



REDISCOVER

**THE POWER OF
DIVIDENDS**



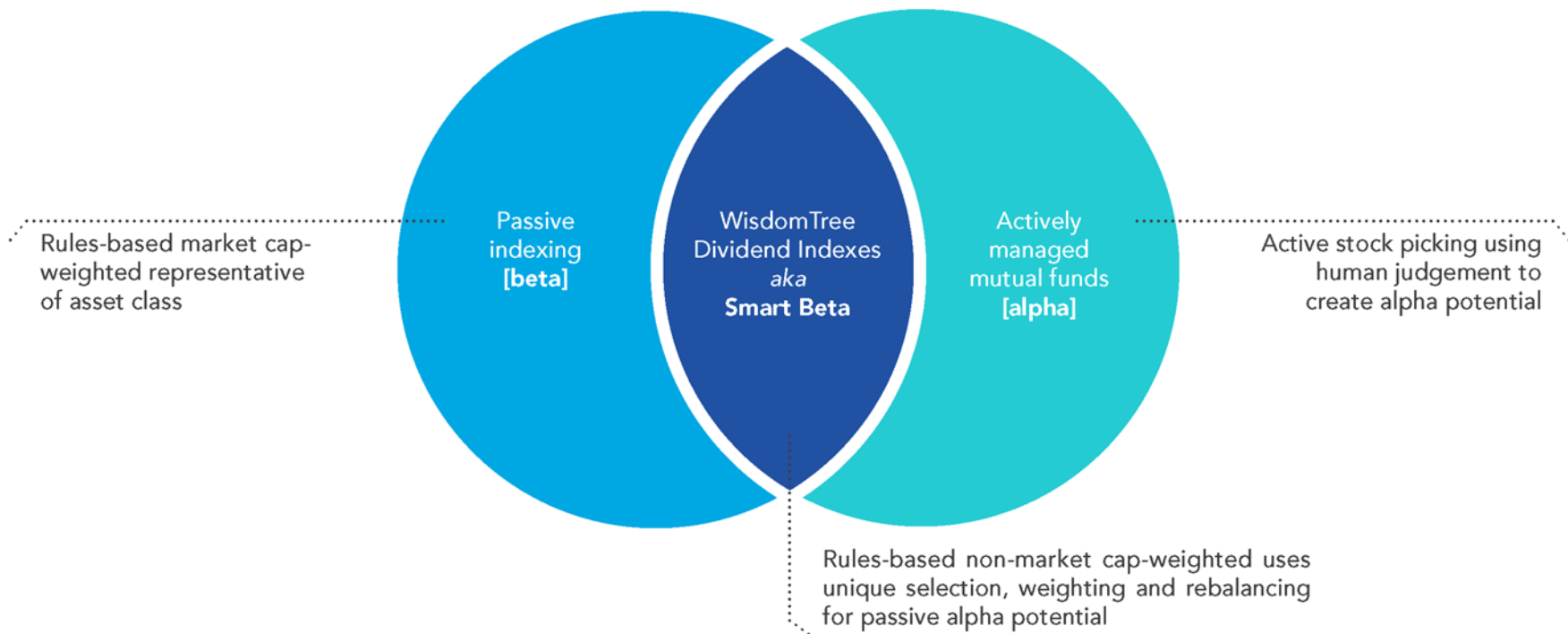
WisdomTree At-A-Glance

- Leading exchange-traded fund (**ETF**) provider
- Pioneer of dividend-weighted aka “**Smart Beta**” indexes
- Launched first strategies in 2006
- \$44.9 billion in assets under management as of 3/31/18
- Headquartered in New York City





Dividend Weighting = Smart Beta





The Genesis Of Dividend Weighting—The Flaw With Cap Weighting

The majority of ETFs are market cap-weighted. This means they give more weight to companies selling at higher prices than those offering stronger fundamentals.

Typically in a market cap-weighted index:

- Overvalued stocks = Overweighted
- Undervalued stocks = Underweighted

At WisdomTree, we know that stock prices can—and do—deviate from their underlying value for many reasons. We believe fundamentals like dividends offer a more objective measure of a company's health, value and profitability than stock price alone.





