



## **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 to be materially different from any future results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, events or our future financial performance, and involve known and unknown risks, uncertainties and other factors, the statements, "ventice," "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; 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:

- Net outflows in our two largest ETFs the WisdomTree Europe Hedged Equity Fund and the WisdomTree Japan Hedged Equity Fund have had, and in the future could continue to have, a negative impact on our revenues.
- 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 a limited number of products, and as a result, our operating results are particularly exposed to the performance of these products and our ability to maintain the AUM of these products, as well as investor sentiment toward investing in the products' strategies and market-specific and political and economic risk.
- Much of our AUM is 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 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. 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, 2016.

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.







(1) Illustrative of full Q1/18 based on January results

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- + \$1.1 billion of Q4/17 inflows ex-DXJ/HEDJ, the strongest quarter in 5 years
- + Strong demand for non-U.S. small caps continued with inflows of +\$136 million into DFJ (Japan SmallCap Dividend), +\$96 million into DLS (International SmallCap Dividend), +\$80 million into DGS (Emerging Market SmallCap), +\$75 million into DXJS (Japan Hedged SmallCap) and +\$48 million in to DFE (Europe SmallCap Dividend)
- + Domestic fixed income ETFs had their strongest quarter on record with \$179 million of inflows led by
   +\$126 million into AGGY (Yield Enhanced Aggregated Bond). Domestic fixed income AUM now
   totals \$485 million
- + WisdomTree ETFs garnered 94% market share of the \$645 million of industry inflows into the currency hedged Japan theme during the quarter.
- + 11 U.S. listed ETFs across a broad range of strategies had inflows of greater than \$50 million during the quarter (DXJ, DGRW, DFJ, AGGY, CXSE, DLS, PUTW, EZM, DGS, DXJS, DON)
- + 10 U.S. listed ETFs produced record quarterly inflows (DFJ, AGGY, CXSE, EZM, DXJS, HYZD, DYLS, EUDG, DDLS, EDOM)



# Efforts to diversify and grow AUM continue to take hold

### Diversify & grow asset base

# Investments in products and distribution driving broader inflows ex-DXJ/HEDJ

- + Advisor Solutions platform launch, new TD Ameritrade relationship and data analytics initiatives impacting flow volumes
- + Record number of funds produced inflows in Q4/17 with solid flow diversification by fund type and vintage
- + Number of funds with daily share creations at a record
- Assets in 48 funds viewed as core/strategic holdings represent 52% of total AUM in Q4/17 and generated \$820 million of inflows in Q4/17



Core/Strategic<sup>(1)</sup> AUM Growth (\$ in billions)



(1) Core/Strategic includes: AGGY, DDLS, DDWM, DEM, DES, DEW, DGS, DGRE, DGRS, DGRW, DHDG, DHS, DIM, DLN, DLS, DNL, DOL, DON, DOO, DRW, DTD, DTH, DTN, DVEM, DWM, DXUS, EES, EPS, EXT, EZM, GCC, [REE® GSD, HDRW, HGSD, IHDG, IQDG, PUTW, QSY, SFHY, SFIG, SHAG, USFR, USMF, WBAL, WFHY, WFIG, XMX, XSOE WisdomTree – Q4/17 Results



### **Unusual Items**

- + \$4.5 million of transaction related costs (\$4.8 million pre-tax)
- + \$0.4 million write-down of deferred tax assets associated with tax reform
- + Q4 events drove higher compensation
  - + Adjusted cash/stock mix of incentive compensation
  - + Progress on important strategic initiatives
  - Accelerated vesting of certain stock-based awards to maximize tax benefits

(5) Q2/17 excludes \$6.9 million settlement gain



WisdomTree – Q4/17 Results

## + U.S. Segment compensation in a range of 27%-29% of revenues

- + Near-term U.S. Segment gross margin of 84%
  - Gross margin now represents 1-(Fund management costs / Advisory fees)
  - Third party sharing costs removed from gross margin calculation to more accurately capture net fund revenues
- + Quarterly third party sharing costs of 2.6%-3.0% of advisory fees
  - Anticipate Q1/18 run-rate near bottom end of the range
  - Reflects growing distribution impact from the TD Ameritrade, Schwab and Compass Group relationships
- + Growth initiative spending \$3-\$5 million
- + International Segment pre-tax losses of \$7-\$10 million (excluding ETF Securities ~\$25 million pre-tax contribution). Losses not tax deductible against U.S. income or ETFS income
- + U.S Segment tax rate of ~28%, consolidated tax rate in Q1/18 of ~33% and consolidated tax rate post the close of ETF Securities acquisition of ~30%



+ Close in late March

+ Current AUM of \$18.2 billion, up 4.2% (~\$750 million) since deal announcement

+ Anticipated to contribute net income of ~\$19 million (~\$25 million pre-tax) in 2018

+ On target to realize ~\$5 million of identified cost synergies





# Q1/18 as of 2/1/18

Despite DXJ / HEDJ outflows, flow diversity has continued into Q1/18 with inflows into 45 funds across 6 categories





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## **Built a differentiated Advisor Solutions program**



WisdomTree – Q4/17 Results 10

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# 2017 was a transformative year for WisdomTree (1/2)

+ Announced acquisition of ETF Securities commodities, currency and short & leveraged business

- Brings immediate scale to Europe and positions WisdomTree for accelerated growth in the region
- Diversifies overall AUM base with uncorrelated assets which should lead to reduced AUM volatility
- Diversifies client base with 40% of pro-forma AUM represented by non-U.S. domiciled clients
- Financially attractive transaction with 25%+ anticipated accretion including expense synergies



Europe ETP League Table <sup>(1)</sup>								
	Name	AUM (\$bn)	Share					
1	iShares	358	44.6%					
2	Deutsche AM	86	10.6%					
3	Lyxor	77	9.6%					
4	UBS	51	6.3%					
5	Amundi	45	5.6%					
6	Vanguard	36	4.5%					
7	State Street	27	3.4%					
8	Inv esco	22	2.7%					
9	WisdomTree/ETFS	20	2.4%					
10	Deka	11	1.4%					
Othe	er	72	9.0%					
Total	Market	804						

# 2017 was a transformative year for WisdomTree (2/2)

# + Prior investments in product and distribution driving materially broader inflows

- Flows ex-DXJ/HEDJ at highest level in 5 years
- Significant improvement in flow diversity number of funds, asset classes, fund vintages
- New distribution channels/tools impacting flow consistency and diversity TD Ameritrade, model portfolios, DPD, data analytics

## + Considerable progress and success with technology initiatives

- Deepened relationship with AdvisorEngine and facilitated 3 key acquisitions that transformed their platform
- Launched technology-enabled client solutions platform: portfolio construction tools (Digital Portfolio Developer), asset allocation services (model portfolios) and practice management services
- Expanded use of data to drive distribution efficiencies, productivity and insights including our collaboration with IBM Watson

# + WisdomTree positioned as one of the most diversified global ETP sponsors poised for accelerated growth



# Appendix





#### WisdomTree®



(1) See "Non-GAAP Financial Measurements"

(2) Margin in Q2/17 excludes \$6.9 million settlement gain and in Q4/17 excludes \$4.8 million of

DOMTREE® transaction costs

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## Industry Net Inflows by Category Q4/17

SDOMTREE<sup>®</sup>

68.2

28.3

21.8

## **Balance Sheet**

(\$ millions)	Dec. 31, 2017	Dec. 31, 2016
Assets		
Cash and securities <sup>(1)</sup>	\$141.7	\$174.1
Investments <sup>(2)</sup>	53.9	20.0
Accounts receivable	21.3	17.7
Deferred tax asset, net	1.1	9.8
Fixed assets, net	10.7	11.7
Goodwill and intangibles	13.9	11.8
Other assets	12.4	4.7
Total assets	\$255.0	\$249.8
Liabilities		
Fund management and administration	\$20.1	\$13.6
Compensation and benefits	28.1	14.7
Accounts payable and other liabilities	9.1	15.3
Deferred rent	4.7	4.9
Total liabilities	62.0	48.5
Stockholders' equity	193.0	201.3
Total liabilities and stockholders' equity	\$255.0	\$249.8

