

Q1/20 Results

May 1, 2020



Forward Looking Statements

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this press release 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 press release may include statements about: the COVID-19 pandemic, anticipated trends, conditions and investor sentiment in the global markets and ETPs; anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; competition in our business; 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 operate and expand our business in non-U.S. markets; and the effect of laws and regulations that apply to our business.

Our business is subject to many risks and uncertainties, including without limitation:

- Declining prices of securities, gold and other precious metals and other commodities can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger redemptions.
- Fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise including but not limited to a pandemic event such as COVID-19, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity, increase the cost of borrowing or result in our debt being called prior to maturity.
- Competitive pressures could reduce revenues and profit 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 investor sentiment toward investing in the products' strategies, our ability to maintain the AUM of these products, the performance of these products and market-specific and political and economic risk.
- A significant portion of our AUM is held in products with exposure to U.S. and international developed markets and we therefore have exposure to domestic and foreign market conditions and are subject to currency exchange rate risks.
- Withdrawals or broad changes in investments in our ETPs by investors with significant positions may negatively impact revenues and operating margins.
- Over the last few years, we have expanded our business globally. This expansion subjects us to increased operational, regulatory, financial and other 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 WisdomTree ETP investors.

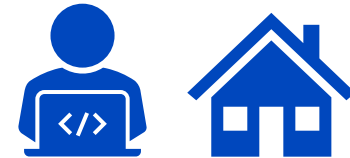
Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

The forward-looking statements in this press release 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.

Positioned for accelerated organic growth

➤ Business model equipped for current environment

- + Seamless pivot to remote working
- + Outsourced business model leverages largest and best capitalized global financial services firms
- + High operational standards and levels of client service uncompromised



➤ Well positioned for growth

- + Mutual fund to ETF migration should accelerate
- + Advisors revisiting asset allocation
- + Model portfolio adoption accelerating



➤ Significant increase in client engagement

- + Weekly calls with Professor Siegel seeing 2-3x engagement
- + Website traffic - logins +25% from Q4/19 and +50% from Q1/19
- + High quality interactions with 48,000 unique clients in March/April



U.S. product set well positioned

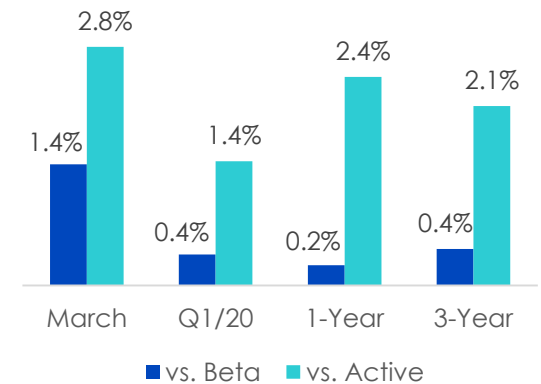
➤ Strong performance track records...

- + 61% of total U.S. listed AUM in Morningstar 5-star and 4-star funds
 - ★★★★★ 8 Funds, \$4.8B in AUM
 - ★★★★ 18 Funds, \$12.5B in AUM
- + Since Inception 80% of AUM beating peer averages
 - Top decile: 27% of U.S. listed AUM (13 funds)
 - Top 2 deciles: 49% of U.S. listed AUM (25 funds)
 - Top 3 deciles: 74% of U.S. listed AUM (36 funds)

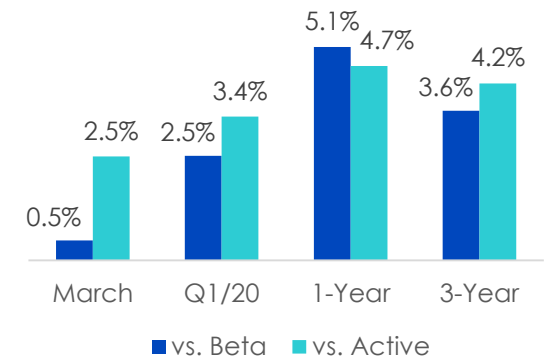
➤ ... across core categories expected to see demand

- + U.S. Equities – Quality and dividend weighted strategies, 90/60
- + International Equities – Quality and dividend weighted strategies
- + Emerging Markets – ex-State-owned enterprises
- + Thematic – Technology focused

Quality Dividend Growth Family Relative Outperformance (1)



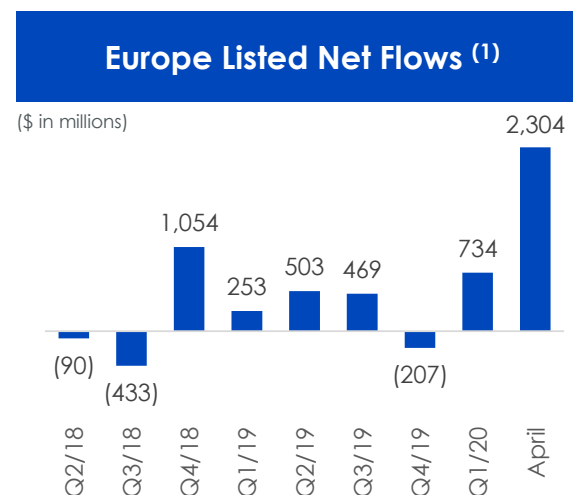
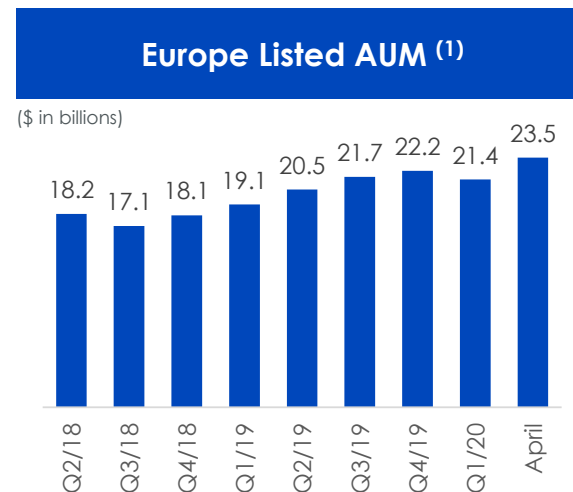
Ex-State-Owned Enterprises Family Relative Outperformance (2)



