



WisdomTree
Q3/16 Results



October 28, 2016

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 expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this presentation completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this presentation may include statements about: anticipated trends, conditions and investor sentiment in the global markets and exchange-traded products ("ETPs"); anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; our ability to develop new products and services; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully expand our business into non-U.S. markets; timing of payment of our cash income taxes; competition in our business; and the effect of laws and regulations that apply to our business.

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

Financial growth in recent years may not provide an accurate representation of the financial growth we may experience in the future, which may make it difficult to evaluate our future prospects.

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 two products – the WisdomTree Europe Hedged Equity Fund and the WisdomTree Japan Hedged Equity Fund – and, as a result, our operating results are particularly exposed to the performance of these funds and our ability to maintain the AUM of these funds, as well as investor sentiment toward investing in the funds' strategies and market-specific and political and economic risk.

Most of our AUM are 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 and ETFs 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 and ETFs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm our customers.

Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and Quarterly Report on Form 10-Q for the quarter ended June 30, 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.

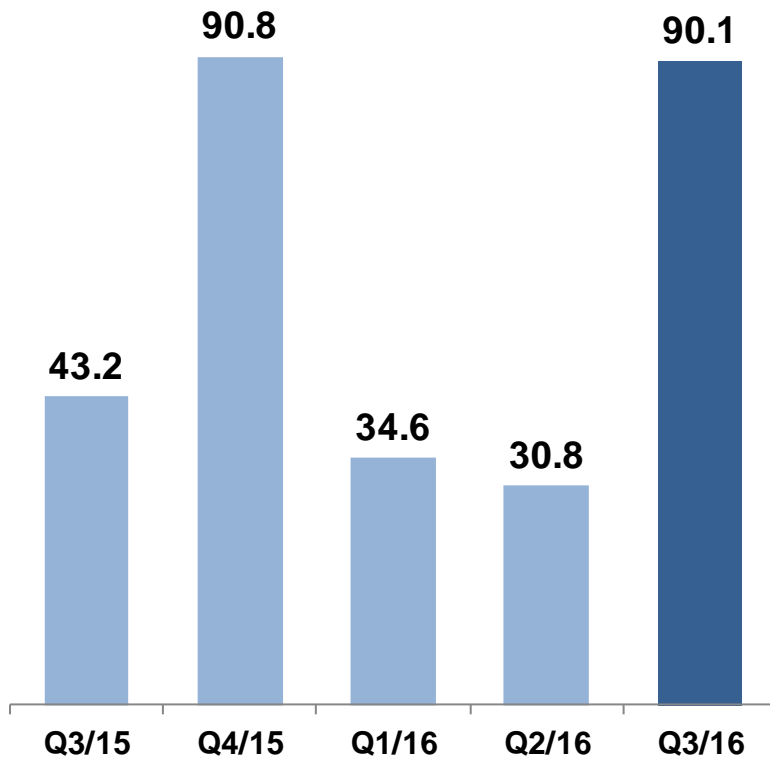
Q3 highlights

- Challenging quarter
- Negative sentiment toward Europe and Japan continued
- Solid inflows into U.S. equity product suite
- Continued focus on strategic growth plans