The Dividends Of Dividends

Dividends and dividend stocks:

- Have historically outpaced inflation*
- Can provide support during down market
- Offer the potential not only for income, but for an income stream that can grow
- Can provide capital appreciation potential

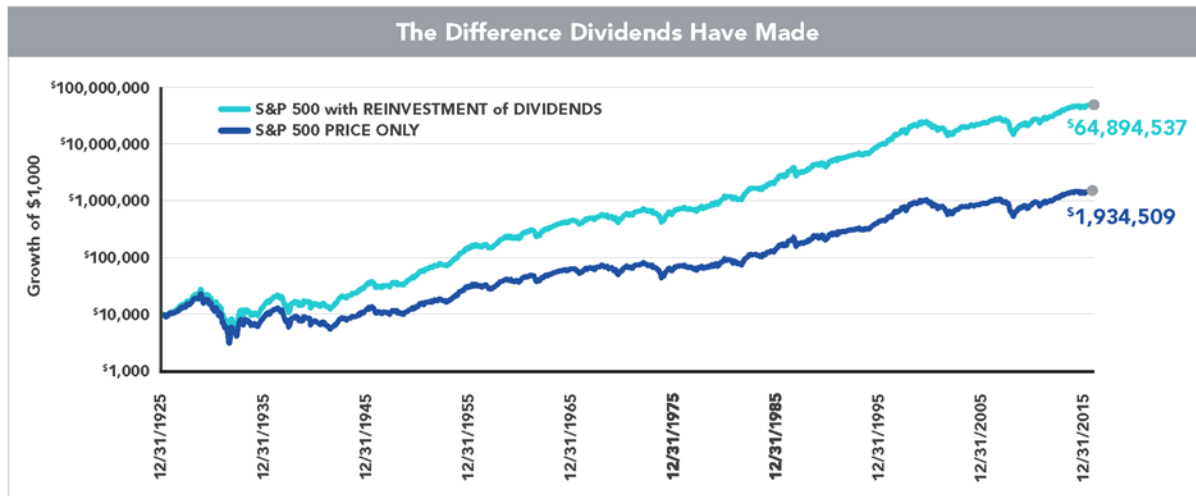
*Source: WisdomTree U.S. Bureau of Labor, 2016, the S&P 500 12/31/1957–12/31/2016





Dividends Have Performed

Since 1926, reinvestment of dividends has been responsible for more than 97% of the U.S. stock market's return, helping a \$10,000 investment grow to about \$64.9 million—**more than \$62 million over the stock returns alone.**



Source: The S&P 500 Index and data compiled by Jeremy Siegel, Professor of Finance at the Wharton School of the University of Pennsylvania. The S&P 500® Index is an unmanaged index of 500 U.S. large-cap common stocks traded on the New York Stock Exchange and NASDAQ Stock Market, weighted by market capitalization. It was launched on March 4, 1957. Professor Siegel has reconstructed S&P 500 Index returns for earlier years using methods explained in his book *The Future for Investors*. Unlike a mutual fund, the performance of an index is not reduced by operating expenses, transaction costs, and taxes. It is not possible to invest directly in an index. Index performance is for illustrative purposes only and is not intended to represent the past or future returns for any actual investment. Past performance does not guarantee future results.





Dividends Are Everywhere

The global *Dividend Stream* is more than \$1.3 trillion—with more than 80% coming from developed markets.



Sources: Bloomberg, with data as of 9/30/2017.

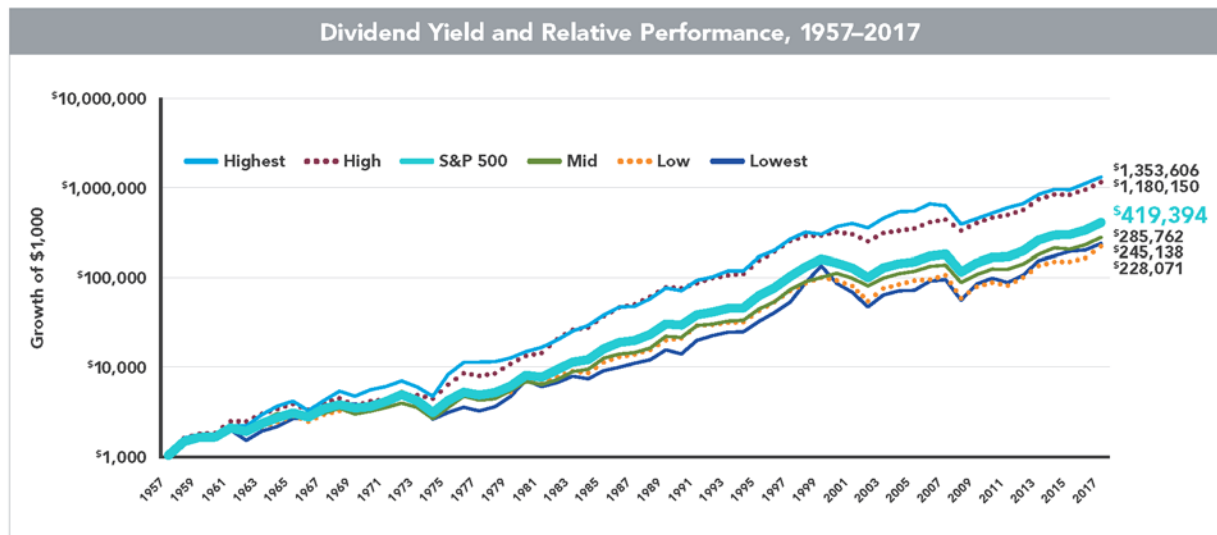
*As measured by WisdomTree Global Dividend Index.