(1) Represents the asset weighted total return of DGRW, EUDG, IHDG, DNL, DGRE, DGRS, IQDG compared to beta and active mutual funds in the same Morningstar category. 3-Year relative performance annualized.
 (2) Represents the asset weighted total return of XSQE, CXSE, IXSE compared to beta and active mutual funds in the same Morningstar category. 3-Year relative performance annualized.

Europe product set well positioned for anticipated inflation

- Relief packages across the globe likely to usher inflation beginning in 2021 as economies open back up
- Diversified commodities, gold/precious metals, industrial metals have beta to economic growth and a global recovery
- Our leading commodities franchise in Europe listed ETPs is poised for further growth ⁽²⁾
 - + Leader in gold/precious metals with 25% market share
 - + Leader in energy with 84% market share
 - + Leader in industrial metals with 96% market share
 - + Leader in short & leveraged commodities with 44% market share



(1) April as of 4/29/20

(2) Market share statistics as of 4/27/20

Q1/20 AUM and flow highlights

➤ Positive momentum entering 2020 until March

- + Near all time high AUM of \$64.6 billion in mid-February
- + \$1 billion + net inflows in Jan/Feb including 6 straight months of positive U.S. product inflows

➤ Quarter-end AUM of \$50.3 billion - \$12 billion negative market move

➤ Net outflows of \$536 million in Q1/20 - driven by March market decline

➤ Europe listed ETPs generated Q1/20 inflows of +\$734 million, 13% organic growth

- + Energy related flows totaled +\$934 million in Q/1 representing greater than 100% of industry flows. Strong demand continued through April

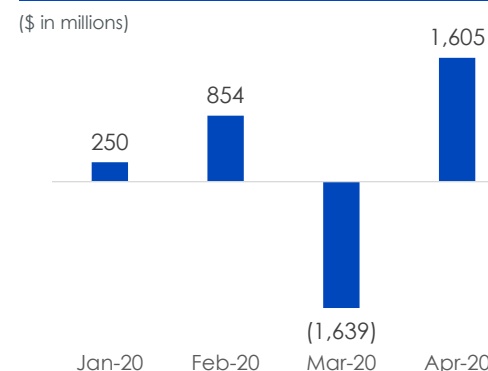
➤ U.S. listed ETFs suffered Q1/20 outflows of \$1.3 billion - driven by March risk-off environment

- + 30 of 72 ETFs generated inflows in Q1/20 with 16 ETFs generating inflows in March
- + Emerging Markets ex-State-Owned Enterprises (XSOE) +\$270 million
- + International Hedged Quality Dividend Growth (IHDG) +\$104 million
- + U.S. Quality Dividend Growth (DGRW) +\$95 million

AUM Trends ⁽¹⁾



Net Flow Trends ⁽¹⁾



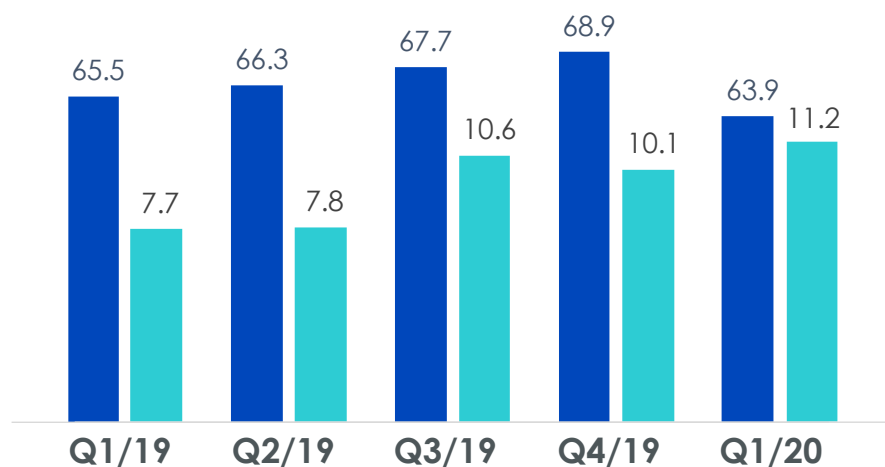
(1) April flows as of 4/29/20

Operating income higher on well controlled expenses

Revenue, Income, EPS

(\$ millions)

Total Revenue ■ Adjusted Net Income (non-GAAP) ⁽¹⁾ ■



EPS: \$0.05 \$0.01 ⁽²⁾ \$0.02 ⁽²⁾ (\$0.17) ⁽³⁾ (\$0.06) ⁽⁴⁾

Adjusted EPS (non-GAAP) ⁽¹⁾: \$0.05 \$0.05 \$0.06 \$0.06 \$0.07

Net Income/ (loss): 8.8 2.5 4.2 (25.8) (8.6)