Industry flows driven by domestic equities and fixed income

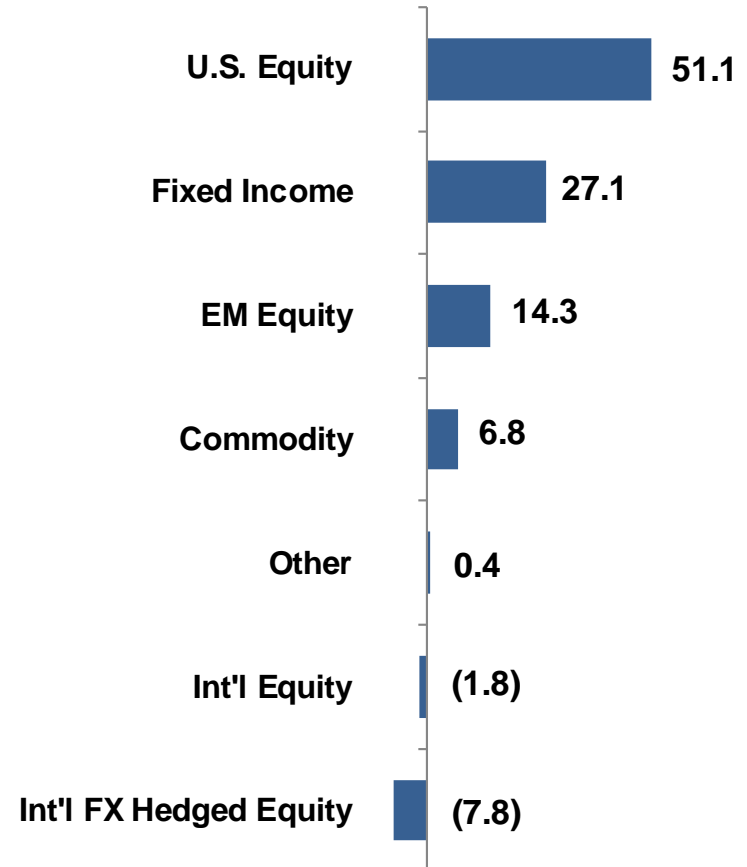
U.S. ETF Industry Net Inflows

(\$ billions)



Q3/16 Net Inflows by Category

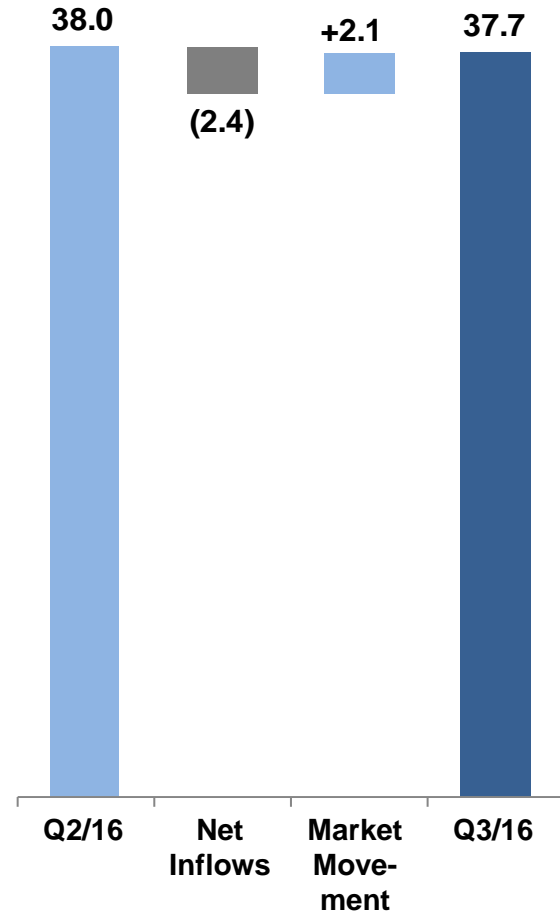
(\$ billions)



WisdomTree outflows offset by inflows into U.S. equities

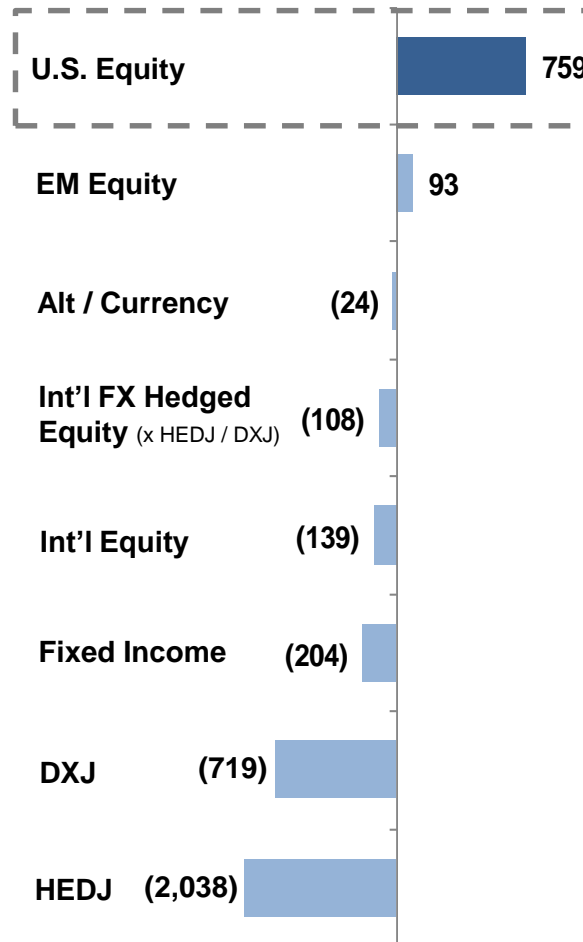
Quarterly U.S. ETF AUM Change

(\$ billions)



Q3/16 Net Inflows

(\$ millions)



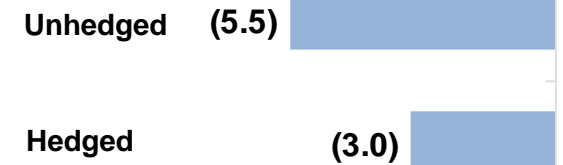
Industry Japan/Europe ETF Flows

(\$ billions)