**As measured by the following indexes: U.S.: Russell 3000 Index; Europe: MSCI Europe Index; Japan: MSCI Japan Index; Canada: MSCI Canada Index; Pacific ex-Japan: MSCI Pacific ex-Japan Index; emerging markets: MSCI Emerging Markets Index; global: MSCI ACWI Index.



The Power Of Higher Dividends

The highest yielding stocks more than tripled the growth of the S&P 500 and outperformed those with the low and lowest yields by nearly 494% and 453%, respectively.



Source: Professor Jeremy Siegel, with updates through 12/31/2017. Universe is the S&P 500 Index, and period is determined by the live performance period for this index. Each stock in the S&P 500 Index is ranked from highest to lowest by dividend yield on December 31 of every year and placed into quintiles, baskets of 100 stocks a piece. The stocks in the quintiles are weighted by their market capitalization. The dividend yield is defined as each stock's annual dividends per share divided by its stock price as of December 31 of that year. Past performance is not indicative of future results.





The Difference Dividend Weighting Makes

In this hypothetical example, the dividend-weighted portfolio delivered approximately 30% more dividend income and almost 1% of additional dividend yield than the market cap-weighted option. What's more—it did this using the same three stocks and the same initial investment.

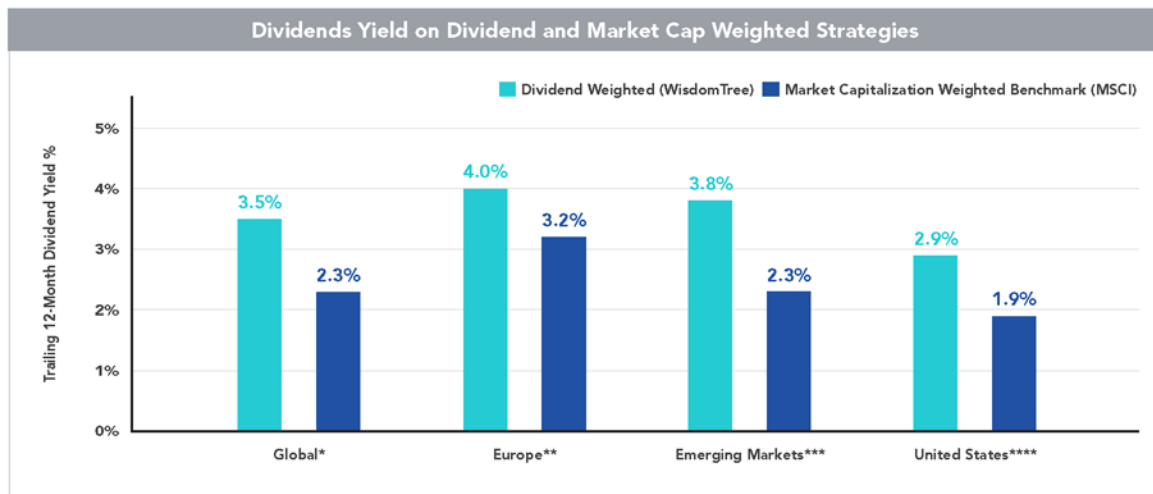
				Market Capitalization-Weighted Strategy			Dividend-Weighted Strategy		
	Market Capitalization	Cash Dividends	Dividend Yield	Weight	Investment	Dividend Generation	Weight	Investment	Dividend Generation
Company A	\$100 Billion	\$2	2.0%	46.30%	\$46,296	\$926	20.00%	\$20,000	\$400
Company B	\$50 Billion	\$3	6.0%	23.15%	\$23,149	\$1,389	30.00%	\$30,000	\$1,800
Company C	\$66 Billion	\$5	7.6%	30.56%	\$30,556	\$2,315	50.00%	\$50,000	\$3,788
				\$4,630			\$5,988		

Source: WisdomTree. Hypothetical example for illustrative purpose only. Does not reflect an actual investment.



Dividend Weighting Can Increase Portfolio Dividend Yield

Selecting and weighting stocks by dividends can result in higher dividend yields and increased income potential.



