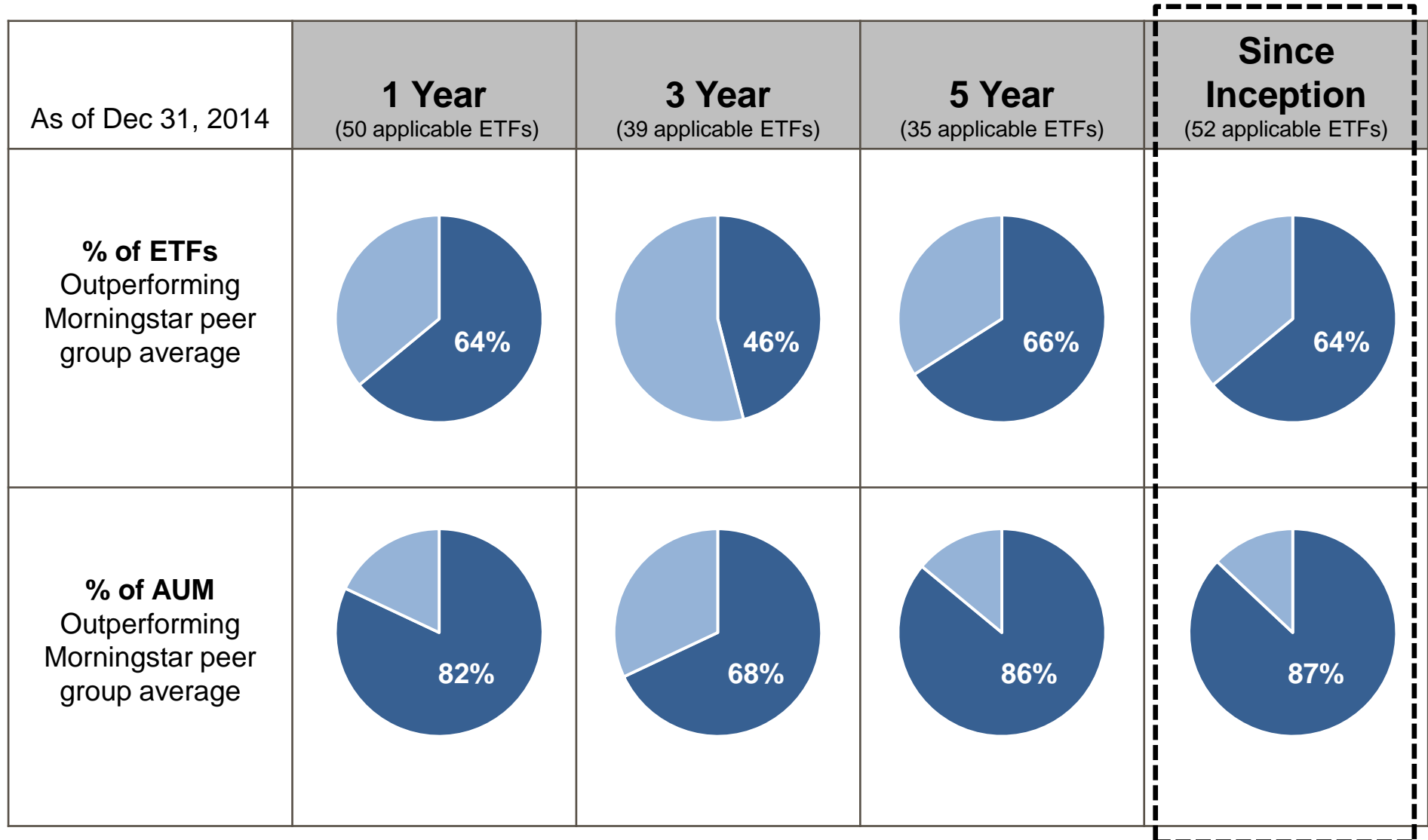
(1) Source: Bloomberg, WisdomTree. Calculated as US net flows for the period over U.S. BoP AUM.

(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.

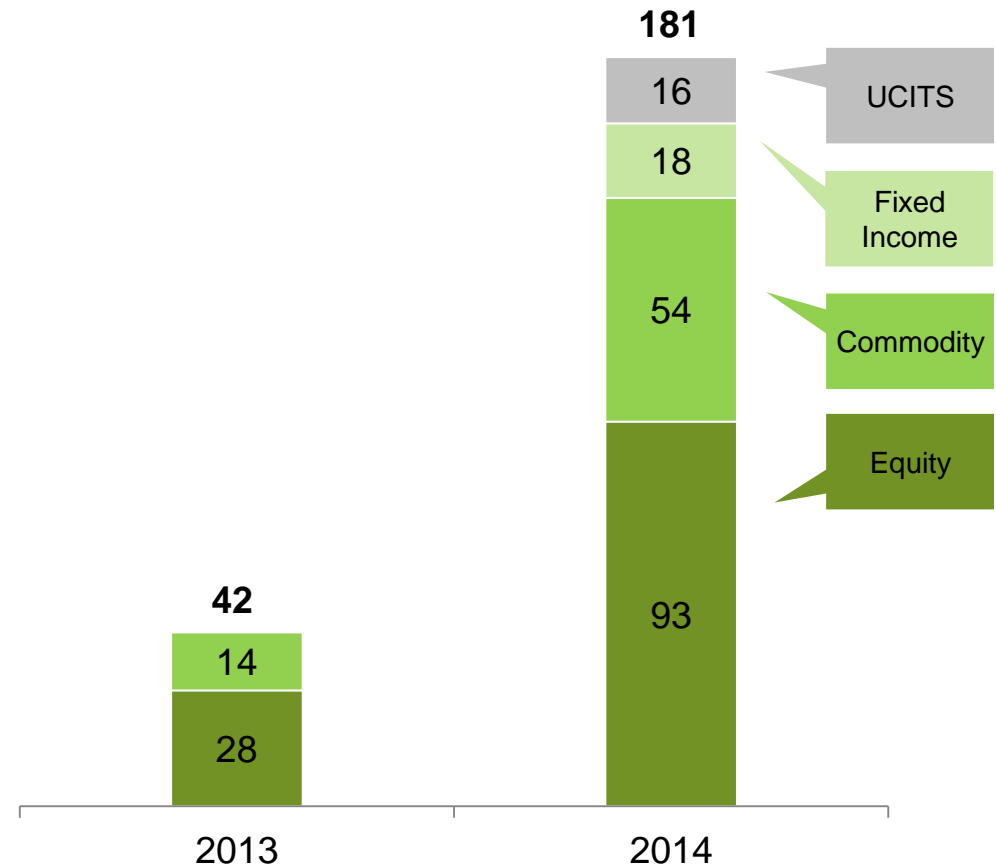
Excludes ETFs for which Morningstar does not provide relevant peer groups and funds with less than one full month of performance history.