U.S. Listed Japan ETFs

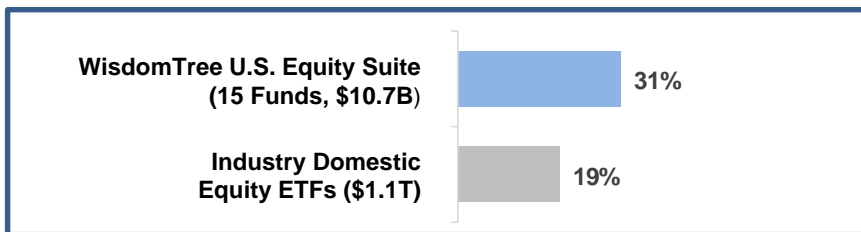
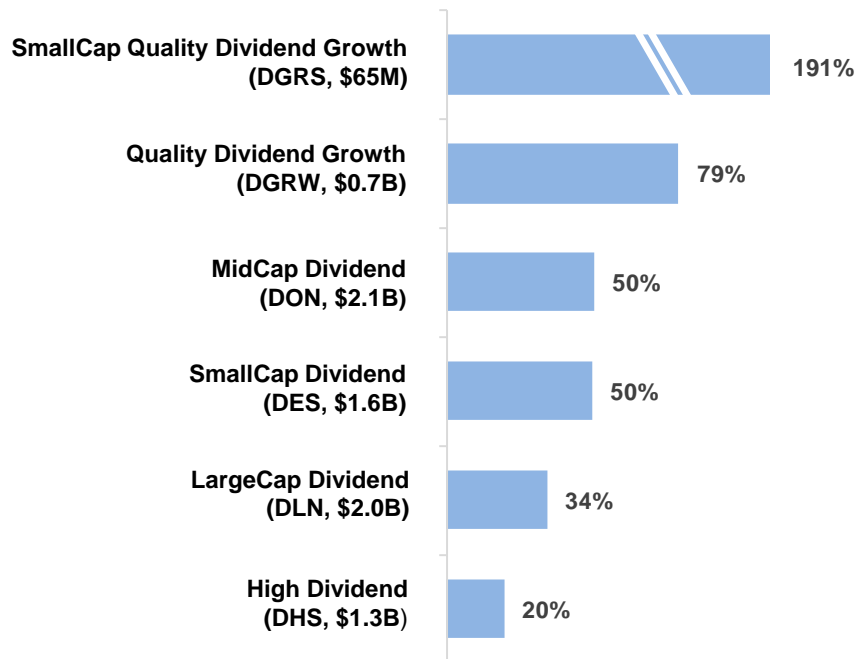