## 2017 Change in Cash & Securities (1)



WisdomTree®  Estimated impact to consolidated tax rate from recently enacted tax reform and our anticipated acquisition of ETF Securities





## Estimated impact from stock-based comp tax changes

- + Tax effects of stock-based compensation will be recorded in income tax expenses which increases volatility in reported income tax expense
- + Awards vesting or being exercised at stock price below/above their grant date price will increase/decrease income tax expense
- + On a cash basis, tax windfalls reduce cash taxes while shortfalls are non-cash
- + Impact in 2018 expected to be minimal based on current share price

	Α	B Weighted	<b>C</b> Vest Date	D = (C-B) x A	E	-D x E (Decrease)/
Vest	# of	Average Grant	Stock Price	Tax Windfall/	Tax Rate	Increase to
Period	Shares	Date Price	(Illustrative)	(Shortfall)	(Illustrative)	Tax Expense
Expected Vesting	s - 2018					
Q1 2018	166	\$12.33	\$11.61	(\$120)	26%	\$31
Q2 2018	145	\$10.94	\$11.61	\$97	26%	-\$25
Q3 2018	170	\$15.69	\$11.61	(\$693)	26%	\$180
Q4 2018	85	\$11.67	\$11.61	(\$5)	26%	\$1
	566	_		(\$721)		\$187

(shares and dollars in '000s)



Note: Analysis above excludes options as the timing of employee exercises is outside of our

control. Vesting stock price and tax rate is illustrative.

	U.S. N	let Inflows	Market	Market	
	Industry	WisdomTree	Share	Movement	AUM
	(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%	(4,273)	51,864
2016	\$283.3	(12,556)	nm	856	40,164
2017	\$464.2	234	0.1%	6,429	46,827
Total	\$2,338.3	\$42,748	1.8%	\$4,080	