Highlights

- Launched 6 WisdomTree UCITS ETFs
- Boost platform expanded into Italy and Germany and launched fixed income and currency ETPs
- \$175 million net inflows into Boost ETPs in 2014
- Continuing to build out sales force
- Expanded WisdomTree UCITS ETFs into Italy in January 2015
- Plan to launch up to 5 additional WisdomTree ETFs in 2015

AUM

(\$ millions)



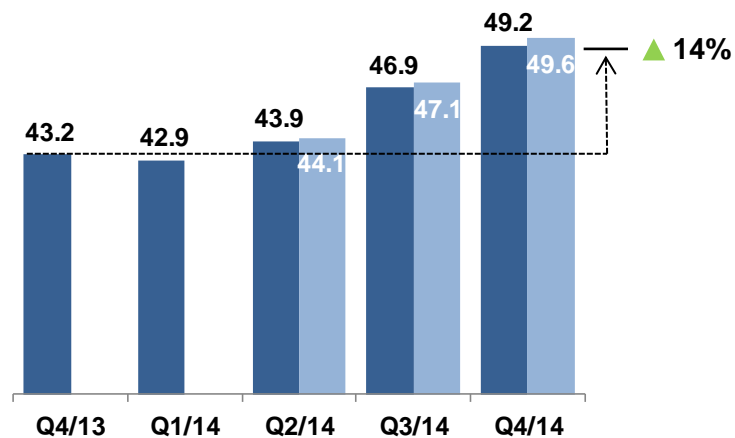
Financial Results

Consolidated Financial Highlights



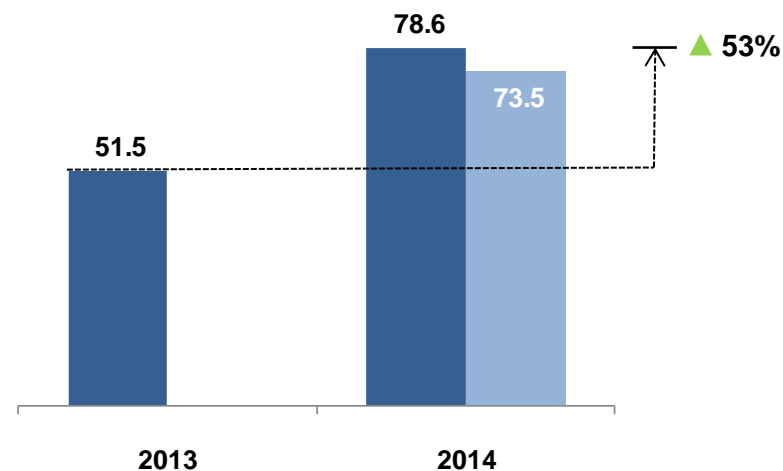
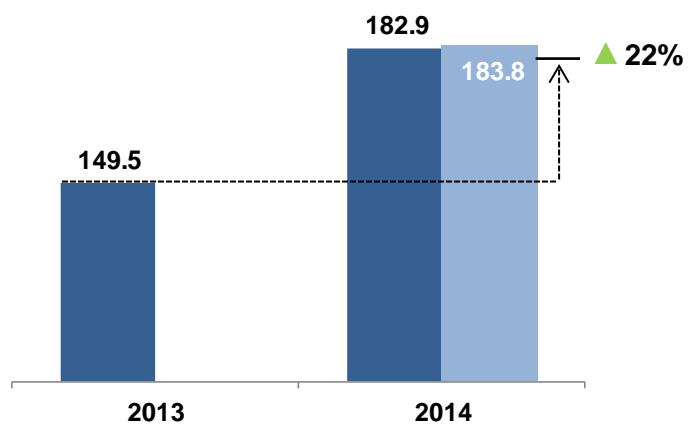
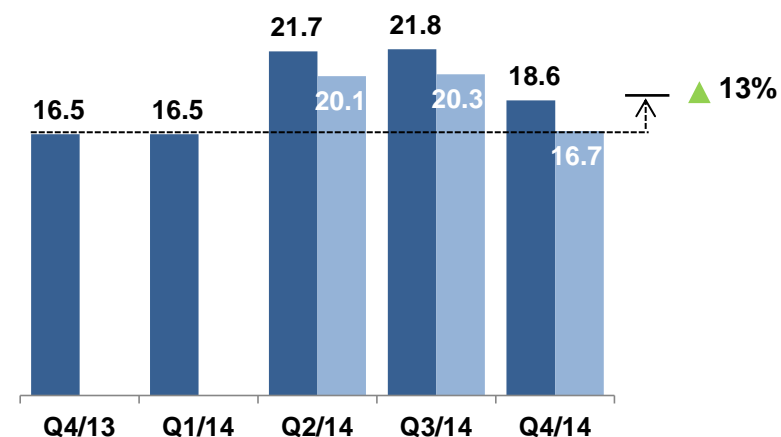
Revenue

(\$ millions)



Pre-tax Income

(\$ millions)



■ U.S. ■ Consolidated

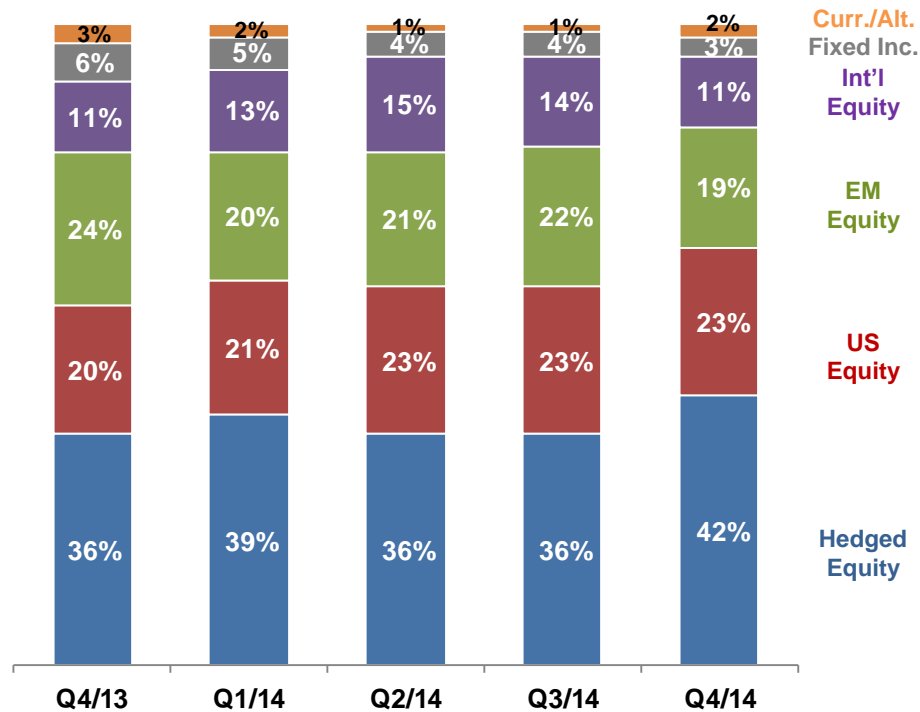
Note: Change reflects change from prior year period for U.S. business.