U.S. Listed Europe ETFs



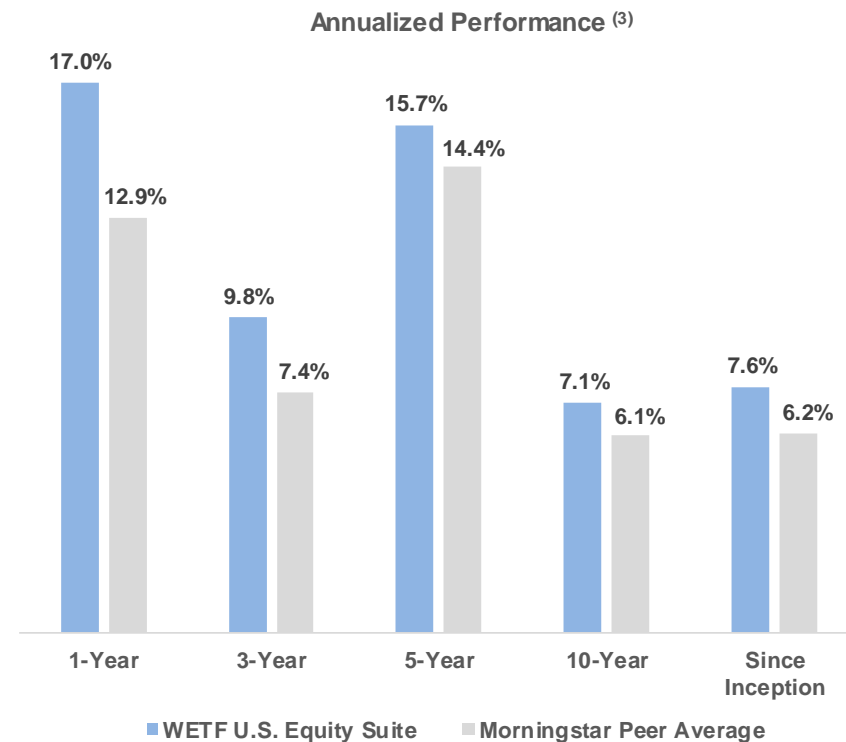
Strong quarter in U.S. equities

Q3/16 U.S. Equity Fund Organic Growth ⁽¹⁾



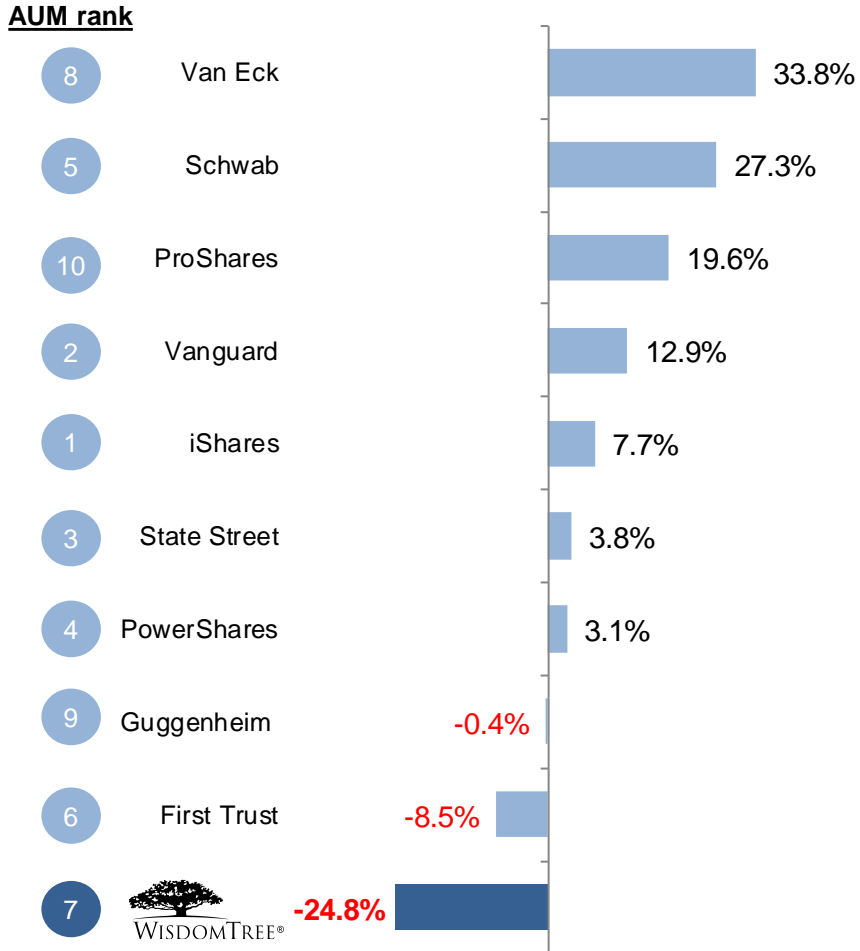
Strong Relative Performance

Relative performance of WETF's U.S. Equity ETF suite (13 funds)⁽²⁾ is strong vs. other active and passive mutual funds/ETFs in comparable Morningstar categories.