## **Consolidated Financial Results**

Note:         Stock-based compensation included above         \$ 2,344         \$ 2,608         \$ 2,926         \$ 3,022         \$ 3,503         \$ 3,767         \$ 3,822         \$ 3,800         \$ 3,421         \$ 3,503         \$ 3,421         \$ 3,507         \$ 4,159           Adjusted net income:         Net income, as reported         \$ 3,651         \$ 2,477         \$ 12,105         \$ 238           Add back transaction costs (net of tax)         -         -         -         -         4,540           Add back remeasurement of net deferred tax assets         -         -         -         -         4,111           Add back acquisition contingent payment         5,993         -		2015			2016				2017				
Advisory fees       \$ 59,80       \$ 81,320       \$ 80,520       \$ 76,233       \$ 50,340       \$ 55,931       \$ 51,533       \$ 50,366       \$ 53,262       \$ 56,114       \$ 57,74       \$ 60,825         Settlement grin       010       60,141       81,557       80,757       76,487       60,878       55,981       51,787       50,778       54,979       63,428       57,986       61,386         Expense       C       C       60,871       15,551       15,252       14,33       15,328       18,366       17,874       18,421       19,492       25,706         Fund management and administration       10,148       11,208       10,517       10,847       10,342       10,372       10,446       9,400       10,112       10,842       11,573       31,41       3,775       3,428       3,775       3,413       3,727       3,273<		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Settlement gain         6.907           Other income         2/2         2/3         2/3         2/4         60.878         55.981         5.1789         50.978         54.979         63.428         57.986         61.385           Compensation and benefits         19.601         18.669         19.407         15.551         15.226         14.343         15.328         18.364         9.600         10.112         10.862         11.570           Marketing and advertising         3.076         3.628         3.573         3.074         3.832         4.564         3.600         3.443         3.827         3.848         3.828         3.845         3.314         3.78           Seles and business development         1.900         2.076         2.483         1.255         1.224         1.447         1.558         1.221         1.447         1.558         1.221         1.447         1.588         1.221         1.457         3.838         4.864         3.600         3.445         3.318         3.318         3.318         3.318         3.318         3.318         3.318         3.318         3.318         3.331         3.318         3.318         3.318         3.318         3.318         3.318         3.318         3.318	Revenues												
Other income       272       239       233       244       243       50       2.36       4.32       1.37       4.05       4.12       5.4.39         Total revenues       60.14       81.59       80.73       7.4.49       60.87       55.98       51.78       50.78       54.39       63.428       57.98       61.386         Compensation and benefits       19.601       18.669       19.407       15.551       15.226       14.33       15.328       18.366       17.874       18.421       19.462       25.786         Narketing and advertising       3.076       3.628       3.573       3.074       3.882       4.566       3.600       3.464       3.537       3.825       3.314       3.725       3.181       2.926       3.387       3.617       3.835       3.617       3.835       3.617       3.835       3.627       3.52       3.52       3.53       1.355       1.427       1.439       1.226       1.365       1.327       1.363       1.371       1.378       1.371       1.378       3.317       1.378       3.337       3.52       3.53       3.53       1.535       1.526       1.227       1.598       3.774       3.52       3.535       3.535       1.517       1	Advisory fees	\$ 59,869	\$ 81,320	\$ 80,520	\$ 76,235	\$ 60,615	\$ 55,931	\$ 51,553	\$ 50,366	\$ 53,262	\$ 56,114	\$ 57,574	\$ 60,825
Total revenues         60.141         81.559         80.753         76.489         60.878         55.981         51.789         50.798         54.599         63.428         57.986         61.386           Expenses         0         0.141         81.559         80.753         76.489         10.044         10.521         10.222         10.343         15.328         18.366         17.874         18.421         19.492         25.706           Compensation and benefits         10.040         11.208         10.519         10.887         10.044         10.621         10.372         10.046         9.600         10.112         10.862         11.570           Marketing and advertising         30.76         3.628         3.573         3.094         3.832         4.566         3.600         3.645         3.537         3.858         1.035         1.221         1.035         6.272           Occupancy, communications and equipment         918         943         1.183         1.255         1.222         1.241         1.469         1.279         1.833         1.371         1.378         533         333           Depreciation and amortization         220         223         233         310         316         330         323	Settlement gain										6,909		
Expenses         State         State <thstate< th=""> <tt>State         State         &lt;</tt></thstate<>	Other income	272											
Compensation and benefits       19,401       18,669       19,407       15,551       15,226       14,343       15,328       18,366       17,874       18,421       19,492       25,706         Fund management and administration       10,168       11,208       10,047       10,621       10,327       10,046       9,000       10,112       10,822       11,370         Marketing and dvertifying       3,076       3,268       3,527       2,447       3,832       4,566       3,400       3,455       3,327       3,328       3,314       3,726         Sales and business development       1,900       2,076       2,438       2,775       2,447       3,843       3,045       3,1457       1,588       1,212       1,035       6,272         Occupancy, communications and equipment       918       443       1,183       1,252       1,222       1,241       1,446       1,437       1,457       1,838       1,313         Depreciation and monitation       207       2,44       1,172       1,442       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,424       1,333       1,335       1,335	Total revenues	60,141	81,559	80,753	76,489	60,878	55,981	51,789	50,798	54,599	63,428	57,986	61,386
Fund management and administration       10,168       11,208       10,519       10,847       10,847       10,322       10,044       9,600       10,112       10,842       11,570         Marketing and advertising       3,076       3,628       3,573       3,074       3,848       2,775       2,447       3,834       3,075       3,845       3,181       2,242       3,837       3,825       3,314       3,226       3,314       3,226       3,318       2,262       3,897       3,825       3,314       3,262       3,843       3,75       3,843       3,75       3,843       3,75       3,843       3,75       3,843       3,75       3,843       3,75       3,843       3,75       3,843       3,75       1,558       1,221       1,035       6,272       Caugamey, communications and equipment       9,18       9,43       1,183       1,255       1,222       1,241       1,469       1,279       1,333       1,371       1,378       1,333       1,371       1,378       1,333       1,371       1,384       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,333       3,325       5,973       - </td <td>xpenses</td> <td></td>	xpenses												
Marketling and advertising       3.076       3.628       3.573       3.094       3.832       4.566       3.600       3.645       3.537       3.825       3.314       3.726         Sales and business development       1.700       2.076       2.488       2.775       2.447       3.834       3.075       3.181       2.962       3.389       3.617       3.845       6.272         Occupancy, communications and equipment       918       943       1.183       1.255       1.222       1.241       1.469       1.279       1.335       1.317       1.378       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.318       1.328       1.327       3.22       337       332       333       333       333       334       3.507       7.56       2.279       337       352       353       353       353       353       353       353       353       353       353       353       352       477       1.081       4.221       1.023       4.279       1.823       1.731       1.723       1.624       1.824       1.729	Compensation and benefits	19,601	18,669	19,407	15,551	15,226	14,343	15,328	18,366	17,874	18,421	19,492	25,706
Sales and business development       1,900       2,076       2,438       2,775       2,447       3,834       3,075       3,181       2,962       3,389       3,617       3,843         Professional and consulting fees       1,463       1,664       1,570       2,430       2,835       1,365       1,035       1,158       1,528       1,212       1,035       6,272         Occupancy, communications and equipment       943       1,178       707       709       622       589       932       670       710       1,081         Acquisition payment       257       2,447       3,834       3,007       709       622       589       932       670       710       1,081         Acquisition payment       2.755       1,620       1,622       1,823       1,731       1,723       1,724       1,424       1,824       1,729       1,823       1,731       1,723       1,724       1,424       1,824       1,729       1,823       1,731       1,723       1,724       1,624       1,842       1,729       1,823       1,731       1,723       1,724       1,624       1,842       1,225       5,649         Income before taxes       21,020       40,938       39,533       5,647	Fund management and administration	10,168	11,208	10,519	10,887	10,044	10,621	10,372	10,046	9,600	10,112	10,862	11,570
Professional and consulting fees       1,463       1,640       1,570       2,430       2,835       1,365       1,035       1,457       1,558       1,221       1,035       6,272         Occupancy, communication and analytation       220       223       223       330       336       330       332       337       352       353       356       -	Marketing and advertising	3,076	3,628	3,573	3,094	3,832	4,566	3,600	3,645	3,537	3,825	3,314	3,726
Occupancy, communications and equipment       918       943       1,183       1,255       1,222       1,241       1,469       1,279       1,353       1,371       1,378       1,313         Depreciation and amoritization       220       223       223       310       316       330       332       327       337       332       352       353       353         Dirid party having arrangements       223       257       244       172       1,472       745       5,993       -	Sales and business development	1,900	2,076	2,438	2,775	2,447	3,834	3,075	3,181	2,962	3,389	3,617	3,843
Depreciation and amortization       220       223       253       310       316       330       332       327       337       352       353       353         Third party sharing arrangements       283       477       485       1,178       907       709       622       589       932       670       710       1,081         Acquisition payment       257       264       172       1,492       745       5,993       -	Professional and consulting fees	1,463	1,604	1,570	2,430	2,835	1,365	1,035	1,457	1,558	1,221	1,035	6,272
Third party sharing arrangements       283       497       485       1,178       907       709       622       589       932       670       710       1,081         Acquisition payment       257       264       1,72       1,472       745       5,993       - <t< td=""><td>Occupancy, communications and equipment</td><td>918</td><td>943</td><td>1,183</td><td>1,255</td><td>1,222</td><td>1,241</td><td>1,469</td><td>1,279</td><td>1,353</td><td>1,371</td><td>1,378</td><td>1,313</td></t<>	Occupancy, communications and equipment	918	943	1,183	1,255	1,222	1,241	1,469	1,279	1,353	1,371	1,378	1,313
Acquisition payment       257       264       172       1,492       745       5,993       -	Depreciation and amortization	220	223	253	310	316	330	332	327	337	352	353	353
Goodwill impairment       -       -       -       -       -       1,676       - <td>Third party sharing arrangements</td> <td>283</td> <td>497</td> <td>485</td> <td>1,178</td> <td>907</td> <td>709</td> <td>622</td> <td>589</td> <td>932</td> <td>670</td> <td>710</td> <td>1,081</td>	Third party sharing arrangements	283	497	485	1,178	907	709	622	589	932	670	710	1,081