US Listed ETF Revenues



(Revenue in millions; AUM in billions)

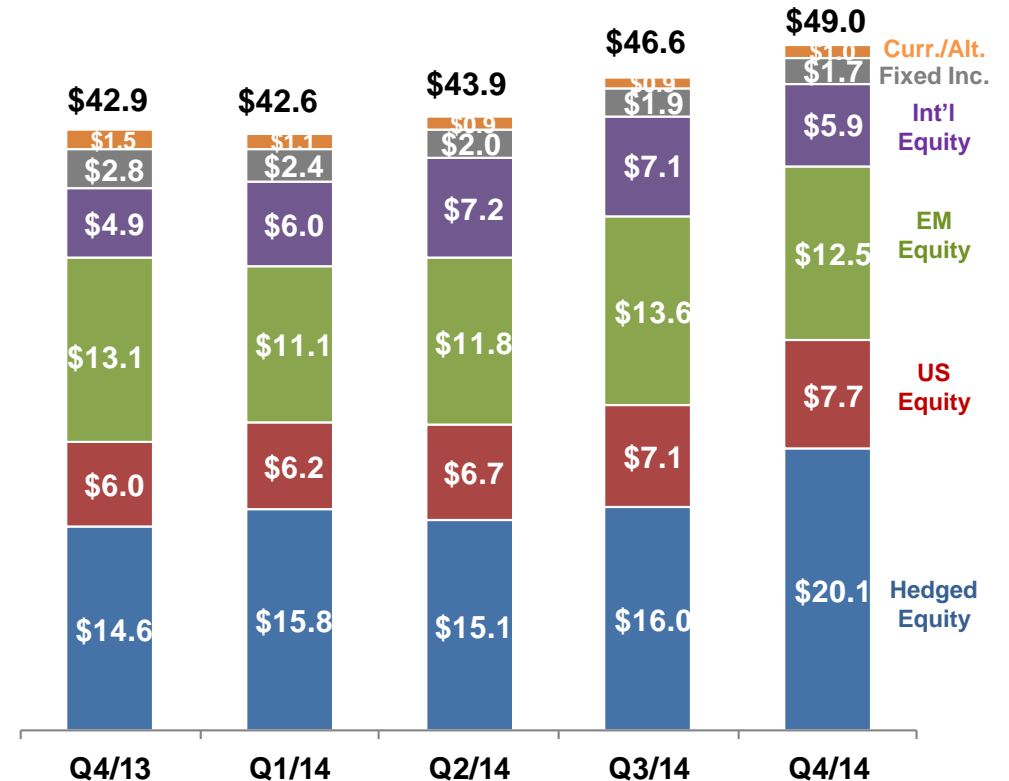
Average AUM



\$33.1 \$33.9 \$34.1 \$35.6 \$37.7

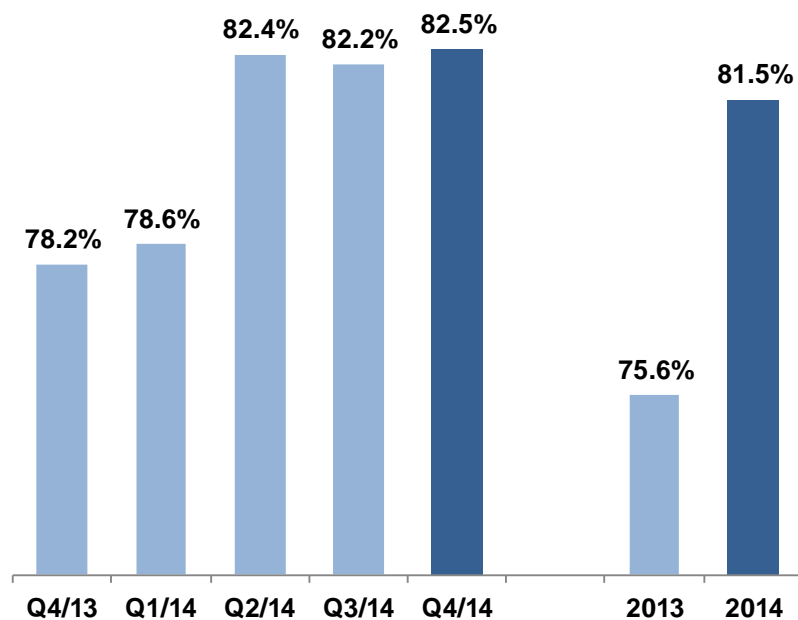
Avg. AUM/
Avg. BPS