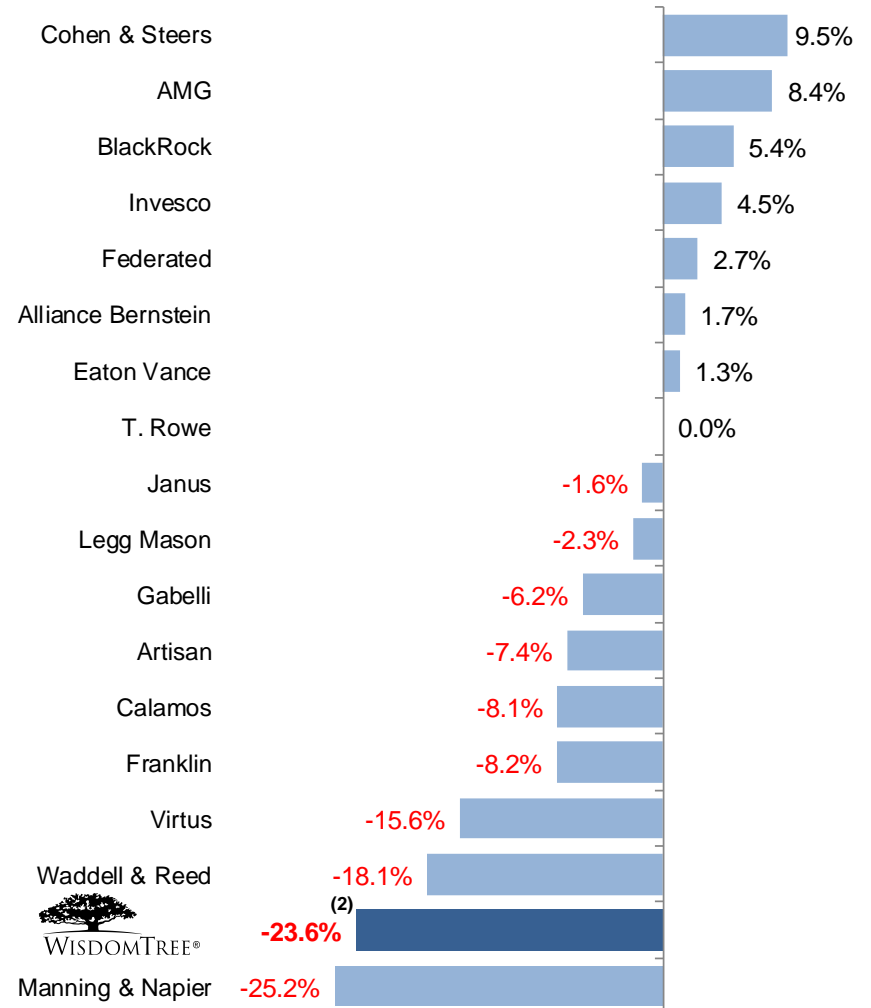


Organic growth lagged on market sentiment

Top 10 U.S. ETF Sponsors 9M/16 Org. Growth ⁽¹⁾



Public Asset Managers 9M/16 Org. Growth ⁽¹⁾



Source: Bloomberg, WisdomTree, Strategic Insights.

(1) Calculated as net inflows for the period over BoP AUM. Excludes money market funds for public asset managers.

(2) Includes U.S. and Europe.

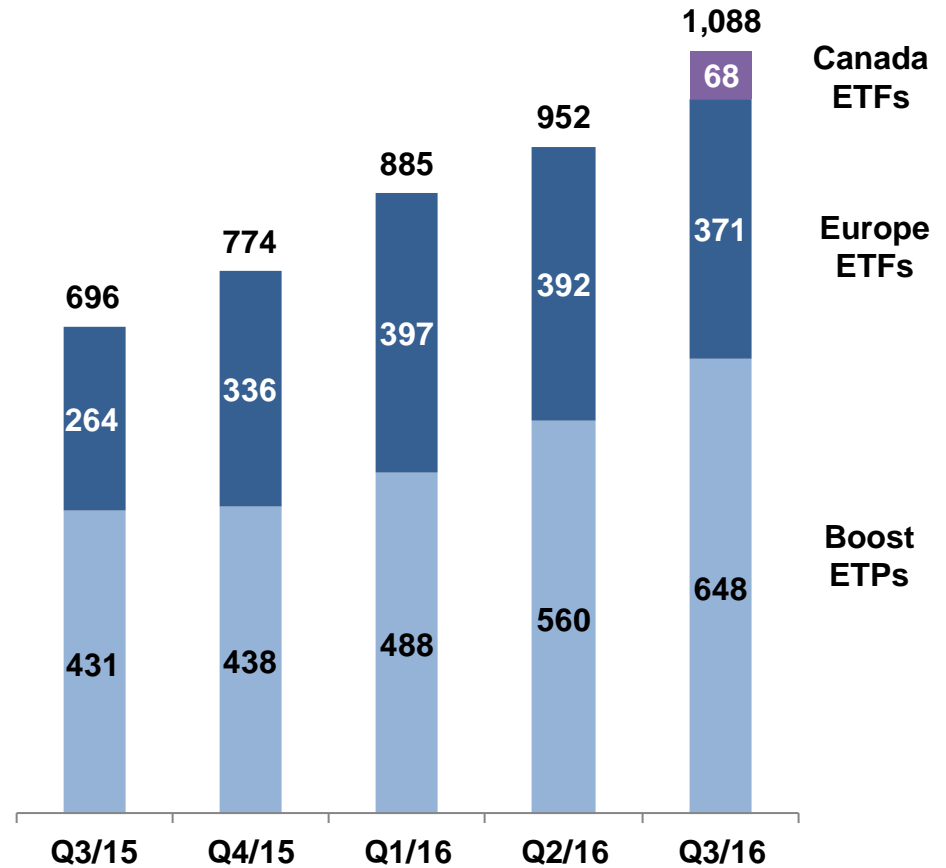
Non-U.S. operations continuing to scale

Highlights

- Surpassed \$1 billion in total AUM in July
- Expanded UCITS ETF sales into Sweden and France
- Launched commodity and dividend growth UCITS ETF strategies and oil ETPs
- Continuing to expand sales force and strengthen market positioning throughout Europe following 2Q management changes
- Launched S&P China 500 ETF with ICBC Credit Suisse in July
- Launched Canada listed ETFs in July