Highlights/Unusual Items

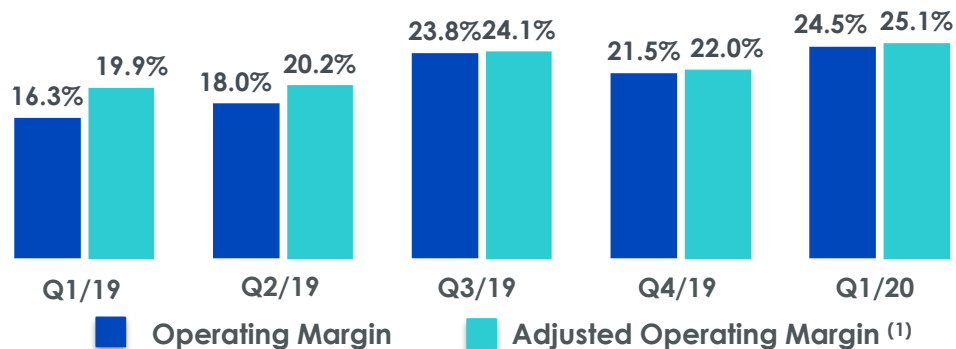
- \$2.2 million (after-tax) non-cash charge associated with revaluation of deferred consideration (gold payment)
- Pending exit of our stake in AdvisorEngine resulting in a non-cash impairment of \$19.7 million
- Completed sale of our Canadian operations. Adjusted results exclude \$0.4 million of disposition related costs and a \$2.9 million accounting gain



(1) See "Non-GAAP Financial Measurements"
 (2) Includes \$0.04 of net losses
 (3) Includes \$0.23 of net losses
 (4) Includes \$0.13 of net losses

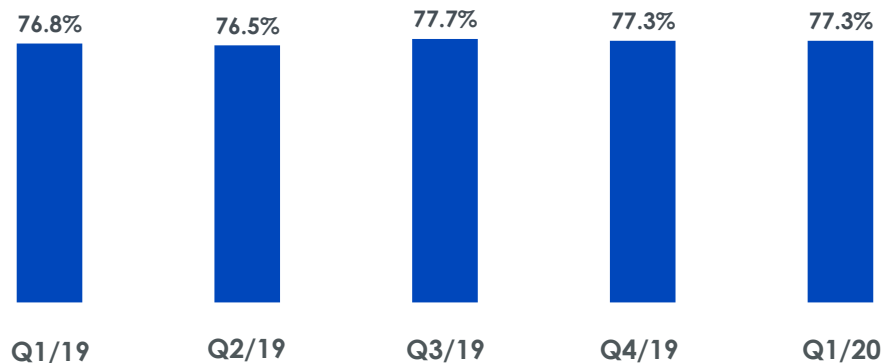
Operating margins expanded in Q1/20

Operating Margins



- Adjusted operating margins expanded sequentially reflecting lower incentive compensation accruals and well controlled discretionary spending
- Gross margins flat sequentially and up 50 bps from a year ago reflecting the benefit of 2019 vendor renegotiations

Gross Margins (1)

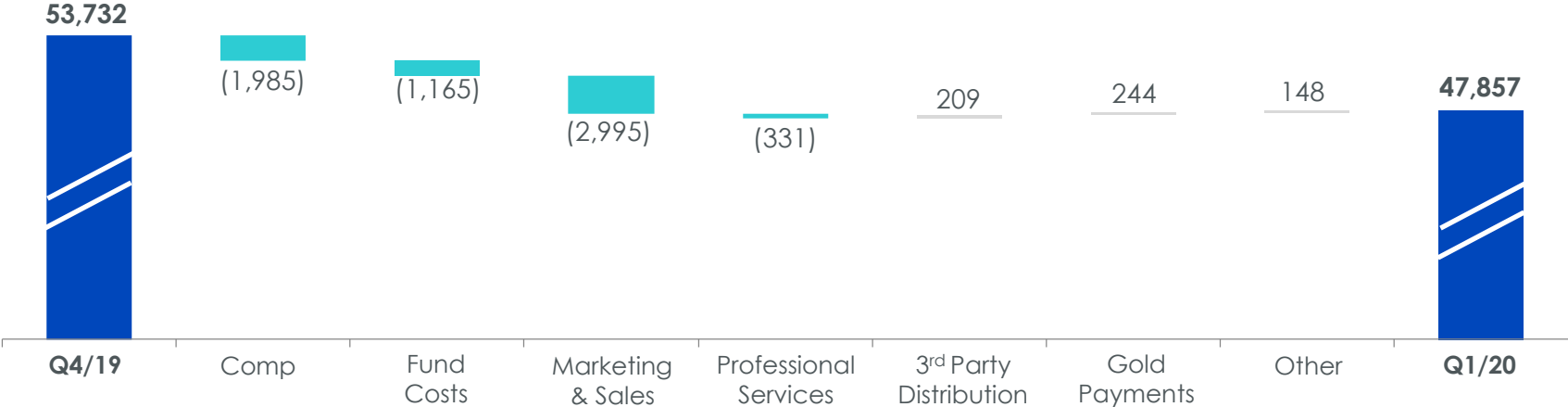


(1) See "Non-GAAP Financial Measurements"

Expense flexibility in challenging environment

Expense Base Change – Q4/19 to Q1/20 ⁽¹⁾

(\$ in thousands)



- Operating costs down 11% sequentially
- Compensation costs down \$2 million sequentially as lower incentive compensation accruals more than offset higher seasonal payroll taxes
- Marketing and sales expenses declined \$3 million reflecting the operating environment in March