ETF Revenues

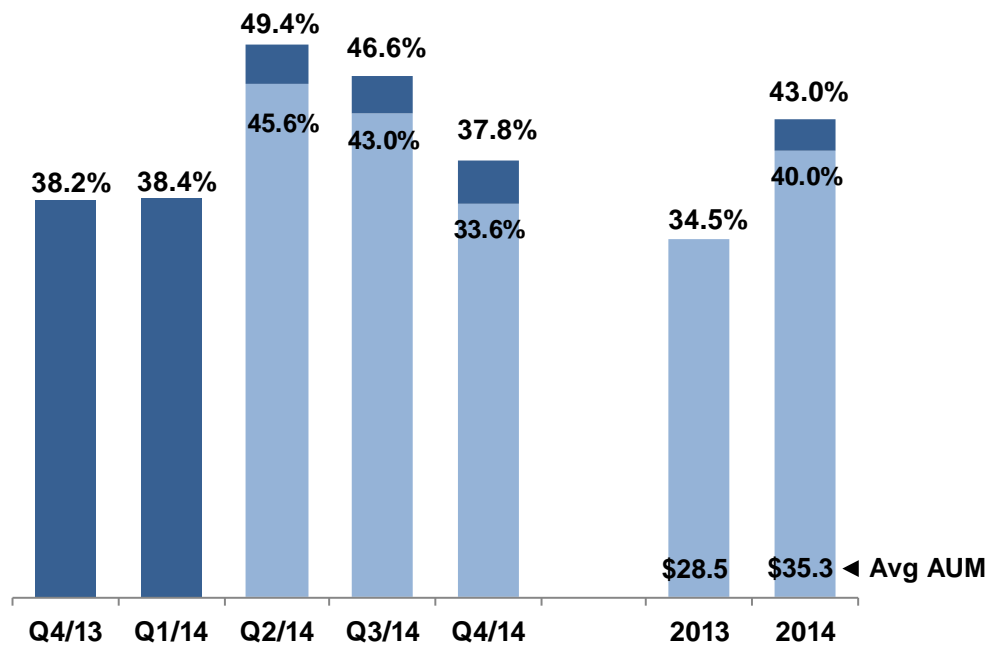


0.51% 0.51% 0.51% 0.52% 0.52%

US Listed Gross Margin ⁽¹⁾



Pre-Tax Margin

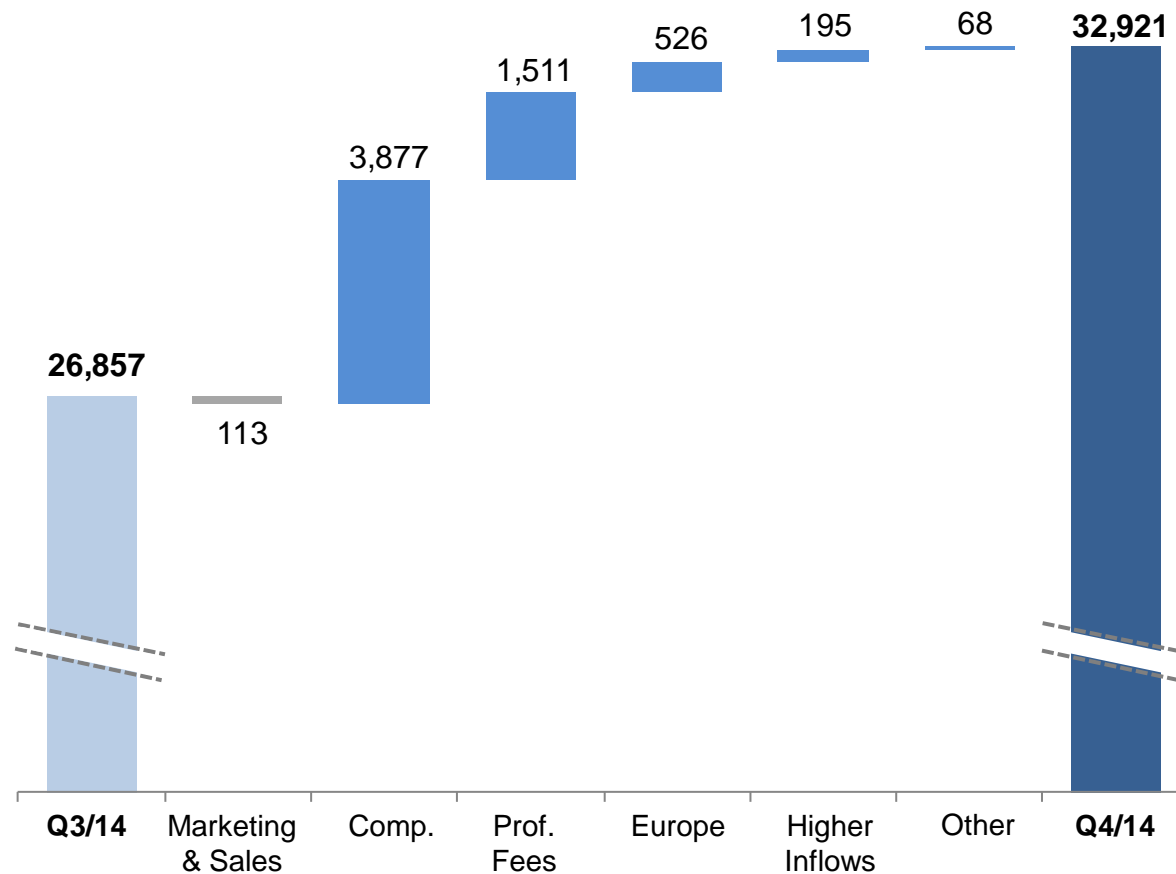


■ US listed ETFs ■ Total