AUM

(\$ millions)

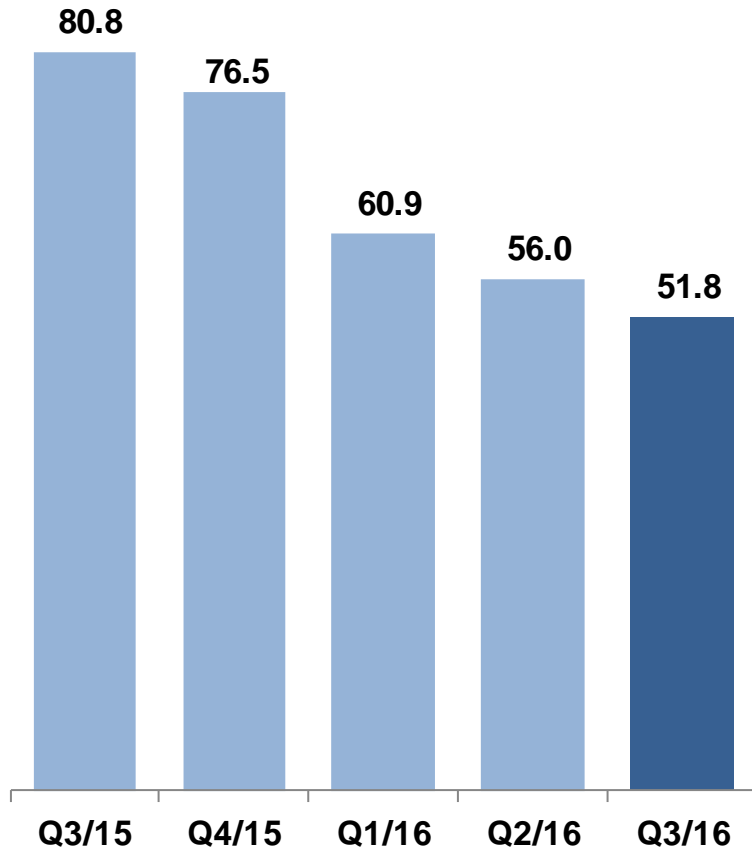


Financial Results

Challenging markets drive revenue and net income decline

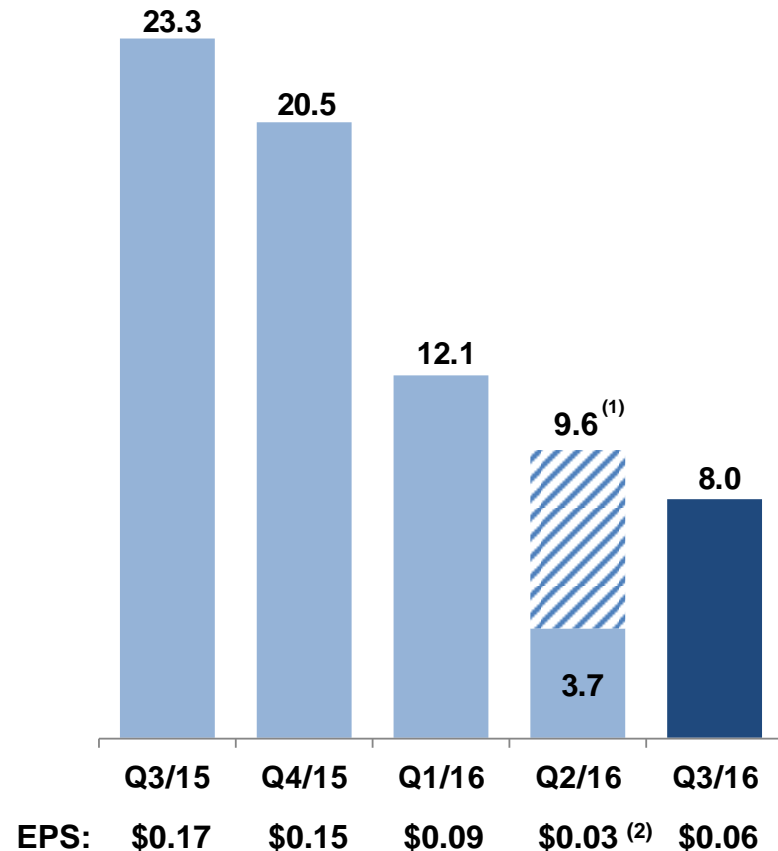
Revenue

(\$ millions)