(1) Excludes disposition costs of \$383 in Q1/20 and \$366 in Q4/19

Revised 2020 expense guidance

	Original 2020 Guidance	Revised 2020 Guidance
Compensation	\$75-\$85 million	\$65-\$70 million
Gross Margin	77-78%	75-77%
Third-Party Distribution Fees	\$7.0 million	\$6.0 million
Other Discretionary Spending (marketing, sales, professional fees, occupancy & equipment, depreciation & amortization, other)	\$51.5 million	\$47 million
Contractual Gold Payments (9500 ounces at average daily gold spot price)	\$14.9 million ⁽¹⁾	\$16.0 million ⁽²⁾
Adjusted Tax Rate	~27%	~23%

➤ Spending plans flexible based on revenue environment



(1) Based on Gold price of 1570/oz as of 1/29/20

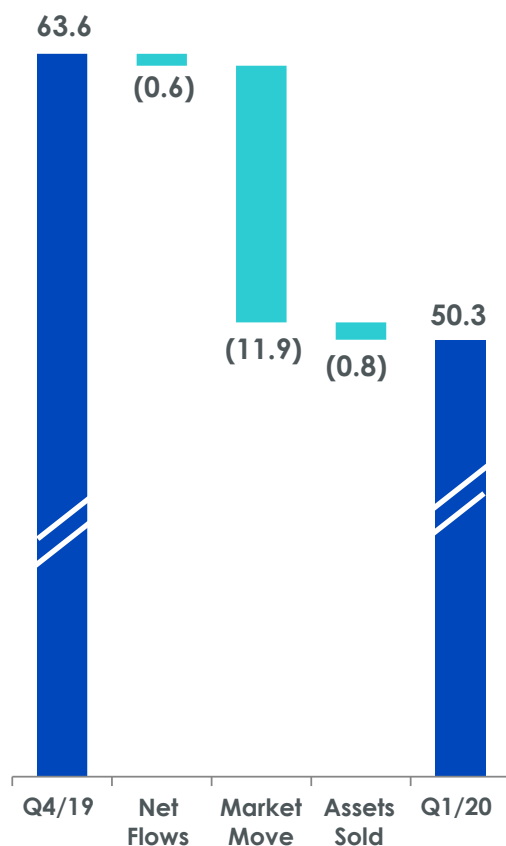
(2) Based on Gold price of 1722/oz as of 4/28/20

Appendix

AUM and net flow trends

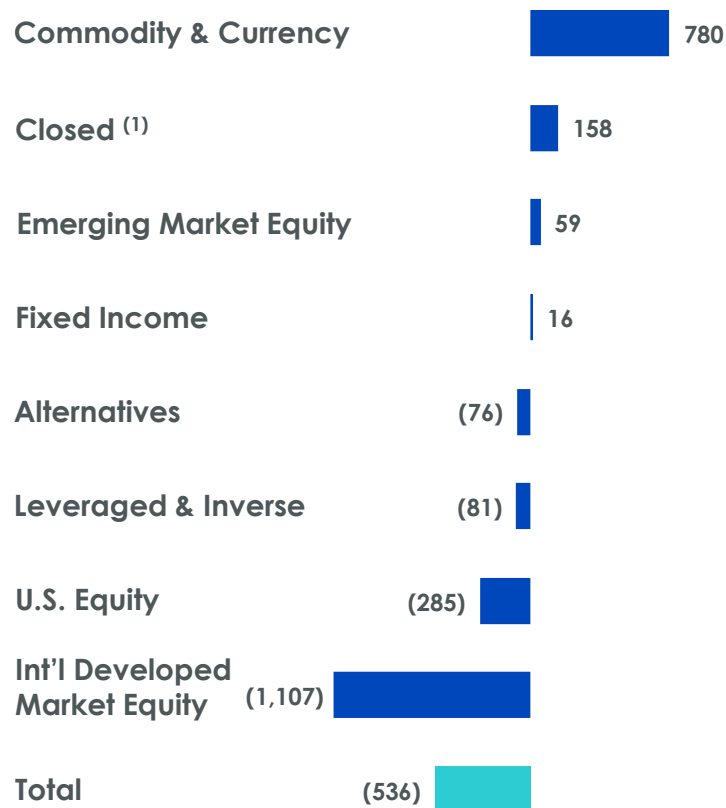
Quarterly ETF AUM Change

(\$ billions)



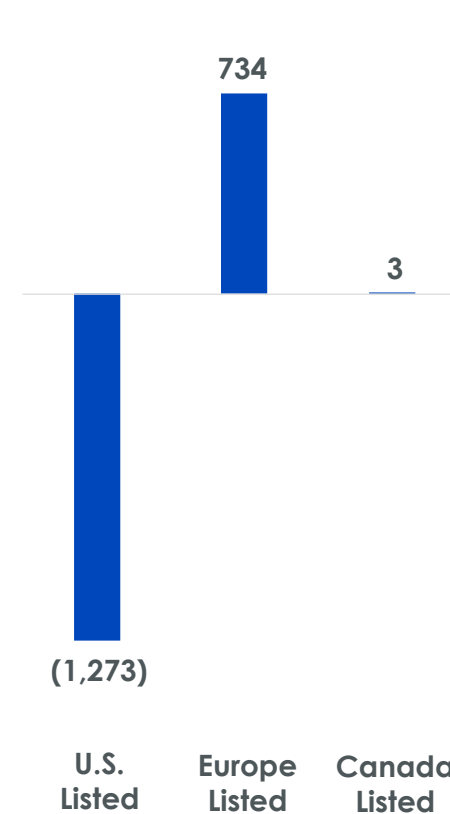
Q1/20 Net Flows by Category

(\$ millions)



Q1/20 Net Flows by Region

(\$ millions)