Other       1,235       1,509       1,620       1,823       1,632       1,731       1,723       1,624       1,842       1,729       1,873         Total expenses       39,121       40,621       41,220       40,795       39,206       44,825       37,564       42,289       39,777       41,203       42,490       55,737         Income before taxes       21,020       40,938       39,533       35,694       21,672       11,156       14,225       8,509       14,822       22,225       15,496       5,649         Income tax (benefit)/expense       8,958       16,766       16,245       15,164       9,600       7,505       6,270       6,032       7,942       10,120       7,520       5,411         Net income       12,062       2,24,172       \$2,3288       \$2,0530       \$12,072       \$3,651       \$7,955       \$2,477       \$6,880       \$12,105       \$7,976       \$2,380       \$3,072       \$3,027       \$12,105       \$2,477       \$12,105       \$3,330       \$3,651       \$2,477       \$12,105       \$3,330       \$3,651       \$2,477       \$12,105       \$3,330       \$3,651       \$2,477       \$12,105       \$3,330       \$3,651       \$2,477       \$12,105       \$3,330       \$3,651 <td>Acquisition payment</td> <td>257</td> <td>264</td> <td>172</td> <td>1,492</td> <td>745</td> <td>5,993</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Acquisition payment	257	264	172	1,492	745	5,993						
Total expenses         39,121         40,621         41,220         40,795         39,206         44,825         37,564         42,289         39,777         41,203         42,490         55,737           Income before taxes         21,020         40,938         39,533         35,694         21,672         11,156         14,225         8,509         14,822         22,225         15,496         5,649           Income tax (benefit)/expense         8,958         16,766         16,245         15,164         9,600         7,505         6,270         6,032         7,942         10,120         7,520         5,411           Net income         \$ 12,062         \$ 24,172         \$ 23,288         \$ 20,530         \$ 12,072         \$ 3,651         \$ 7,955         \$ 2,477         \$ 6,880         \$ 12,105         \$ 7,976         \$ 238           Note:         Stock-based compensation included above         \$ 2,417         \$ 23,288         \$ 2,026         \$ 3,022         \$ 3,503         \$ 3,767         \$ 3,822         \$ 3,800         \$ 3,421         \$ 3,530         \$ 3,607         \$ 41,59           Add back fransaction costs (net of tax)         -         -         -         -         -         -         4,598           Add back remeasurement of net def	Goodwill impairment								1,676				
Income before taxes       21,020       40,938       39,533       35,694       21,672       11,156       14,225       8,509       14,822       22,225       15,496       5,649         Income tax (benefit)/expense       8,958       16,766       16,245       15,164       9,600       7,505       6,270       6,032       7,942       10,120       7,520       5,411         Net income.       \$ 12,062       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adiusted net income:       x       2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adiusted net income:       x       2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,607       \$ 4,159         Adiusted net income:       x	Other	1,235	1,509	1,620	1,823	1,632	1,823	1,731	1,723	1,624	1,842	1,729	1,873
ncome tax (benefit)/expense       8,958       16,766       16,245       15,164       9,600       7,505       6,270       6,032       7,942       10,120       7,520       5,411         Net income       \$ 12,062       \$ 2,4172       \$ 23,288       \$ 20,530       \$ 12,072       \$ 3,651       \$ 7,955       \$ 2,477       \$ 6,880       \$ 12,105       \$ 7,976       \$ 2,38         Note:       Stock-based compensation included above       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Addusted met income:       Note:       \$ 3,651       \$ 2,477       \$ 2,477       \$ 12,105       \$ 2,477       \$ 12,105       \$ 2,477       \$ 3,621 <t< td=""><td>Total expenses</td><td>39,121</td><td>40,621</td><td>41,220</td><td>40,795</td><td>39,206</td><td>44,825</td><td>37,564</td><td>42,289</td><td>39,777</td><td>41,203</td><td>42,490</td><td>55,737</td></t<>	Total expenses	39,121	40,621	41,220	40,795	39,206	44,825	37,564	42,289	39,777	41,203	42,490	55,737
Net Income       \$ 12.062       \$ 24,172       \$ 23,288       \$ 20,530       \$ 12.072       \$ 3,651       \$ 7,955       \$ 2,477       \$ 6,880       \$ 12,105       \$ 7,976       \$ 238         Note:       Stock-based compensation included above       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adjusted net income:       *	ncome before taxes	21,020	40,938	39,533	35,694	21,672	11,156	14,225	8,509	14,822	22,225	15,496	5,649
Note:       Stock-based compensation included above       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adjusted net income:       Net income, as reported       \$ 3,651       \$ 2,477       \$ 12,105       \$ 238         Add back transaction costs (net of tax)       -       -       -       -       4,540         Add back remeasurement of net deferred tax assets       -       -       -       4,111         Add back acquisition contingent payment       5,993       -       -       -         Add back goodwill impairment       -       1,676       -       -       -         Subtract settlement gain, net of tax       -       -       -       4,832         Add back transaction costs, before income tax       -       -       -       4,832         Add back transaction costs, before income tax       -       -       -       4,832         Add back transaction costs, before income tax       -       -       -       4,832         Add back transaction costs, before income tax       -       -       -       4,832         Add back acquisition contingent payment       5,993       - <t< td=""><td>ncome tax (benefit)/expense</td><td>8,958</td><td>16,766</td><td>16,245</td><td>15,164</td><td>9,600</td><td>7,505</td><td>6,270</td><td>6,032</td><td>7,942</td><td>10,120</td><td>7,520</td><td>5,411</td></t<>	ncome tax (benefit)/expense	8,958	16,766	16,245	15,164	9,600	7,505	6,270	6,032	7,942	10,120	7,520	5,411
Stock-based compensation included above       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adjusted net income:       Net income, as reported       \$ 3,651       \$ 2,477       \$ 12,105       \$ 238         Add back transaction costs (net of tax)       -       -       -       -       4,540         Add back remeasurement of net deferred tax assets       -       -       -       4,111         Add back goodwill impairment       5,993       -       -       -       -         Adjusted net income       -       1,676       -       -       -       -       -         Add back goodwill impairment       -	Net Income	\$ 12,062	\$ 24,172	\$ 23,288	\$ 20,530	\$ 12,072	\$ 3,651	\$ 7,955	\$ 2,477	\$ 6,880	\$ 12,105	\$ 7,976	\$ 238
Stock-based compensation included above       \$ 2,344       \$ 2,608       \$ 2,926       \$ 3,022       \$ 3,503       \$ 3,767       \$ 3,822       \$ 3,800       \$ 3,421       \$ 3,530       \$ 3,607       \$ 4,159         Adjusted net income:       Net income, as reported       \$ 3,651       \$ 2,477       \$ 12,105       \$ 238         Add back transaction costs (net of tax)       -       -       -       -       4,540         Add back remeasurement of net deferred tax assets       -       -       -       4,540         Add back acquisition contingent payment       5,993       -       -       -         Add back goodwill impairment       -       1,676       -       -         Subtract settlement gain, net of tax       -       -       -       4,832         Add back transaction costs, before income tax       -       -       -       -         ncome before income taxes       11,156       8,509       22,225       5,649         Add back transaction costs, before income tax       -       -       -       -       -         Add back acquisition contingent payment       5,993       -       -       -       -       4,832         Add back acquisition contingent payment       5,993       -       -	lote.												
Net income, as reported       \$ 3,651       \$ 2,477       \$ 12,105       \$ 238         Add back transaction costs (net of tax)       -       -       -       4,540         Add back transaction costs (net of tax)       -       -       -       4,540         Add back remeasurement of net deferred tax assets       -       -       4,111         Add back acquisition contingent payment       5,993       -       -       -         Add back goodwill impairment       -       1,676       -       -       -         Adjusted net income       -       <		\$ 2,344	\$ 2,608	\$ 2,926	\$ 3,022	\$ 3,503	\$ 3,767	\$ 3,822	\$ 3,800	\$ 3,421	\$ 3,530	\$ 3,607	\$ 4,159
dd back transaction costs (net of tax)4,540dd back remeasurement of net deferred tax assets411dd back acquisition contingent payment5,993411dd back goodwill impairment5,993	djusted net income:												
Add back remeasurement of net deferred tax assets       -       -       -       411         Add back acquisition contingent payment       5,993       -	Net income, as reported						\$ 3,651		\$ 2,477		\$ 12,105		
Add back acquisition contingent payment5,993Add back goodwill impairment-1,676Subtract settlement gain, net of tax(4,256)-Adjusted net income9,6444,1537,8495,189Adjusted pretax income:4,850922,2255,649Add back transaction costs, before income taxes4,832Add back acquisition contingent payment5,9934,832Add back goodwill impairment-1,676Subtract settlement gain, before income taxesSubtract settlement gain, before income taxesSubtract settlement gain, before income taxesSubtract settlement gain, before income taxes	· · · · · ·						-		-		-		
Add back goodwill impairment-1,676Subtract settlement gain, net of taxAdjusted net income9,6444,1537,8495,189Adjusted pretax income:ncome before income taxes11,1568,50922,2255,649Add back transaction costs, before income tax4,832Add back acquisition contingent payment5,993Add back goodwill impairment-1,676Subtract settlement gain, before income taxes(6,909)-		ssets							-		-		411
Subtract settlement gain, net of tax       -       -       (4,256)       -         Adjusted net income       9,644       4,153       7,849       5,189         Adjusted pretax income:       -       -       -       -       4,225       5,649         Add back transaction costs, before income tax       -       -       -       4,832         Add back acquisition contingent payment       5,993       -       -       4,832         Add back goodwill impairment       -       1,676       -       -         Subtract settlement gain, before income taxes       -       -       -       -							5,993		-		-		-
Adjusted net income       9,644       4,153       7,849       5,189         Adjusted pretax income:       Income before income taxes       11,156       8,509       22,225       5,649         Add back transaction costs, before income tax       -       -       -       4,832         Add back acquisition contingent payment       5,993       -       -       4,832         Add back goodwill impairment       -       1,676       -       -         Subtract settlement gain, before income taxes       -       -       (6,909)       -	0						-		1,0/0		-		-
Income before income taxes11,1568,50922,2255,649Add back transaction costs, before income tax4,832Add back acquisition contingent payment5,993Add back goodwill impairment-1,676Subtract settlement gain, before income taxes(6,909)-	0						9,644	-	4,153			_	5,189
ncome before income taxes         11,156         8,509         22,225         5,649           Add back transaction costs, before income tax         -         -         -         4,832           Add back acquisition contingent payment         5,993         -         -         -           Add back goodwill impairment         -         1,676         -         -           Subtract settlement gain, before income taxes         -         -         (6,909)         -	Adjusted pretax income:												
Add back acquisition contingent payment       5,993       -							11,156		8,509		22,225		5,649
Add back goodwill impairment     -     1,676     -     -       Subtract settlement gain, before income taxes     -     -     (6,909)     -	Add back transaction costs, before income tax						-		-		-		4,832
Subtract settlement gain, before income taxes         -         -         (6,909)         -	Add back acquisition contingent payment						5,993				-		-
	0						-		1,676		-		-
Adjusted income before income taxes 17.149 10.185 15.316 10.481	0						-	_	-				-
	Adjusted income before income taxes						17,149		10,185		15,316		10,481