Net Income

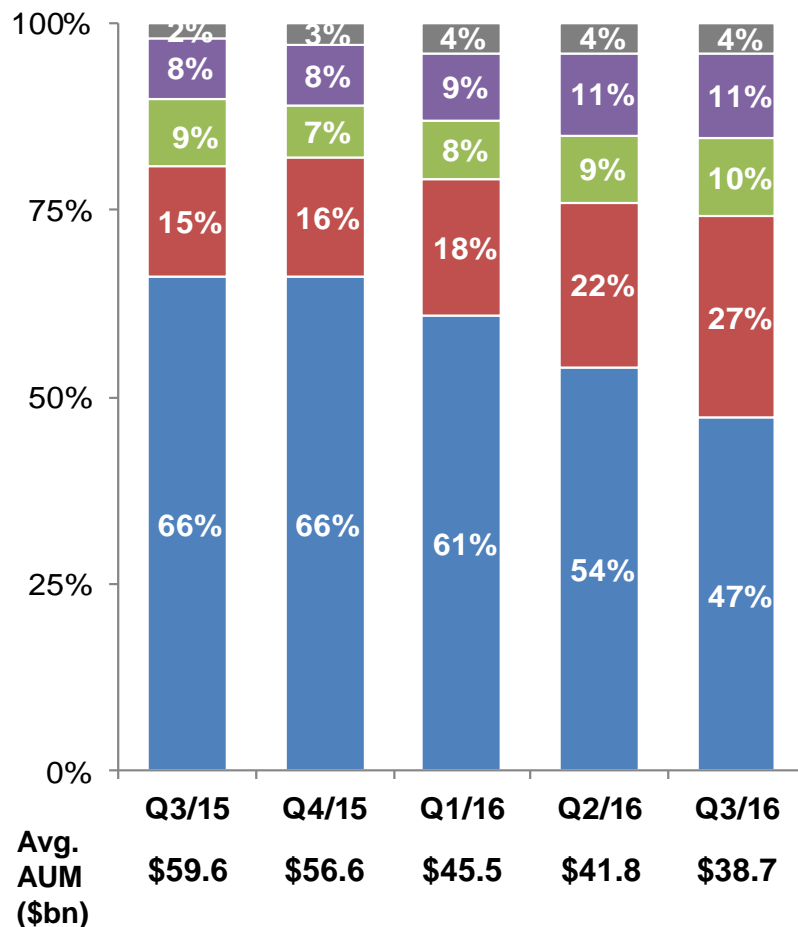
(\$ millions)



(1) See "Non-GAAP Financial Measurements."
 (2) Includes \$0.04 acquisition buyout payment.