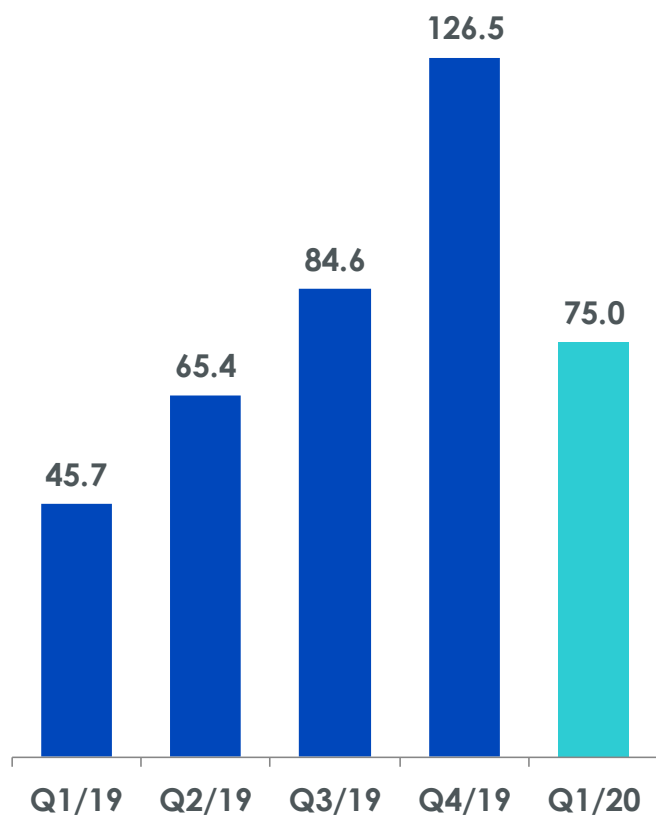


(1) Represents flows into funds prior to the fund being closed. Does not reflect the return of capital from the fund closure. Q1/20 includes \$141 million inflows into WTI Crude Oil 3x Daily Leveraged prior to closure in March