## U.S. Business Segment

#### **U.S. Business Segment**

-	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Revenues					
Advisory fees	\$48,345	\$51,026	\$53,641	\$54,749	\$57,605
Settlement gain			6,909		
Other income	493	1,312	508	590	539
Total revenues	48,838	52,338	61,058	55,339	58,144
Expenses					
Compensation and benefits	15,798	15,070	15,910	16,967	23,132
Fund management and administration	8,611	8,327	8,782	9,168	9,247
Marketing and advertising	3,148	3,069	3,253	2,795	3,169
Sales and business development	3,046	2,610	2,824	3,218	3,427
Professional and consulting fees	1,118	1,322	1,013	796	6,022
Occupancy, communications and equipment	1,161	1,228	1,232	1,257	1,178
Depreciation and amortization	320	331	339	340	339
Third party sharing arrangements	589	927	670	705	1,072
Other	1,652	1,546	1,725	1,600	1,734
Total expenses	35,443	34,430	35,748	36,846	49,320
Income before taxes	\$13,395	\$17,908	\$25,310	\$18,493	\$ 8,824
Pre-tax margin	27.4%	34.2%	41.5%	33.4%	15.2%
Compensation ratio	32.3%	28.8%	29.4% <sup>(2</sup>	2) 30.7%	39.8%
Gross Margin (1)	81.0%	81.9%	82.4%	82.0%	82.1%