Sources: WisdomTree, Bloomberg, Standard & Poor's, with data as of 9/29/17. Past performance is not indicative of future results. You cannot invest directly in an index.

*Global: The dividend weighted (light blue) universe refers to the WisdomTree Global Dividend Index. The market capitalization-weighted (dark blue) universe refers to the MSCI ACWI Index.

**Europe: The dividend weighted (light blue) universe refers to the constituents within the WisdomTree Global Dividend Index incorporated within Europe. The market capitalization weighted benchmark refers to the MSCI Europe Index.

***Emerging Markets: The dividend weighted (light blue) universe refers to the constituents within the WisdomTree Global Dividend Index incorporated within emerging markets. The market capitalization-weighted benchmark refers to the MSCI Emerging Markets Index.

****United States: The dividend weighted (light blue) universe refers to the constituents within the WisdomTree Global Dividend Index incorporated within the United States. The market capitalization-weighted benchmark refers to the MSCI USA Index.



Dividend Weighting In Practice

10 largest companies in the WisdomTree U.S. Dividend Index, ranked by cash dividends, as of November 30, 2017*

Rank in Index	Company Name	2017 Indicated Dividend Per Share	Shares Outstanding (billions)	Dividend Stream (billions)	Percentage of Dividend Stream
1	EXXON MOBIL CORP	3.08	4.24	\$13.05	2.71%
2	MICROSOFT CORP	1.68	7.71	\$12.96	2.69%
3	APPLE INC	2.52	5.13	\$12.94	2.69%
4	AT&T INC	1.96	6.14	\$12.03	2.50%
5	VERIZON COMMUNIC	2.36	4.08	\$9.63	2.00%
6	JOHNSON&JOHNSON	3.36	2.69	\$9.03	1.88%
7	CHEVRON CORP	4.32	1.90	\$8.21	1.71%
8	JPMORGAN CHASE	2.24	3.47	\$7.77	1.62%
9	WELLS FARGO & CO	1.56	4.92	\$7.68	1.60%
10	PFIZER INC	1.28	5.96	\$7.63	1.59%
Top 10 Companies, Total Contributions				\$100.92	20.98%
WisdomTree U.S. Dividend Index: Total Dividend Stream				\$481.15	100.00%

Sources: WisdomTree, Bloomberg. Past performance is not indicative of future results. You cannot invest directly into an index. Holdings are subject to change.

*The annual screening date for the WisdomTree Dividend Index takes place at the end of November 2017. Indicated Dividend per Share: As of the 11/30/2017 Index Screening date, this refers to the most recent regular dividend per share that the respective firm has indicated that it will pay over the coming dividend payment cycles.



Market Cap vs. Dividend Weight At-A-Glance

Market Capitalization-Weighted Indexes	WisdomTree Dividend-Weighted Indexes
Give weight to companies based on price and capitalization alone	Uses rules-based processes and proprietary weighting methodologies
Vulnerable to overweighting overvalued stocks and underweighting undervalued stocks	Weight by dividend, rather than by market price
May cause investors to pay too much for growth	Can magnify the effect dividends have on return and risk
Rebalance annually based on market capitalization	Rebalance annually back to a measure of relative value



Dividend ETFs Can Play Many Roles

- Can be used **strategically** in the core of your portfolio to help generate returns and maximize income, while maintaining broad exposure to equity
- Complement or replace core beta positions
- Replace active managers
- Generate income, grow assets—or both
- Can be used **tactically**: to capitalize on an investment theme, to help reduce volatility, or to hedge the impact of currency on international equity exposures.



WisdomTree Dividend ETFs Offer Many Benefits

- A rules-based, repeatable methodology that offers broad, representative exposure to an asset class
- Ample investment capacity
- Historically correlates to established benchmarks
- Regular rebalancing back to relative value
- A long-term track record





Weighting by the ***DIVIDEND STREAM***[®]
can magnify the effect dividends have on performance.

Glossary of Terms Used

Dividend Stream®: refers to the regular dividends per share multiplied by the number of shares outstanding.

Dividend-Weighted: A type of weighting where each stock eligible for inclusion in an index is weighted by its share of the Dividend Stream
Market capitalization-weighted: Market cap = share prices x number of shares outstanding. Firms with the highest values receive the highest weights in approaches designed to weight firms by market cap.

Fundamentally weighted: A type of equity index in which components are chosen based on fundamental criteria as opposed to market capitalization. Fundamentally weighted indexes may be based on fundamental metrics such as revenue, dividend rates, earnings or book value.

Volatility: A measure of the dispersion of actual returns around a particular average level.