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

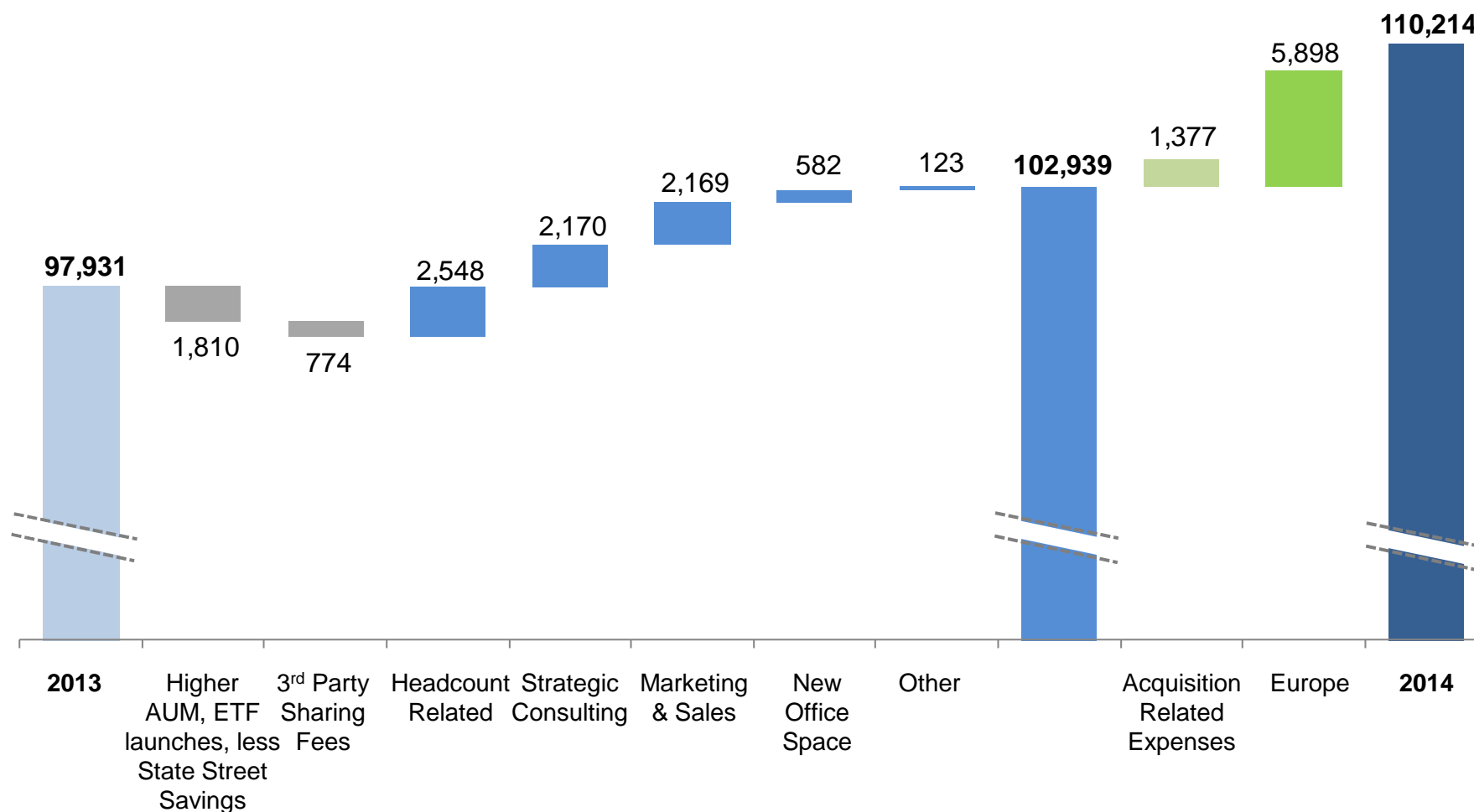
Expense Base Change – Q3 to Q4

(\$ thousands)



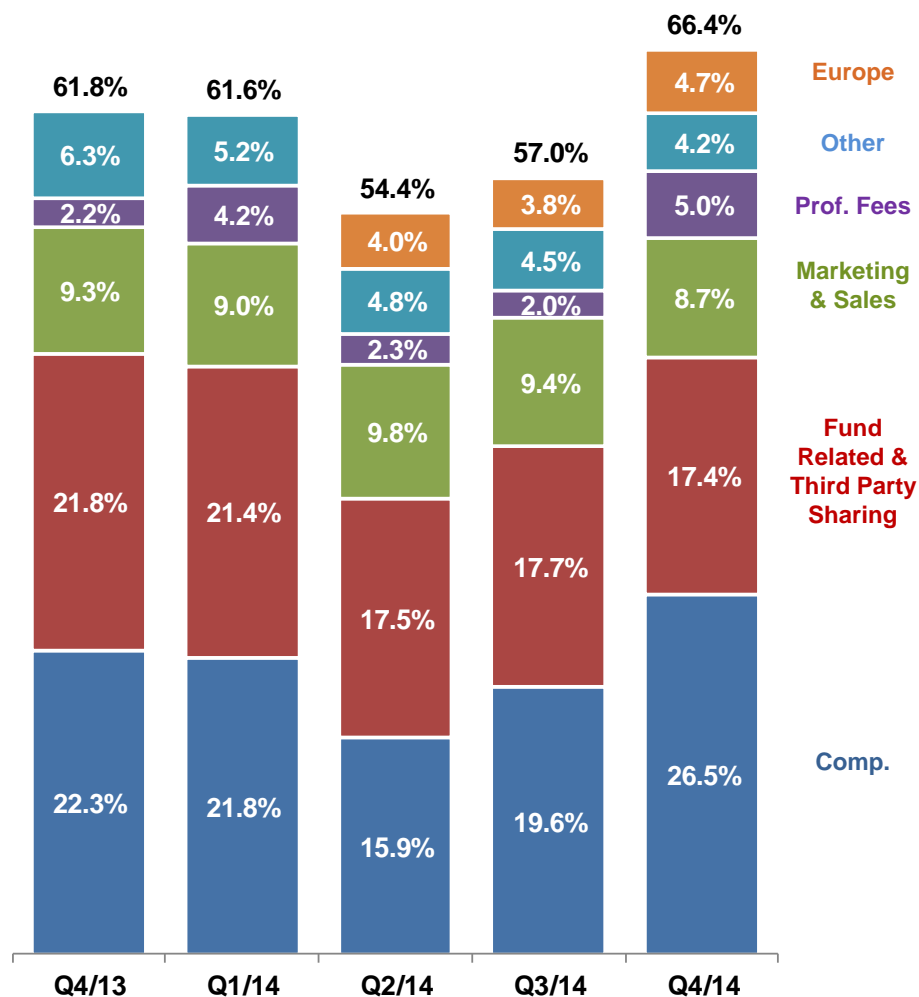
Expense Base Change – 2013 to 2014

(\$ thousands)