### International Business Segment

#### International Business Segment

International Basiness beginein					
	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Revenues					
Advisory fees	\$ 2,021	\$ 2,236	\$ 2,473	\$ 2,825	\$ 3,220
Settlement gain					
Other income	(61)	25	(103)	(178)	22
Total revenues	1,960	2,261	2,370	2,647	3,242
Expenses					
Compensation and benefits	2,568	2,804	2,511	2,525	2,574
Fund management and administration	1,435	1,273	1,330	1,694	2,323
Marketing and advertising	497	468	572	519	557
Sales and business development	135	352	565	399	416
Professional and consulting fees	339	236	208	239	250
Occupancy, communications and equipment	118	125	139	121	135
Depreciation and amortization	7	6	13	13	14
Third party sharing arrangements		5		5	9
Other	1,747	78	117	129	139
Total expenses	6,846	5,347	5,455	5,644	6,417
Loss before taxes	\$ (4,886)	\$ (3,086)	\$ (3,085)	\$ (2,997)	\$ (3,175)



## **Key Operating Statistics**

Liki field of netiod]         Size 2         O3         O4         O1         O2         O3         O4           International Hedged Equity         Size 5			20	015		-	20	16		-	20	017	
International Hedged Equity         \$33, 25         \$32, 224         \$24, 60         \$33, 311         \$25, 140         \$18, 780         \$17, 720         \$18, 752         \$19, 112         \$19, 120         \$19, 726         \$19, 726         \$10,	-	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
International Hedged Equity         \$33, 25         \$39, 222         \$34, 608         \$33, 311         \$25, 140         \$18, 786         \$17, 786         \$17, 726         \$19, 112         \$19, 112         \$19, 120         \$19, 726         \$19, 623         \$14, 676           US. Equity         4, 232         4, 426         4, 394         4, 525         4, 633         4, 146         4, 334         4, 152         4, 561         5, 134         5, 875         6, 517           Fixed Income         904         956         774         779         528         730         597         534         642         445         510         476         676         7.74           Altenolive Strotegy         255         535         505         368         4426         337         340         339         276         227         228         218           Average EIF AUM         \$46, 391         \$51, 759         \$56, 573         \$55, 758         54, 153         \$57, 75         \$44, 56         338, 444         \$37, 774         \$40, 114         \$41, 89         \$237         150           Alternotive Strotegy         17         14         [13]         [4]         550         \$777         \$407         \$221         \$228         \$	AUM (end of period)												
U.S. Equity         9,748         9,245         8,247         8,803         8,866         9,766         10,896         11,996         12,402         12,782         13,005         14,006           International Developed Equity         6,686         6,244         4,228         3,825         3,803         3,683         4,003         3,881         4,508         4,771         5,209         5,816           Fixed Income         904         956         774         779         520         5,816         6,224         4,288         3,825         3,803         3,623         4,003         4,76         5,74         6,07         7,78           Currency         255         573         561,279         \$51,459         \$44,25         \$38,046         \$37,704         \$40,144         \$41,940         \$43,183         \$43,827           Average EFF AUM         \$46,391         \$11,53         \$59,572         \$56,603         \$45,475         \$41,803         \$38,101         \$38,253         \$41,292         \$42,941         \$43,322         \$44,030           Marchibe Storbey         17         14         (132         (121)         (138)         \$11,710         (140)         \$73         [411]         141         189         \$227		\$33 925	\$39 222	\$34,608	\$33,311	\$25.140	\$18 798	\$17 270	\$18 752	\$19 112	\$19.031	\$18 766	\$18.678
International Developed Equity         4.82         4.82         4.93         4.12         4.54         5.13         5.87         6.517           Emerging Market Equity         6.08         5.24         4.28         3.803         3.833         4.000         3.88         4.503         4.771         5.209         5.816           Fixed Income         904         956         774         779         828         700         575         5.67         6.07         7.83           Alternative Strotegy         255         535         505         3.68         4.26         3.73         3.40         3.79         276         2.97         2.84         2.18           Average ETF AUM         \$46.391         \$51.78         \$5.107         \$51.633         \$45.475         \$41.830         \$33.710         \$38.253         \$41.82         \$42.83         \$44.83         \$44.83         \$44.83         \$44.83         \$44.833         \$44.93         \$40.97         \$221         \$258         \$5241         \$42.33         \$44.97         \$41.830         \$33.710         \$38.253         \$41.83         \$44.83         \$44.83         \$44.83         \$44.83         \$44.83         \$45.98         \$42.93         \$44.112         \$44.33         \$44.83	s , ,				1	1	1 - 1						1
Emerging Morkets Equity 6.068 6.244 4.288 3.825 3.803 3.848 4.202 3.881 4.508 4.771 5.209 5.816 Alternative Strategy 225 220 211 208 440 422 445 510 476 574 607 7.84 Alternative Strategy 225 220 211 208 440 452 445 510 476 574 607 7.84 Currency 555 573 505 3.88 426 3.73 3.403 3.87.10 3.87.10 3.87.10 3.87.10 441 181 344.388 446.87 447.00 441 182 544.388 446.87 447.00 441 183 444.388 446.87 447.00 441 183 444.388 446.87 447.00 441 183 444.388 446.87 447.00 441 184 520 443.183 444.388 446.87 447.00 441 184 520 443.183 444.388 446.87 447.00 441 182 520 10.101 (110) 110 (110) 118 12 144 113 50 0.579 50.00 50.0										, .	,		
Fixed factome         904         956         794         799         828         790         534         585         642         640         738           Currency         555         573         505         348         474         373         340         339         296         259         248         218           Average EIF AUM         \$46.371         \$41.133         \$57.752         \$56.007         \$41.830         \$38.710         \$40.144         \$41.940         \$41.830         \$43.871         \$42.553         \$41.22         \$42.56         \$44.050         \$41.940         \$41.940         \$42.523         \$44.05           Lis Equity         165         1050         (10.13)         (1418)         (171)         (140)         5         770         770         77 <td< td=""><td></td><td></td><td>6.244</td><td>4,288</td><td></td><td></td><td>3,683</td><td>4,020</td><td>3,881</td><td></td><td>4,771</td><td></td><td></td></td<>			6.244	4,288			3,683	4,020	3,881		4,771		
Alternative Strategy         225         230         211         208         440         442         445         510         476         574         607         738           Currency         \$55,798         \$41,299         \$53,047         \$51,639         \$44,256         \$38,010         \$38,253         \$41,920         \$42,961         \$44,025         \$38,8710         \$38,253         \$41,920         \$42,961         \$44,680           Average EIF ALM         \$41,133         \$57,978         \$56,603         \$44,755         \$41,800         \$38,253         \$41,292         \$42,961         \$44,600           Mel Inflows (COrfficwar)         U.S. Equily         \$529         (10.10)3         (118)         (17)         (160         973         4(1)         141         189         2224         \$228         \$224         \$255         \$224         \$255         \$225         \$226         <	.,												
Currency         563         573         505         368         442.6         373         340         339         294.6         295         248         218           Average EIF AUM         \$46.391         \$41.392         \$50.72         \$56.603         \$45.757         \$41.830         \$38.253         \$41.292         \$42.961         \$44.394         \$44.84         \$44.697           Net Inflows/ (Outflew)1         U.S. Equity         \$59.572         \$56.603         \$45.757         \$41.830         \$38.710         \$38.253         \$41.292         \$42.961         \$44.392         \$46.030           Net Inflows/ (Outflew)1         U.S. Equity         \$159         \$51.41         \$18         \$500         \$779         \$609         \$221         \$52.85         \$522         \$273         150           Interrotion Developed Equity         144         17         (63)         (121)         65         1640         (223)         (13)         (121)         535         44.977         133         102         313         112         (33)         112         (33)         112         (33)         112         (35)         143         17         133         102         133         50         43         17         133							452						
Stor.28         \$1.299         \$53.047         \$51.637         \$44.256         \$38.046         \$37.704         \$40.146         \$41.140         \$44.396         \$44.827           Average EF AUM         \$46.391         \$61.133         \$55.503         \$44.256         \$38.70         \$38.253         \$41.920         \$42.961         \$44.396         \$44.897         \$44.897         \$44.897         \$44.897         \$44.897         \$44.897         \$44.897         \$44.997         \$42.91         \$38.253         \$41.920         \$42.961         \$42.952         \$42.951         \$38.253         \$41.996         \$42.952         \$42.951         \$42.957         \$42.951         \$44.897         \$42.951         \$44.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$38.253         \$41.807         \$41.111         \$401<47		565	573	505	368	426	373	340	339	296	259	248	218
Net Inflows / (Outflows)         Visite         Visit         Visite         Visit		\$55,758	\$61,299	\$53,047	\$51,639	\$44,256	\$38,046	\$37,704	\$40,164	\$41,940	\$43,183	\$44,398	\$46,827
LS. Equity       5294       (\$230)       (\$259)       (\$14)       (\$8)       \$500       \$759       \$400       \$221       \$228       \$(\$224)       \$293         Emerging Markets Equity       (165)       250       (1.013)       (118)       (171)       (160)       93       (41)       141       189       237       150         Altenative Strategy       17       14       (13)       (14)       15       1(2)       100       131       144       379         Fixed Income       (210)       67       (85)       9       (14)       (47)       (204)       (35)       50       43       17       123         International Hedged Equity       13.44       6.083       751       (197)       (5.396)       (4.272)       (2.245)       (314)       (514)       (224)       (230)       \$132       (\$58)       \$605       (\$419)       \$306         Average EIF Advisory Fee       0.52%       0.53%       0.52%       0.52%       0.57%       0.57%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0	Average ETF AUM	\$46,391	\$61,153	\$59,572	\$56,603	\$45,475	\$41,830	\$38,710	\$38,253	\$41,292	\$42,961	\$43,523	\$46,030
LS. Equity       5294       (\$230)       (\$259)       (\$14)       (\$8)       \$500       \$759       \$400       \$221       \$228       \$(\$224)       \$293         Emerging Markets Equity       (165)       250       (1.013)       (118)       (171)       (160)       93       (41)       141       189       237       150         Altenative Strategy       17       14       (13)       (14)       15       1(2)       100       131       144       379         Fixed Income       (210)       67       (85)       9       (14)       (47)       (204)       (35)       50       43       17       123         International Hedged Equity       13.44       6.083       751       (197)       (5.396)       (4.272)       (2.245)       (314)       (514)       (224)       (230)       \$132       (\$58)       \$605       (\$419)       \$306         Average EIF Advisory Fee       0.52%       0.53%       0.52%       0.52%       0.57%       0.57%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0.50%       0	Net Inflows / (Outflows)												
Emerging Markets Equity         (165)         2250         (1.013)         (418)         (171)         (160)         93         (41)         141         189         227         150           Attemative Strategy         17         14         (133)         (44)         5         (10)         5         72         (27)         97         34         117           Currency         (44)         7         (63)         (121)         65         (54)         (29)         (13)         (30)         (33)         (12)         (35)         54         31         74         31         73         (32)           International Developed Equity         13.400         6.083         751         (1.977)         (5.396)         (4.4927)         (2.285)         (341)         (514)         (259)         (1.105)         (724)           Total         33.520         \$6.598         (\$461)         (\$2.201)         (\$5.357)         \$4.499         \$2.380)         \$132         (\$5.50%         (\$6.50%         (\$5.357)         \$6.57%         0.57%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         0.50%         <		\$294	(\$320)	(\$259)	(\$14)	(\$8)	\$500	\$759	\$609	\$221	\$258	(\$224)	\$293
Alternative Strategy       17       14       (13)       (4)       5       (10)       5       72       (27)       97       34       117         Currency       (14)       7       (63)       (121)       65       (54)       (29)       (13)       (30)       (33)       (12)       (32)         International Developed Equity       13.44       0.08       751       (1977)       (54)       (147)       (204)       (35)       50       43       17       123         International Bedged Equity       13.440       6.08       751       (1977)       (55,359)       (54,949)       (52.80)       \$132       (55)       \$4.05       (5619)       \$306         Average EIF Advisory Fee       0.52%       0.53%       0.52%       0.52%       0.52%       0.50%								1					
Currency         (44)         7         (43)         (12)         65         (54)         (29)         (13)         (30)         (33)         (12)         (32)           International Developed Equity         188         497         21         (56)         160         (251)         (139)         (120)         102         311         434         379           Exed Income         (210)         67         (85)         9         (14)         (477)         (204)         (35)         50         43         17         123           International Hedged Equity         13.520         \$6.58         (\$5.39)         (\$4.927)         (2.865)         (\$31)         (\$5.99)         \$5.360         \$5.132         (\$5.80)         \$5.132         (\$5.80)         \$5.576         0.50%	00 1,	. ,		,	. ,	. ,	. ,		. ,				