Industry U.S. listed ETF flows

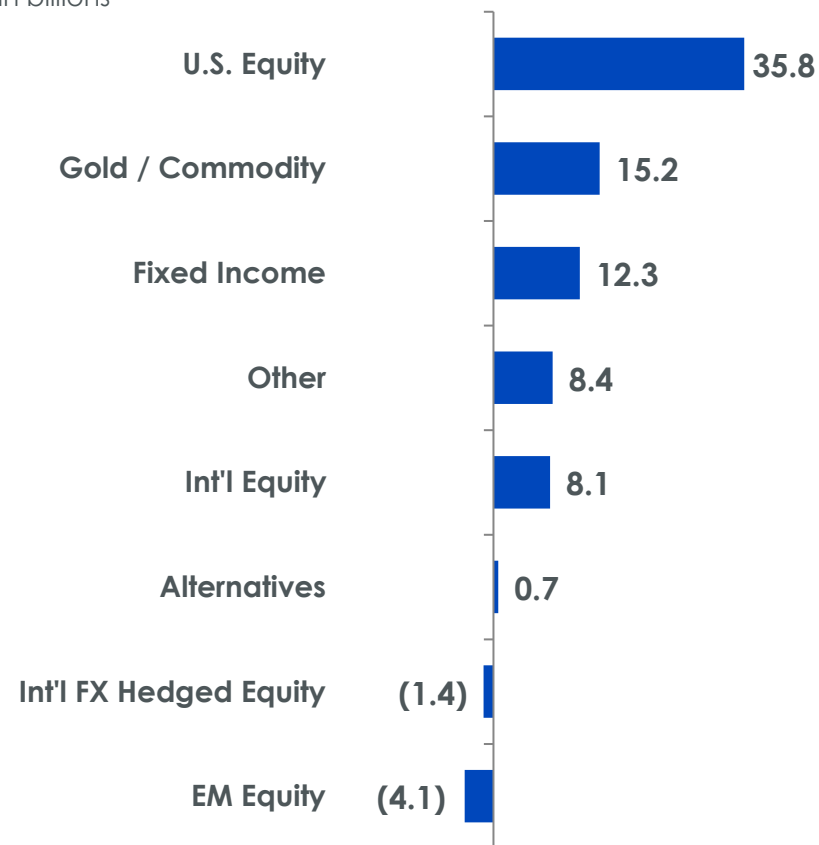
U.S. ETF Industry Net Inflows

\$ in billions



Industry Net Inflows by Category Q1/20

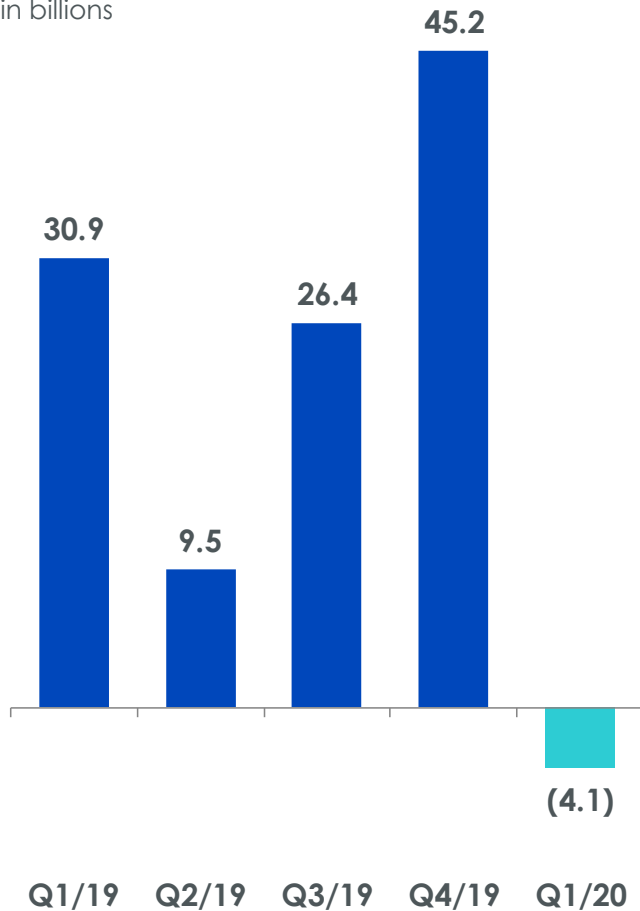
\$ in billions



Industry Europe listed ETF flows

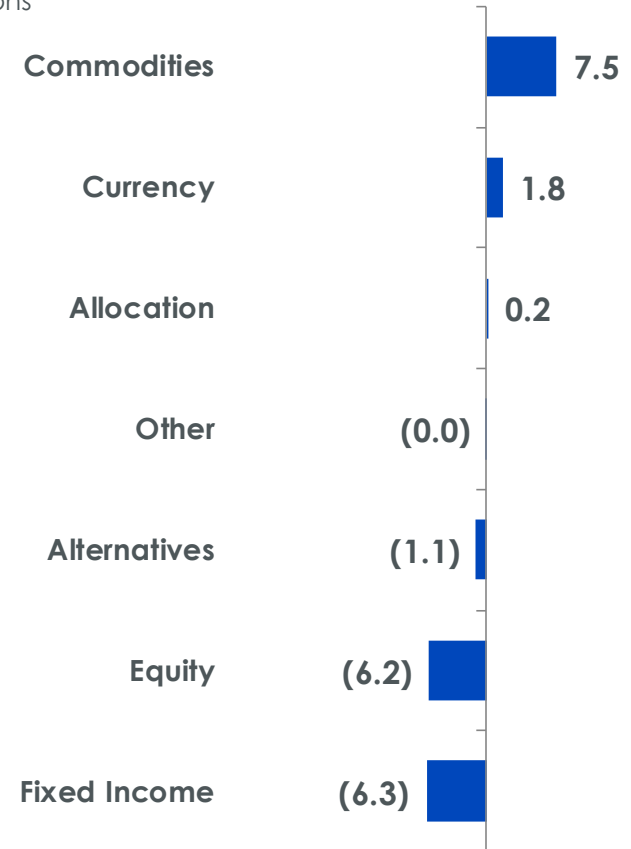
Europe ETF Industry Net Inflows

\$ in billions



Industry Net Inflows by Category Q1/20

\$ in billions

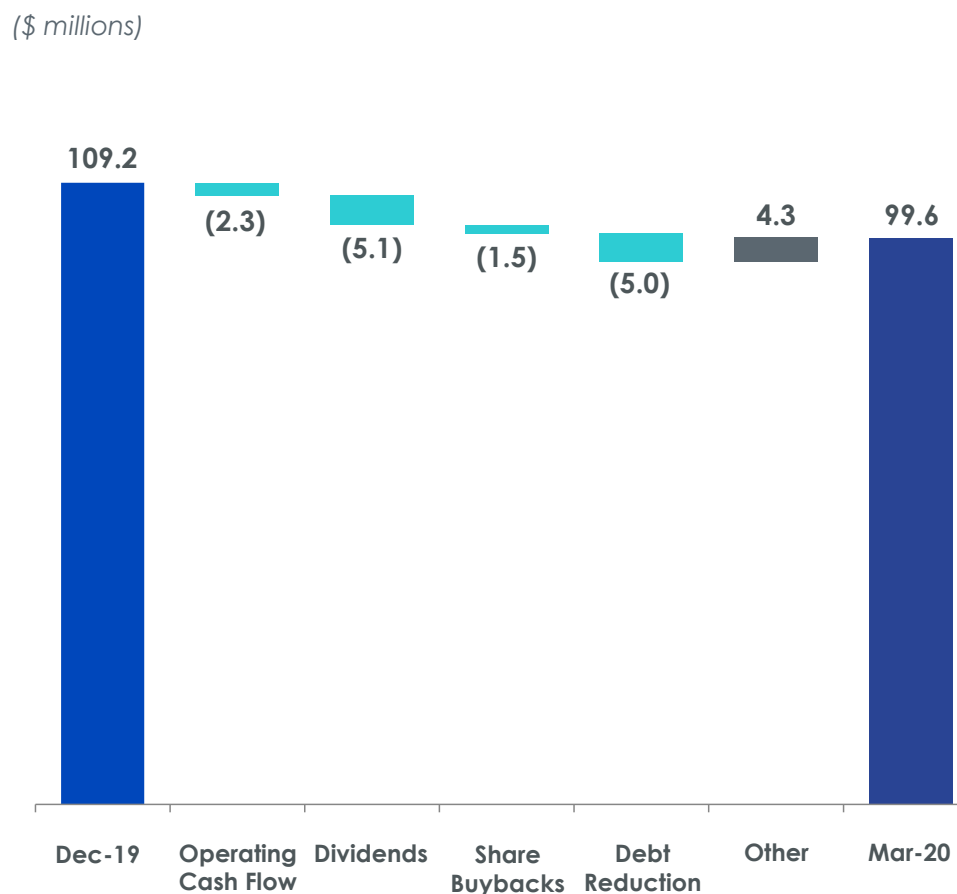


Balance Sheet

Balance Sheet

(\$ millions)	Mar. 31, 2020	Dec. 31, 2019
Assets		
Cash and securities ⁽¹⁾	\$99.6	\$109.2
Investments ⁽²⁾	19.7	39.4
Accounts receivable	22.7	26.8
Deferred tax asset, net	2.9	7.4
Fixed assets, net	7.9	8.1
Goodwill and intangibles	687.1	689.2
Other assets	22.8	55.2
Total assets	\$862.7	\$935.2
Liabilities		
Fund management and administration	\$22.1	\$22.0
Compensation and benefits	3.4	26.5
Accounts payable and other liabilities	9.1	12.9
Long-term debt	171.5	176.0
Deferred consideration (gold payments)	175.3	173.0
Lease Liabilities	22.1	22.7
Other non-current liabilities	1.8	32.1
Total liabilities	405.3	465.2
Preferred stock	132.6	132.6
Stockholders' equity	324.8	337.4
Total liabilities and stockholders' equity	\$862.7	\$935.2

1Q/20 Change in Cash & Securities ⁽¹⁾



(1) Includes securities owned and securities held to maturity

(2) Includes note receivable associated with AdvisorEngine

Consolidated Financial Results - GAAP

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenues									
Advisory fees	\$ 58,456	\$ 73,778	\$ 71,679	\$ 67,191	\$ 64,840	\$ 65,627	\$ 67,006	\$ 68,179	\$ 62,950
Other income	448	997	891	676	645	666	712	728	924
Total revenues	58,904	74,775	72,570	67,867	65,485	66,293	67,718	68,907	63,874
Expenses									
Compensation and benefits	18,832	19,301	17,544	18,838	21,301	21,300	18,880	19,280	17,295
Fund management and administration	10,912	14,621	15,292	15,861	15,166	15,576	15,110	15,650	14,485
Marketing and advertising	3,195	3,778	3,239	3,672	2,680	2,910	3,022	3,551	2,468
Sales and business development	3,813	4,503	3,801	5,036	4,422	4,171	4,354	5,329	3,417
Contractual gold payments	--	2,715	2,880	2,917	3,098	3,110	3,502	3,516	3,760
Professional and consulting fees	1,636	1,560	1,934	2,854	1,482	1,296	1,259	1,604	1,273
Occupancy, communications and equipment	1,363	1,574	1,722	1,544	1,618	1,548	1,549	1,587	1,551
Depreciation and amortization	355	337	306	303	269	264	259	253	256
Third party distribution fees	1,725	1,666	1,407	1,813	2,400	1,919	1,503	1,146	1,355
Acquisition & disposition related costs	2,062	7,928	456	1,008	313	33	190	366	383
Other	1,790	2,261	2,281	2,202	2,053	2,255	1,959	1,816	1,997
Total expenses	45,683	60,244	50,862	56,048	54,802	54,382	51,587	54,098	48,240
Operating Income	13,221	14,531	21,708	11,819	10,683	11,911	16,131	14,809	15,634
Interest Expense	--	(2,356)	(2,747)	(2,859)	(2,892)	(2,910)	(2,832)	(2,606)	(2,419)
Gain/(loss) on revaluation of deferred consideration	--	9,898	7,732	(5,410)	4,404	(4,037)	(6,306)	(5,354)	(2,208)
Interest Income	962	612	719	800	779	818	799	936	163
Impairments	--	--	--	(17,386)	(572)	--	--	(30,138)	(19,672)
Settlement gain	--	--	--	--	--	--	--	--	--
Other gains/(losses)	(261)	(501)	118	439	(4,627)	284	843	(2)	(2,507)
Income/(loss) before taxes	13,922	22,184	27,530	(12,597)	7,775	6,066	8,635	(22,355)	(11,009)