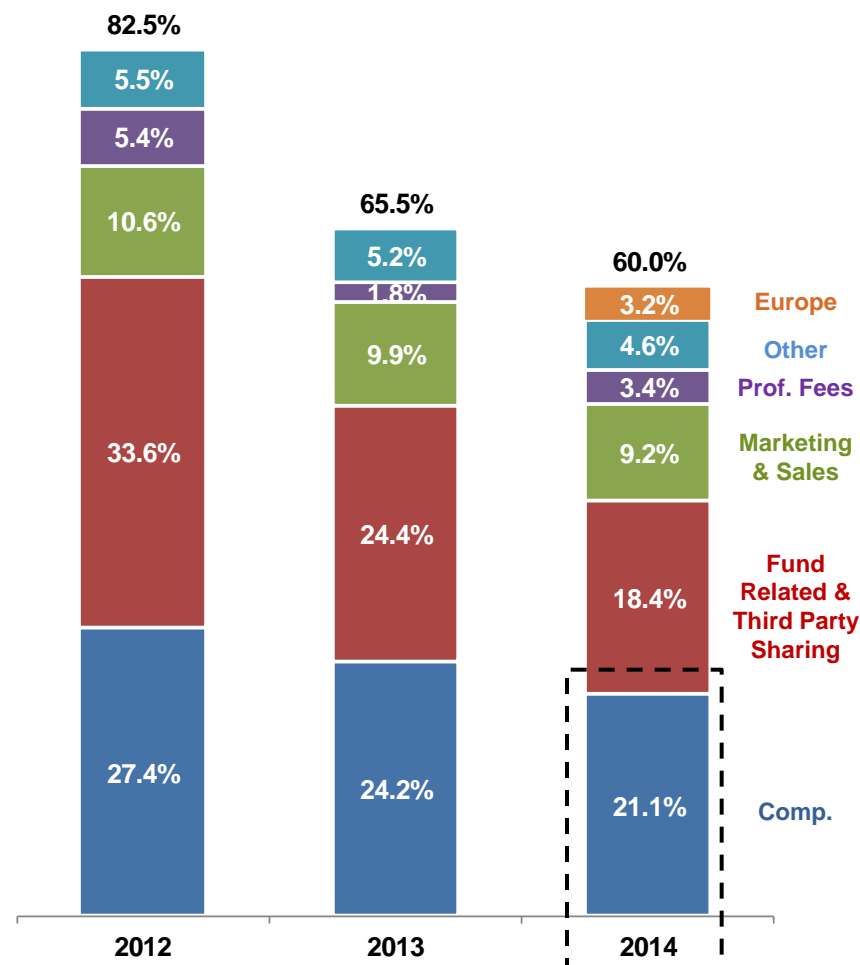


Expenses as % of Revenue

Quarterly



Annual



Note: Calculated as U.S. expenses and total Europe expense divided by consolidated revenue.

Summary Balance Sheet

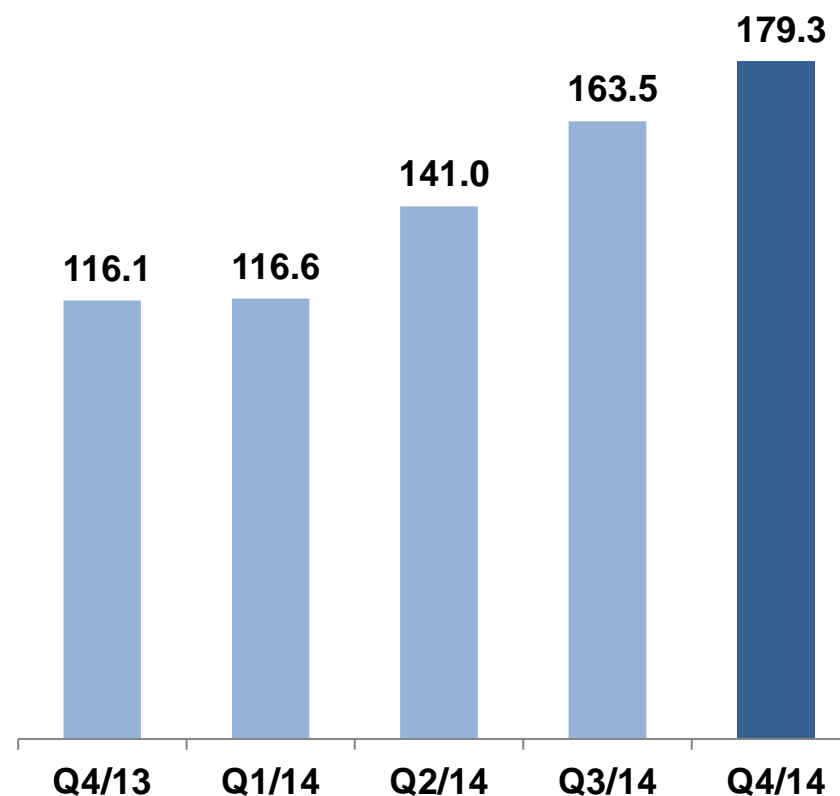
Balance Sheet

(\$ millions)

	Dec. 31, 2014	Dec. 31, 2013
Assets		
Cash and cash equivalents	\$165.3	\$104.3
Investments	14.0	11.7
Accounts receivable	18.2	18.1
Deferred tax asset, net	9.5	-
Fixed assets, net	10.4	6.3
Goodwill and other assets	3.4	1.4
Total assets	\$220.8	\$141.8
Liabilities		
Fund management and administration	\$10.0	\$10.4
Compensation and benefits	14.3	14.3
Accounts payable and other liabilities	6.9	4.4
Deferred rent	5.3	3.7
Total liabilities	36.5	32.8
Stockholders' equity	184.3	109.0
Total liabilities and stockholders' equity	\$220.8	\$141.8

Cash and Investments

(\$ millions)



- US baseline tax rate approximately 38%
- Recording GAAP tax expense; 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.

<u>Net Operating Loss</u>	
12/31/13	140.9
2014 US pre tax income	(78.6)
Net stock based compensation	47.4
Other adjustments	0.1
Pretax NOL 12/31/14	109.8
Approximate tax rate	38%
Post tax NOL	\$41.7

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, 2/5/15</i>	<i>\$18.82</i>	
Outstanding options, 1/31/15	5,330	
Weighted average strike price	<u>\$1.61</u>	
Value yet to be recognized	\$91.7	<i>a</i>
Unvested restricted stock, 1/31/15	2,028	
Value yet to be recognized	<u>\$38.2</u>	<i>b</i>
Potential future additions to NOL	\$129.9	<i>a+b</i>
Approximate tax rate	38%	
Potential cash tax savings	\$49.4	

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>
2015	531	\$1.61	\$9.1
2016	104	\$1.07	\$1.8
2017	612	\$1.70	\$10.5
2018-2021	<u>4,083</u>	<u>\$1.76</u>	<u>\$69.7</u>
	5,330	\$1.61	\$91.7