International Developed Equity       188       497       21       (56)       160       (251)       (139)       (120)       102       311       43.4       379         Fixed Income       (210)       67       (85)       9       (14)       (47)       (204)       (35)       50       43       17       123         International Hedged Equity       13.44       6.083       751       (5.396)       (4.949)       (52.380)       \$13.2       (514)       (229)       (1.02)       (5.396)       (4.949)       (52.380)       \$13.2       (514)       (229)       (1.02)       (5.396)       (4.949)       (52.380)       \$13.2       (514)       (25.37)       (5.47)       (4.67) <td>0,</td> <td></td> <td>7</td> <td></td> <td></td> <td></td> <td>. ,</td> <td></td> <td></td> <td></td> <td>(33)</td> <td>(12)</td> <td></td>	0,		7				. ,				(33)	(12)	
Fixed Income         (210)         67         (85)         9         (1,1,47)         (204)         (35)         50         43         17         123           International Hedged Equity         13,420         6.083         751         (1,97)         (5,396)         (4,472)         (2,245)         (341)         (514)         (259)         (1,105)         (724)           Average EIF Advisory Fee         0.52%         0.53%         0.53%         0.52%         0.52%         0.51%         0.50%		. ,										. ,	. ,
Total         \$13.520         \$45.598         (\$4611)         (\$2.401)         (\$5.359)         (\$4.949)         (\$2.380)         \$132         (\$58)         \$605         (\$4619)         \$306           Average EIF Advisory Fee         0.52%         0.53%         0.52%         0.52%         0.52%         0.50%	Fixed Income	(210)	67	(85)	9	(14)	(47)	(204)	(35)	50	43	17	123
Average EIF Advisory Fee         0.52%         0.53%         0.53%         0.52%         0.52%         0.51%         0.50%         0.5	International Hedged Equity	13,440	6,083	751	(1,997)	(5,396)	(4,927)	(2,865)	(341)	(514)	(259)	(1,105)	(724)
Average Mx         International Hedged Equity         53%         63%         66%         61%         54%         47%         46%         46%         45%         43%         42%           U.S. Equity         11%         11%         15%         16%         18%         22%         27%         29%         30%         29%         11%	Total	\$13,520	\$6,598	(\$661)	(\$2,601)	(\$5,359)		(\$2,380)	\$132	(\$58)	\$605	(\$619)	\$306
International Hedged Equity         53%         63%         66%         66%         61%         54%         47%         46%         46%         45%         43%         42%           U.S. Equity         21%         16%         15%         16%         18%         22%         27%         29%         30%         29%         29%         29%         11% <t< td=""><td>Average ETF Advisory Fee</td><td>0.52%</td><td>0.53%</td><td>0.53%</td><td>0.52%</td><td>0.52%</td><td>0.52%</td><td>0.51%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td><td>0.50%</td></t<>	Average ETF Advisory Fee	0.52%	0.53%	0.53%	0.52%	0.52%	0.52%	0.51%	0.50%	0.50%	0.50%	0.50%	0.50%
International Hedged Equity         53%         63%         66%         66%         61%         54%         47%         46%         46%         45%         43%         42%           U.S. Equity         21%         16%         15%         16%         18%         22%         27%         29%         30%         29%         29%         29%         11% <t< td=""><td>Average Mix</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Average Mix												
U.S. Equity       21%       16%       15%       16%       18%       22%       27%       29%       30%       29%       29%       29%       10%         International Developed Equity       9%       8%       8%       8%       9%       11%		53%	63%	66%	66%	61%	54%	47%	46%	46%	45%	43%	42%
International Developed Equity       9%       8%       8%       9%       11%       <													
Emerging Markets Equity         14%         10%         9%         7%         8%         9%         11%         10%         10%         11%         12%         12%           Fixed Income         2%         2%         1% <td></td>													
Currency         1%         <		14%	10%	9%	7%	8%	9%	11%	10%	10%	11%	12%	12%
Alternative Strategy Total         0%         0%         0%         0%         1% <th< td=""><td>Fixed Income</td><td>2%</td><td>2%</td><td>1%</td><td>2%</td><td>2%</td><td>2%</td><td>2%</td><td>2%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td></th<>	Fixed Income	2%	2%	1%	2%	2%	2%	2%	2%	1%	1%	1%	1%
Total         100% <t< td=""><td></td><td></td><td></td><td></td><td>1%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>					1%								
# of EIFs       70       75       79       86       93       99       93       94       88       90       87       89         European Listed EIPs: (in thousands)       AUM (end of period)       \$288,801       \$384,089       \$431,259       \$437,934       \$488,069       \$560,063       \$447,477       \$626,280       \$774,487       \$812,604       \$979,608       \$932,953         Average Advisory Fee       0.81%       0.82%       0.83%       0.83%       0.85%       0.84%       0.82%       0.80%       0.79%       0.79%       0.78%       0.77%       0.77%         Total UCITS EIFs: (in thousands)       AUM (end of period)       \$45,846       \$228,588       \$264,452       \$335,938       \$39,901       \$371,307       \$398,015       \$576,503       \$643,199       \$785,899       \$871,203         Average Advisory Fee       0.40%       0.44%       0.45%       0.45%       0.45%       0.46%       0.44%       0.4	Alternative Strategy	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%
European Listed ETPs: (in thousands)           AUM (end of period)         \$288,801         \$384,089         \$437,934         \$488,069         \$560,063         \$647,497         \$626,280         \$774,487         \$812,604         \$979,608         \$932,953           Net Inflows         \$145,381         \$50,331         0.82%         0.83%         0.83%         0.84%         0.82%         0.80%         0.77%         0.463% <td></td> <td>100%</td> <td>100%</td> <td>100%</td> <td></td> <td>100%</td> <td>100%</td> <td></td> <td></td> <td></td> <td>100%</td> <td>100%</td> <td></td>		100%	100%	100%		100%	100%				100%	100%	
AUM (end of period)       \$288,801       \$384,089       \$431,259       \$437,934       \$488,069       \$560,063       \$647,477       \$626,280       \$774,487       \$812,604       \$979,608       \$932,953         Net Inflows       \$145,381       \$503,331       \$191,044       \$153,023       \$123,461       \$20,578       \$92,045       \$(\$38,214)       \$160,327       \$102,783       \$129,742       \$(\$102,453)         Average Advisory Fee       0.81%       0.82%       0.83%       0.84%       0.84%       0.82%       0.80%       0.77% <t< td=""><td># of ETFs</td><td>70</td><td>75</td><td>79</td><td>86</td><td>93</td><td>99</td><td>93</td><td>94</td><td>88</td><td>90</td><td>87</td><td>89</td></t<>	# of ETFs	70	75	79	86	93	99	93	94	88	90	87	89
AUM (end of period)       \$288,801       \$384,089       \$431,259       \$437,934       \$488,069       \$560,063       \$647,497       \$626,280       \$774,487       \$812,604       \$979,608       \$932,953         Net Inflows       \$145,381       \$50,331       \$191,044       \$153,023       \$123,461       \$20,578       \$92,045       \$(\$38,214)       \$160,327       \$102,783       \$129,742       \$(\$102,453)         Average Advisory Fee       0.81%       0.82%       0.83%       0.84%       0.84%       0.82%       0.80%       0.79%       0.78%       0.77%       \$102,783       \$129,742 <td>European Listed ETPs: (in thousand</td> <td>s)</td> <td></td>	European Listed ETPs: (in thousand	s)											
Net Inflows       \$145,381       \$50,331       \$191,044       \$153,023       \$123,461       \$20,578       \$92,045       \$180,327       \$102,783       \$129,742       \$102,453]         Average Advisory Fee       0.81%       0.82%       0.83%       0.85%       0.84%       0.84%       0.82%       0.80%       0.77%			\$384.089	\$431,259	\$437.934	\$488.069	\$560.063	\$647.497	\$626,280	\$774.487	\$812.604	\$979.608	\$932,953
Average Advisory Fee       0.81%       0.82%       0.83%       0.85%       0.84%       0.82%       0.82%       0.77%       0.77%       0.77%         Total UCITS EIFs: (in thousands)       AUM (end of period)       \$45,846       \$228,588       \$264,452       \$335,938       \$396,901       \$391,900       \$371,307       \$398,015       \$576,503       \$643,199       \$785,899       \$871,203         Net Inflows       \$28,851       \$144,234       \$62,217       \$52,271       \$71,440       \$26,931       \$398,015       \$576,503       \$643,199       \$785,899       \$871,203         Average Advisory Fee       0.40%       0.44%       0.45%       0.45%       0.46%       0.44%       0.42%       0.43%       0.44%       0.44%         AUM (end of period)       Net Inflows       5576,503       \$64,618       \$72,927       \$91,490       \$205,469       \$305,476         AUM (end of period)       Net Inflows       5576,503       \$68,531       3       2       15,034       \$304,711         AUM (end of period)       Net Inflows       5576,503       \$68,618       \$72,927       \$91,490       \$205,469       \$305,476       15,034         Average Advisory Fee       0.51%       0.52%       0.46%       0.42%       <													
AUM (end of period)       \$45,846       \$228,588       \$264,452       \$335,938       \$396,901       \$391,900       \$371,307       \$398,015       \$576,503       \$643,199       \$785,899       \$871,203         Net inflows       \$28,851       \$144,234       \$62,217       \$71,440       \$26,931       \$(\$58,908)       \$12,442       \$159,774       \$44,022       \$105,504       \$36,711         Average Advisory Fee       0.40%       0.44%       0.45%       0.45%       0.45%       0.46%       0.44%       0.42%       0.43%       0.44%	Average Advisory Fee	0.81%					0.84%	0.82%		0.79%			
AUM (end of period)       \$45,846       \$228,588       \$264,452       \$335,938       \$396,901       \$391,900       \$371,307       \$398,015       \$576,503       \$643,199       \$785,899       \$871,203         Net inflows       \$28,851       \$144,234       \$62,217       \$71,440       \$26,931       (\$58,908)       \$12,442       \$159,774       \$44,022       \$105,504       \$36,711         Average Advisory Fee       0.40%       0.44%       0.45%       0.45%       0.45%       0.46%       0.44%       0.42%       0.43%       0.44%													
Net Inflows         \$28,851         \$144,234         \$62,217         \$52,271         \$71,440         \$26,931         \$58,908         \$12,442         \$159,774         \$44,022         \$105,504         \$36,711           Average Advisory Fee         0.40%         0.44%         0.45%         0.45%         0.47%         0.46%         0.44%         0.42%         0.43%         0.44%         0.44%         0.44%           Total Canada ETFs: (in thousands)         AUM (end of period)         \$68,427         \$68,618         \$72,927         \$91,490         \$205,469         \$305,476         \$15,034           Average Advisory Fee         68,531         3         (2)         15,280         96,745         15,034           Average Advisory Fee         0.51%         0.52%         0.46%         0.42%         0.28%         0.30%           U.S. Headcount         109         118         132         143         153         157         159         163         166         165         162		\$45.846	\$228.588	\$264.452	\$335.938	\$396.901	\$391.900	\$371.307	\$398,015	\$576.503	\$643.199	\$785.899	\$871,203
Average Advisory Fee         0.40%         0.44%         0.45%         0.47%         0.46%         0.44%         0.42%         0.43%         0.44%         0.44%         0.44%           Total Canada ETFs: (in thousands)         AUM (end of period)         \$68,427         \$68,618         \$72,927         \$91,490         \$205,469         \$305,476           Net Inflows         68,531         3         (2)         15,280         96,745         15,034           Average Advisory Fee         0.51%         0.52%         0.46%         0.42%         0.28%         0.30%           U.S. Headcount         109         118         132         143         153         157         159         163         166         165         162		1				1	1				1		
Total Canada ETFs: (in thousands)           AUM (end of period)         \$68,427         \$68,618         \$72,927         \$91,490         \$205,469         \$305,476           Net Inflows         68,531         3         (2)         15,280         96,745         15,034           Average Advisory Fee         0.51%         0.52%         0.46%         0,42%         0.28%         0.30%           U.S. Headcount         109         118         132         143         153         157         159         163         166         165         162													
AUM (end of period)       \$68,427       \$68,618       \$72,927       \$91,490       \$205,469       \$305,476         Net Inflows       68,531       3       (2)       15,280       96,745       15,034         Average Advisory Fee       0.51%       0.52%       0.46%       0.42%       0.28%       0.30%         U.S. Headcount       109       118       132       143       153       157       159       163       166       165       162	<b>o</b> ,	21.370	2		21.270		21.370	2	21.2/0	21.070	2	2	21.1.00
Net Inflows         68,531         3         (2)         15,280         96,745         15,034           Average Advisory Fee         0.51%         0.52%         0.46%         0.42%         0.28%         0.30%           U.S. Headcount         109         118         132         143         153         157         159         163         166         165         162								¢ (0, (07	¢ (0, (10	470.007	¢01.400	\$005 4/C	\$005 IT/
Average Advisory Fee         0.51%         0.42%         0.42%         0.28%         0.30%           U.S. Headcount         109         118         132         143         153         157         159         163         166         165         162													
U.S. Headcount 109 118 132 143 153 157 159 163 163 166 165 162													
	Average Advisory Fee							0.51%	0.52%	0.46%	0.42%	0.28%	0.30%
Non IIS Handcount 27 29 20 34 39 47 43 44 47 47 47 42 42	U.S. Headcount	109	118	132	143	153	157	159	163	163	166	165	162
NOTED.3. FIGURCOUTIN 2/ 20 27 34 30 4/ 43 40 4/ 46 43 42	Non-U.S. Headcount	27	28	29	34	38	47	43	46	47	46	43	42