Alpha: The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Beta: Measure of the volatility of an index or investment relative to a benchmark.

Core: Characterized by exposure across stocks exhibiting both value and growth characteristics.

Smart Beta: A term for rules-based investment strategies that don't use conventional market cap weightings.

Active: Selecting securities different from those held by a benchmark portfolio in hopes of generating better performance.

Passive: Seeking to track the returns of an Index after costs, fees and expenses.

Strategic: Investment strategy characterized by being longer-term in its focus, with time horizons typically extending beyond 1-Year.

Tactical: Investment strategy characterized by being shorter-term in its focus, with time horizons typically extending shorter than 1-Year.

Appendix: Index Definitions

WisdomTree Dividend Index: Measures the performance of the dividend-paying segment of the U.S. stock market.

WisdomTree LargeCap Dividend Index: Measures the performance of the large-cap dividend-paying segment of the U.S. stock market.

WisdomTree MidCap Dividend Index: Measures the performance of the mid-cap dividend-paying segment of the U.S. stock market.

WisdomTree SmallCap Dividend Index: Measures the performance of the small-cap dividend-paying segment of the U.S. stock market.

WisdomTree High Dividend Index: Measures the performance of companies with the highest dividend yields within the U.S. stock market.

WisdomTree Dividend ex-Financials Index: Measures the performance of high-dividend yielding stocks outside of the financial sector within the U.S. stock market.

WisdomTree International Equity Index: Measures the performance of the dividend-paying segment in the developed world ex the U.S.

WisdomTree International LargeCap Dividend Index: Measures the performance of the large-cap dividend-paying segment of the developed world ex the U.S.

WisdomTree International MidCap Dividend Index: Measures the performance of the mid-cap dividend-paying segment of the developed world ex the U.S.

WisdomTree International SmallCap Dividend Index: Measures the performance of the small-cap dividend-paying segment of the developed world ex the U.S.

WisdomTree International High Dividend Index: Measures the performance of companies with the highest dividend yields in the developed world ex the U.S.

WisdomTree Europe SmallCap Dividend Index: Measures the performance of the small-cap dividend-paying segment of the Europe stock market.

WisdomTree Japan SmallCap Dividend Index: Measures the performance of the small-cap dividend-paying segment of the Japan stock market.

S&P 500 Index: Market capitalization-weighted benchmark of 500 stocks selected by the Standard and Poor's Index Committee designed to represent the performance of the leading industries in the United States economy.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

Russell 3000 Value Index: Measures the performance of the value segment of the U.S. equity universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P Mid Cap 400 Index: provides investors with a benchmark for mid-sized companies. The index covers over 7% of the U.S. equity market, and seeks to remain an accurate measure of mid-sized companies, reflecting the risk and return characteristics of the broader mid-cap universe on an on-going basis.



Appendix: Index Definitions

Russell 2000 Index: measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

MSCI EAFE Index: is a market cap-weighted index composed of companies representative of the developed market structure of developed countries in Europe, Australasia and Japan.

MSCI EAFE Small Cap Index: A free float-adjusted market capitalization equity index that captures small-cap representation across developed market countries around the world, excluding the U.S. and Canada.

Russell 1000 Value Index: A measure of the large-cap value segment of the U.S. equity universe, selecting from the Russell 1000 Index.

Russell MidCap Value Index: measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Value Index: measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Dow Jones U.S. Select Dividend Index: The index is a modified market capitalization approach and weights by dividend yield. Stocks are selected for fundamental strength relative to their peers, subject to various screens such as dividend quality and liquidity.

MSCI EAFE Mid Cap Index: A free float-adjusted market capitalization equity index that captures mid-cap representation across developed market countries around the world, excluding the U.S. and Canada.

MSCI EAFE Value Index: Market capitalization-weighted subset of stocks within the MSCI EAFE Index that have lower share prices relative to their earnings or dividends per share.

MSCI Europe Small Cap Index: A free float-adjusted market capitalization-weighted index designed to measure the performance of developed equity markets in Europe, specifically focusing on the small-cap segment of these equity markets.

MSCI Japan Small Cap Index: A market cap-weighted Index that measures the performance of the Japanese small cap equity market.

Important Information

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund's before investing. To obtain a prospectus containing this and other important information, call 1-866-909-WISE(9473) or visit wisdomtree.com. Read the prospectus carefully before you invest.

There are risks associated with investing including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Funds that focus their investments in one country or region may be significantly impacted by regional events and developments which can adversely affect performance. Funds focusing on a single sector and/or smaller companies generally experience greater price volatility. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

Dividends are not guaranteed and a company's future abilities to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time.

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