Income tax (benefit)/expense	4,498	5,460	5,481	(1,033)	(1,049)	3,587	4,483	3,525	(2,371)
Net Income/(loss)	\$ 9,424	\$ 16,724	\$ 22,049	\$(11,564)	\$ 8,824	\$ 2,479	\$ 4,152	\$(25,880)	\$ (8,638)
Note:									
Stock-based compensation included above	\$ 3,309	\$ 3,352	\$ 3,417	\$ 3,177	\$ 3,072	\$ 3,135	\$ 2,374	\$ 3,009	\$ 3,239

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:

- *Adjusted compensation, operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share.* We disclose adjusted compensation, operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measures provides investors with a consistent way to analyze our performance. These non-GAAP financial measures exclude the following:
 - *Unrealized gains or losses on the revaluation of deferred consideration:* Deferred consideration is an obligation we assumed in connection with the ETFs acquisition that is carried at fair value. This item represents the present value of an obligation to pay fixed ounces of gold into perpetuity and is measured using forward-looking gold prices. Changes in the forward-looking price of gold may have a material impact on the carrying value of the deferred consideration and our reported financial results. We exclude this item when calculating our non-GAAP financial measurements as it is not core to our operating business. The item is not adjusted for income taxes as the obligation was assumed by a wholly-owned subsidiary of ours that is based in Jersey, a jurisdiction where we are subject to a zero percent tax rate.
 - *Tax shortfalls and windfalls upon vesting and exercise of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting and exercise of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting/exercised as well as the difference between the price of our stock on the date the award was granted and the date the award vested or was exercised. We exclude these items when calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
 - *Other items:* Impairment charges, severance expense and acquisition and disposition-related costs are excluded when calculating our non-GAAP financial measurements.
- *Adjusted effective income tax rate.* We disclose our adjusted effective income tax rate as a non-GAAP financial measurement in order to report our effective income tax rate exclusive of items that are non-recurring or not core to our operating business. We believe reporting our adjusted effective income tax rate provides investors with a consistent way to analyze our income taxes. Our adjusted effective income tax rate is calculated by dividing adjusted income tax expense by adjusted income before income taxes. See above for information regarding the items that are excluded.
- *Gross margin and gross margin percentage.* We disclose our gross margin and 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. These ratios also assist us in analyzing the profitability of our products. We define gross margin as total operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues.
- *Adjusted operating income margin.* We disclose adjusted operating income margin as a non-GAAP financial measurement in order to report our operating income margin exclusive of items that are non-recurring or not core to our operating business.