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## 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. 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. The non-GAAP financial measurements contained in this release include:

- Gross margin and gross margin percentage (U.S. Business segment). We disclose our gross margins and gross margin percentage for our U.S. Business segment separately from the start up stage of our international businesses (Europe and Canada) to allow investors to better understand and track the performance and operating efficiency of our core U.S. operations, which make up the vast majority of our operating and financial results. We disclose U.S. Business segment gross margin, which we define as U.S. advisory fees less U.S. fund management and administration expenses and U.S. third-party sharing arrangements, and U.S. Business segment gross margin percentage as non-GAAP financial measurements because we believe they provide investors with a consistent way to analyze the amount we retain after paying third party service providers to operate our ETPs and third party marketing agents whose fees are associated with our AUM level. Management tracks gross margin and gross margin percentage to analyze the profitability of our products.
- Consolidated and U.S. Business segment operating results and pre-tax margin • for the fourth quarter of 2017 excluding transaction costs of \$4.8 million (or \$4.5 million after-tax) and an after-tax charge of \$0.4 million to remeasure our net deferred tax assets in connection with tax reform. The second augrter of 2017 excluding a pre-tax gain of \$6.9 million (or \$4.3 million after-tax) associated with the settlement of a dispute with a third party. We exclude these items when analyzing our results as they are one-time, non-recurring items and not core to our operating business.
- Operating results for the fourth quarter of 2016 exclude a \$1.7 million goodwill impairment charge. We exclude this charge, which is not deductible for tax purposes, when analyzing our results as it is a one-time, non-recurring charge and not core to our operating business.

#### WISDOMTREE INVESTMENTS, INC. AND SUBSIDIARIES **GAAP to NON-GAAP RECONCILIATION**

(in thousands)

(Unaudited)

		Inre	e Months Er	Ided	
	Dec. 31,	Sept. 30,	June 30,	Mar. 31,	Dec. 31,
	2017	2017	2017	2017	2016
Gross Margin and Gross Margin Percentage (U.S. Listed Business):					
Advisory Fees	\$57,605	\$54,749	\$53,641	\$51,026	\$48,345
Less: Fund management and administration	. (9,247)	(9,168)	(8,782)	(8,327)	(8,611)
Less: Third-party sharing arrangements	(1,072)	(705)	(670)	(927)	(589)
U.S. Gross margin	\$47,286	\$44,876	\$44,189	\$41,772	\$39,145
U.S. Gross margin percentage	82.1%	82.0%	82.4%	81.9%	81.0%
Adjusted net income and diluted earnings per share:					
Net income, as reported	\$ 238		\$12,105		\$ 2,477
Add back: Transaction costs, net of income taxes of \$292	. 4,540				
Add back: Remasurement of net deferred tax assets (tax reform)	. 411				
Add back: Goodwill impairment					1,676
Subtract: Settlement gain			(4,256)		
Adjusted net income	. 5,189		7,849		4,153
Weighted average common share - diluted	. 136,568		135,574		135,373
Adjusted net income per share - diluted	\$0.04		\$0.06		\$0.03
Adjusted pre-tax margin:					
Income before income taxes	\$ 5,649		\$22,225		\$ 8,509
Add back: Transaction costs, net of income taxes of \$292	. 4,832				
Add back: Goodwill impairment					1,676
Subtract: Settlement gain, before income taxes			(6,909)		
Adjusted income before income taxes	\$10,481		15,316		10,185
Total revenues	. 61,386		63,428		50,798
Subtract: Settlement gain, before income taxes			(6,909)		
Adjusted revenues			56,519		
Adjusted pretax margin	17.1%		27.1%		20.1%
Adjusted pre-tax Margin (U.S. Business Segment):					
Total revenues	. 58,144		61,058		
Subtract: Settlement gain, before income taxes			(6,909)		
Adjusted revenues	•		54,149		
Income before income taxes	8,824		25,310		
Add back: Transaction costs, net of income taxes of \$292	. 4,832				
Subtract: Settlement gain, before income taxes			(6,909)		
Adjusted net income before income taxes	. 13,656		18,401		
Adjusted pre-tax margin	. 23.5%		34.0%		



Three Months Ended