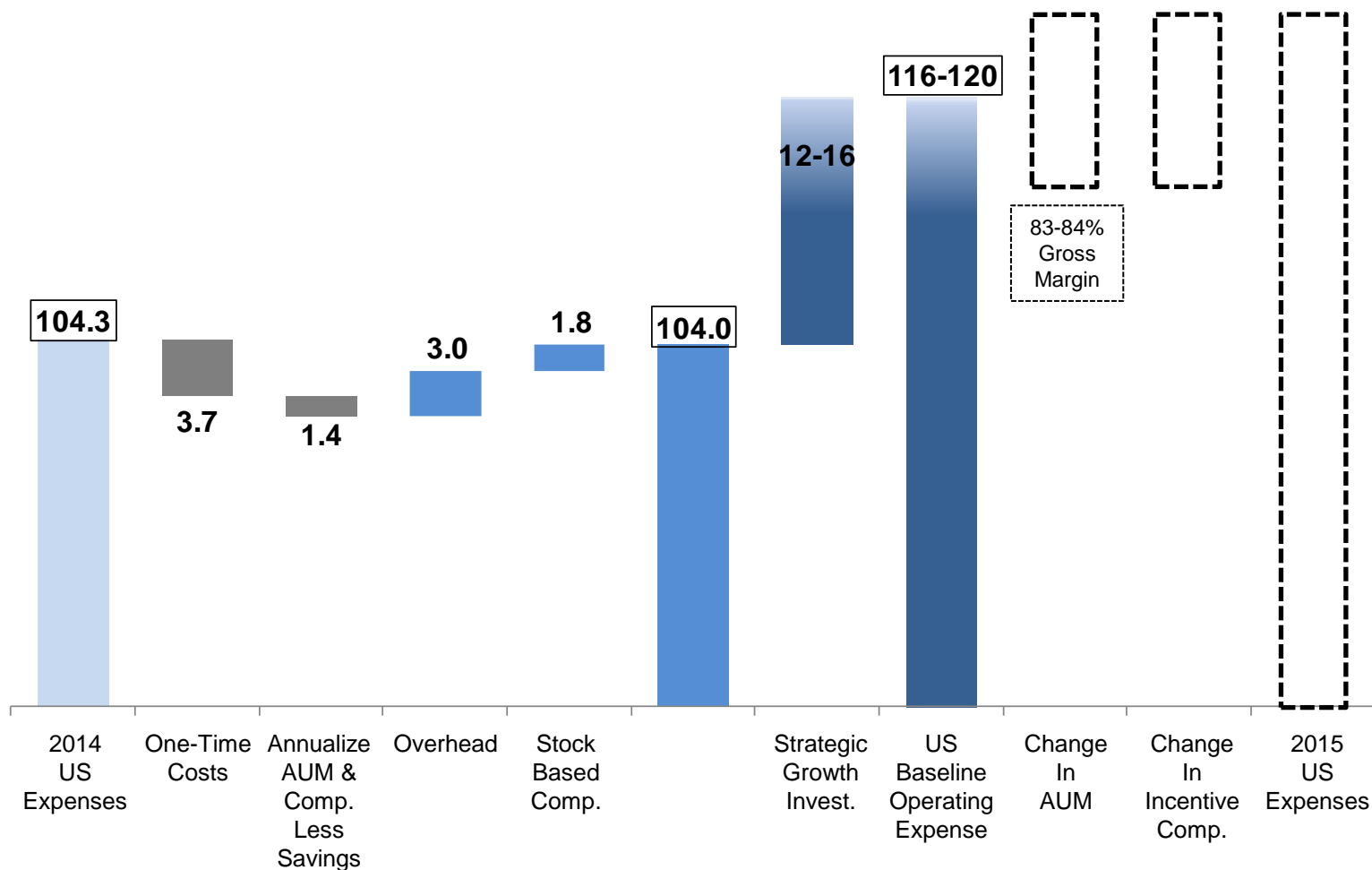
<u>Stock Vesting</u>		
2015	755	\$14.2
2016	736	\$13.9
2017	365	\$6.9
2018	<u>172</u>	<u>\$3.2</u>
	2,028	\$38.2

- Open ended runway for growth ahead of us
- Better position ourselves for the rapidly growing industry
- \$12 to \$16 million of strategic investments to capitalize on more opportunities to accelerate our growth:
 - Significant expansion of our U.S. sales force, sales support staff and sales activities including new Head of Sales and expanded Chief Investment Strategist role **\$7 - \$11 million**
 - Continue to launch ETFs to expand and diversify our product set **~\$1.5 million**
 - Increase marketing activities to bring more awareness of our existing and new products as well as our brand **~\$1.5 million**
 - Investment in technology and operational support to better scale for future growth **~\$2 million**

\$12 - \$16 million

2015 Expense Outlook – US Only

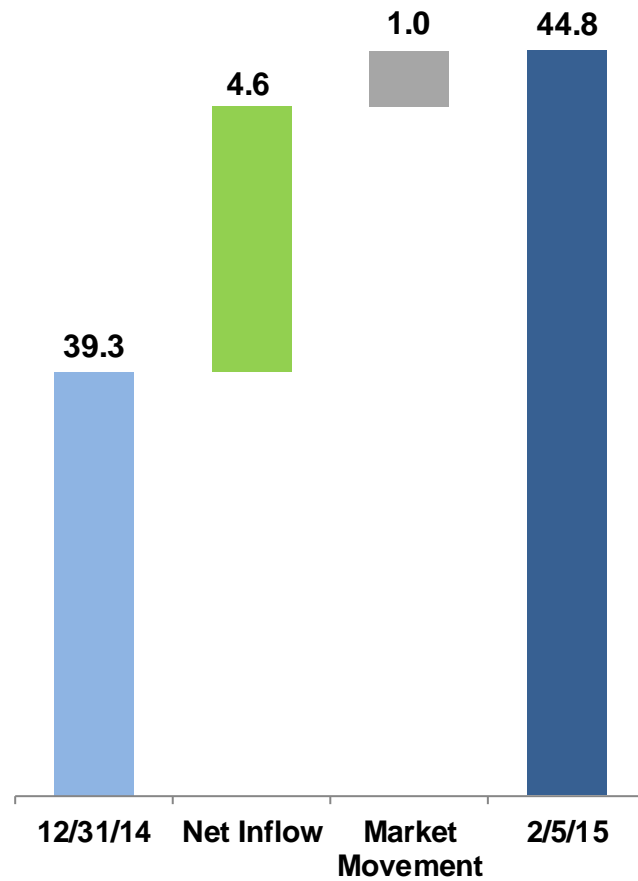
(\$ millions)



- WisdomTree Europe anticipated \$6 to \$9 million pretax loss
- Target 50% pretax operating margin at \$55 to \$60 billion average AUM (51bps) for US business

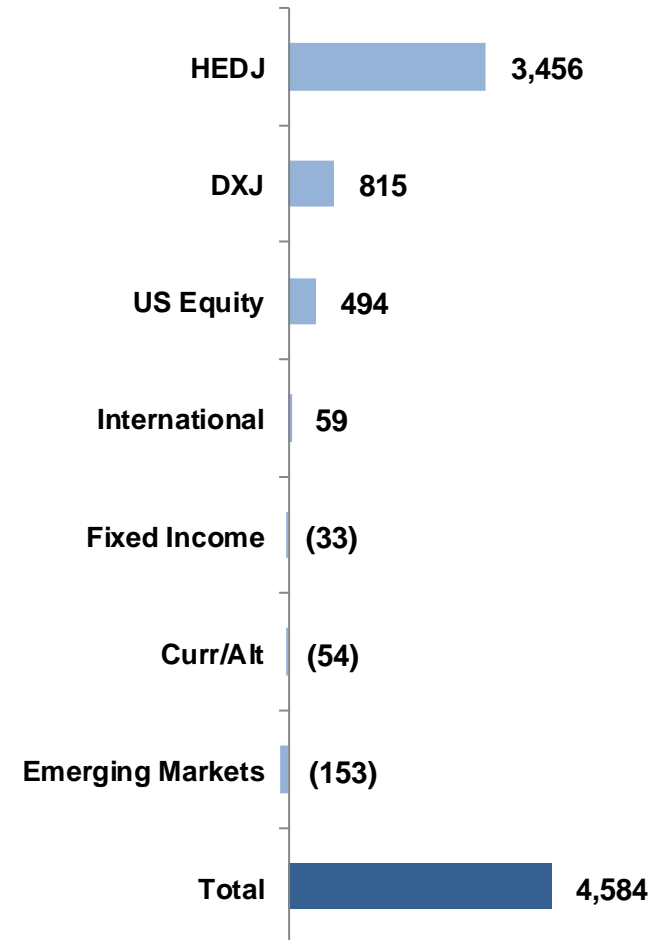
US Listed AUM

(\$ billions)