Non-GAAP Financial Measurements

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

(\$ in thousands) Unaudited	Three Months Ended				
	31-Mar 2020	Dec. 31 2019	Sept. 30, 2019	Jun 30, 2019	31-Mar 2019
Adjusted net income and diluted earnings per share:					
Net income, as reported	\$ (8,638)	\$ (25,880)	\$ 4,152	\$ 2,479	\$ 8,824
Add back: Impairments, net of income taxes	19,672	30,138	--	--	572
Add back: Severance expense, net of income taxes	--	--	--	1,194	1,521
Add back: Acquisition and disposition related costs, net of income taxes	358	353	154	27	253
Add back/(deduct): Tax shortfalls/(windfalls) up vesting and exercise of stock-based compensation awards	501	142	30	76	971
Deduct: Gain recognized upon sale of our former Canadian Business	(2,877)	--	--	--	--
Add back / (deduct): Unrealized loss/(gain) on revaluation of deferred consideration	2,208	5,354	6,306	4,037	(4,404)
Adjusted net income	11,224	10,107	10,642	7,813	7,737
Weighted average common share - diluted	167,561	167,203	167,163	167,249	166,811
Adjusted earnings per share - diluted	\$0.07	\$0.06	\$0.06	\$0.05	\$0.05
Adjusted operating income and adjusted operating income margin:					
Operating revenues	\$ 63,874	\$ 68,907	\$ 67,718	\$ 66,293	\$ 65,485
Operating income	15,634	14,809	16,131	11,911	10,683
Add back: Severance expense, before income taxes	--	--	--	1,475	2,020
Add: Acquisition and disposition related costs, before income taxes	383	366	190	33	313
Adjusted operating income	\$ 16,017	\$ 15,175	\$ 16,321	\$ 13,419	\$ 13,016
Adjusted operating income margin	25.1%	22.0%	24.1%	20.2%	19.9%
Adjusted Compensation					
Compensation Expense	\$ 17,295	\$ 19,280	\$ 18,880	\$ 21,300	\$ 21,301
Deduct: Severance expense, before taxes	--	--	--	(1,475)	(2,020)
Adjusted Compensation	\$ 17,295	\$ 19,280	\$ 18,880	\$ 19,825	\$ 19,281
Adjusted Total Operating Expenses					
Total Operating expenses	\$ 48,240	\$ 54,098	\$ 51,587	\$ 54,382	\$ 54,802
Deduct: Severance expense, before income taxes	--	--	--	(1,475)	(2,020)
Deduct: Acquisition and disposition-related costs, before income taxes	(383)	(366)	(190)	(33)	(313)
Adjusted operating expenses	\$ 47,857	\$ 53,732	\$ 51,397	\$ 52,874	\$ 52,469

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

(\$ in thousands) Unaudited	Three Months Ended				
	31-Mar 2020	Dec. 31 2019	Sept. 30, 2019	Jun 30, 2019	31-Mar 2019
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 63,874	\$ 68,907	\$ 67,718	\$ 66,293	\$ 65,485
Deduct: Fund management and administration	(14,485)	(15,650)	(15,110)	(15,576)	(15,166)
Gross margin	\$ 49,389	\$ 53,257	\$ 52,608	\$ 50,717	\$ 50,319
Gross margin percentage	77.3%	77.3%	77.7%	76.5%	76.8%
Adjusted Effective Income Tax Rate					
Income/(loss) before income taxes	\$ (11,009)	\$ (22,355)	\$ 8,635	\$ 6,066	\$ 7,775
Add back/(deduct): Unrealized loss/(gain) on revaluation of deferred consideration	2,208	5,354	6,306	4,037	(4,404)
Deduct: Gain recognized upon sale of Canadian Business	(2,877)	--	--	--	--
Add back: Loss recognized upon reduction of tax indemnification asset	5,981	--	--	--	4,310
Add back: Severance expense, before income tax	--	--	--	1,475	2,020
Add back: Impairments, before income tax	19,672	30,138	--	--	572
Add back: Acquisition and disposition related costs, before income taxes	383	366	190	33	313
Adjusted income before income taxes	\$ 14,358	\$ 13,503	\$ 15,131	\$ 11,611	\$ 10,586
Income tax (benefit)/expense	\$ (2,371)	\$ 3,525	\$ 4,483	\$ 3,587	\$ (1,049)
Add back: Tax benefit arising from impairments	--	--	--	--	--
Add back: Tax benefit arising reduction in unrecognized tax benefits	5,981	--	--	--	4,310
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting and exercise of stock-based compensation awards	(501)	(142)	(30)	(76)	(971)
Add back: Tax benefit arising from severance expense	--	--	--	281	499
Add back: Tax benefit arising from acquisition related costs	25	13	36	6	60
Adjusted income tax expense	\$ 3,134	\$ 3,396	\$ 4,489	\$ 3,798	\$ 2,849
Adjusted effective income tax rate	21.8%	25.1%	29.7%	32.7%	26.9%



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