US Listed Net Inflows

(\$ millions)



- WisdomTree has grown rapidly over the last several years
- US - expanding our product set and increasing client facing efforts
- Non US - acquiring and building in Europe; entering into marketing arrangements; and continuing to make ETFs available globally
- Focused, nimble, innovative and differentiated from our competitors
- Increase our strategic spending to capitalize on more opportunities to accelerate our growth
- Better position us for the long term and reaching our long term goals

Appendix

Key Operating Statistics

(\$ millions)

	2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>AUM (end of period)</u>								
International Hedged Equity	\$5,797	\$10,270	\$11,481	\$13,348	\$12,612	\$12,557	\$13,971	\$17,760
U.S. Equity	5,161	5,777	6,271	7,181	7,505	8,052	7,939	9,390
Emerging Markets Equity	8,071	7,172	7,703	7,448	6,753	7,606	7,495	6,187
International Developed Equity	2,728	2,633	3,150	3,864	4,830	5,340	4,494	3,988
Fixed Income	2,600	2,437	2,095	1,906	1,610	1,376	1,379	1,152
Currency	626	547	502	979	422	406	362	599
Alternative Strategy	120	139	150	158	152	163	183	205
	\$25,103	\$28,975	\$31,352	\$34,884	\$33,884	\$35,500	\$35,823	\$39,281
Average ETF AUM	\$21,934	\$28,390	\$30,473	\$33,091	\$33,859	\$34,141	\$35,554	\$37,680
<u>Net Inflows</u>								
International Hedged Equity	\$4,071	\$4,376	\$752	\$1,243	(\$12)	(\$502)	\$799	\$4,580
Emerging Markets Equity	876	(51)	286	(246)	(632)	388	270	(836)
U.S. Equity	291	547	273	367	189	221	84	968
Fixed Income	508	78	(320)	(144)	(306)	(278)	69	(164)
Alternative Strategy	(4)	17	12	8	(4)	8	13	21
Currency	12	(62)	(48)	515	(549)	(21)	(35)	232
International Developed Equity	139	57	205	565	812	518	(452)	(305)
Total	\$5,893	\$4,962	\$1,160	\$2,308	(\$502)	\$334	\$748	\$4,496
Average ETF Advisory Fee	0.54%	0.52%	0.51%	0.51%	0.51%	0.51%	0.52%	0.52%
<u>Average Mix</u>								
International Hedged Equity	15%	30%	37%	36%	39%	36%	36%	42%
U.S. Equity	22%	20%	20%	20%	21%	23%	23%	23%
Emerging Markets Equity	36%	28%	24%	24%	20%	21%	22%	19%
International Developed Equity	12%	10%	9%	11%	13%	15%	14%	11%
Fixed Income	11%	10%	7%	6%	5%	4%	4%	3%
Currency	3%	2%	2%	3%	2%	1%	1%	1%
Alternative Strategy	1%	0%	1%	0%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%
# of ETFs	47	50	53	61	62	69	69	70
<u>European Listed ETPs: (in thousands)</u>								
AUM (end of period)					\$113,244	\$123,210	\$165,018	
Net Inflows					\$17,658	\$19,224	\$82,175	
Average Advisory Fee					0.82%	0.79%	0.78%	
<u>Total UCITS ETFs: (in thousands)</u>								
AUM (end of period)								\$16,179
Net Inflows								\$16,036
Average Advisory Fee								0.38%
Global Headcount	72	79	84	87	90	103	117	124

Consolidated Financial Results



(\$ thousands)

	2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues								
Advisory fees	\$29,153	\$37,101	\$39,437	\$42,903	\$42,609	\$43,938	\$ 46,942	\$ 49,327
Other income	188	230	193	263	311	190	172	273
Total revenues	29,341	37,331	39,630	43,166	42,920	44,128	47,114	49,600
Expenses								
Compensation and benefits	7,482	9,447	9,648	9,633	9,355	7,551	9,990	14,099
Fund management and administration	8,223	9,106	8,794	8,953	9,168	7,818	8,465	8,932
Marketing and advertising	1,937	2,196	2,031	2,145	2,578	2,726	3,341	2,869
Sales and business development	1,801	1,520	1,305	1,848	1,301	1,727	1,279	1,914
Professional and consulting fees	613	657	542	936	1,795	1,840	1,383	2,560
Occupancy, communication and equipment	377	591	723	1,093	900	853	882	943
Depreciation and amortization	82	83	84	190	192	201	207	221
Third party sharing arrangements	111	428	374	455	10	115	187	282
Other	861	1,061	1,164	1,437	1,142	1,164	1,123	1,101
Total expenses	21,487	25,089	24,665	26,690	26,441	23,995	26,857	32,921
Income before taxes	7,854	12,242	14,965	16,476	16,479	20,133	20,257	16,679
Income tax (benefit)/expense	--	--	--	--	(13,725)	9,531	9,634	7,057
Net Income	<u>\$ 7,854</u>	<u>\$ 12,242</u>	<u>\$ 14,965</u>	<u>\$ 16,476</u>	<u>\$ 30,204</u>	<u>\$ 10,602</u>	<u>\$ 10,623</u>	<u>\$ 9,622</u>
Note:								
Stock-based compensation included above	\$ 1,714	\$ 1,691	\$ 1,781	\$ 1,273	\$ 2,015	\$ 2,030	\$ 2,077	\$ 2,012

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	\$48.8	748	1.5%	(425)	35,823
Q4 14	\$118.3	4,496	3.8%	(1,038)	39,281
Total	\$1,348.5	\$38,214	2.8%	\$1,068	

	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
2014	\$239.3	5,075	2.1%	(678)	39,281



WISDOMTREE®