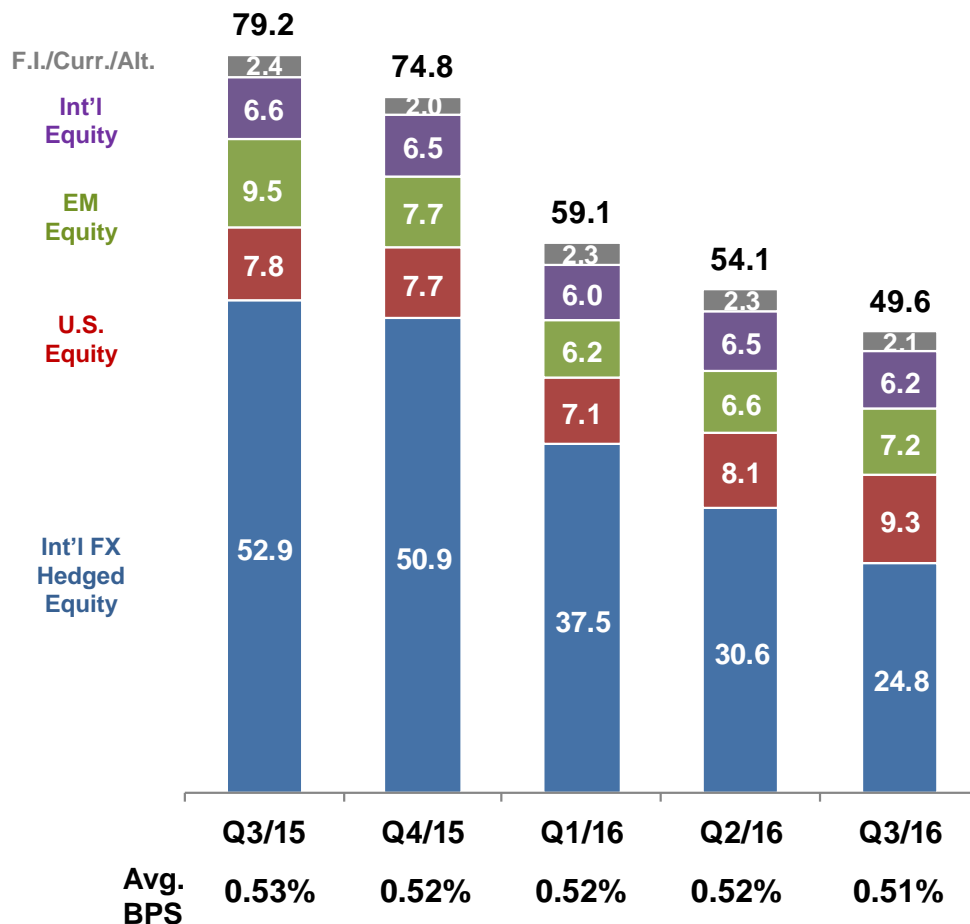
U.S. equity AUM and revenue increasing

U.S. Average AUM



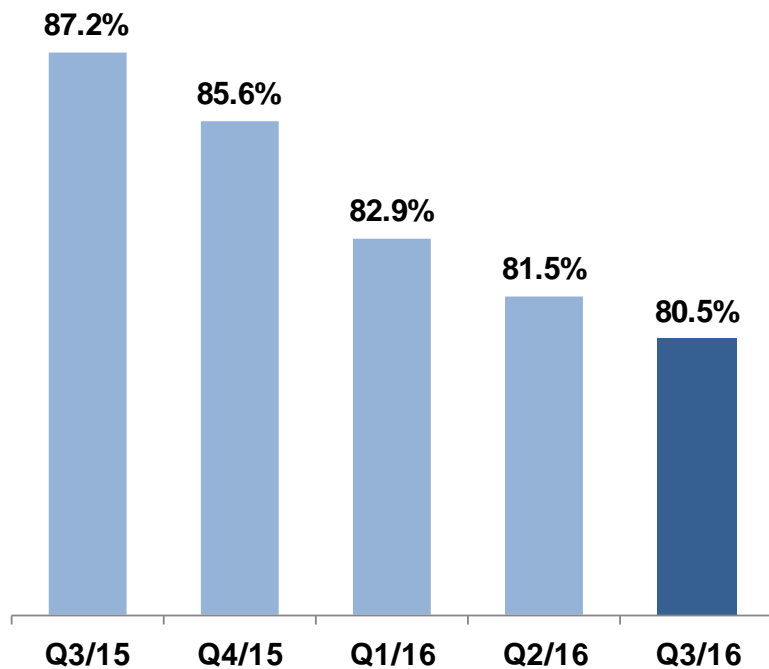
U.S. ETF Revenue

(\$ millions)

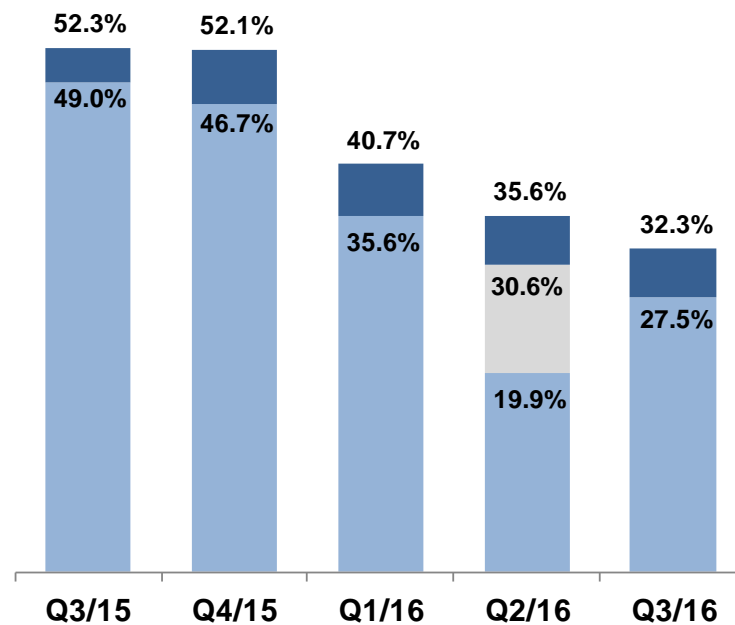


Despite AUM pullback, pre-tax margins are still strong

U.S. Listed Gross Margin⁽¹⁾



Pre-tax Margin⁽¹⁾



Avg.
AUM
(\$bn)

Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
\$59.6	\$56.6	\$45.5	\$41.8	\$38.7

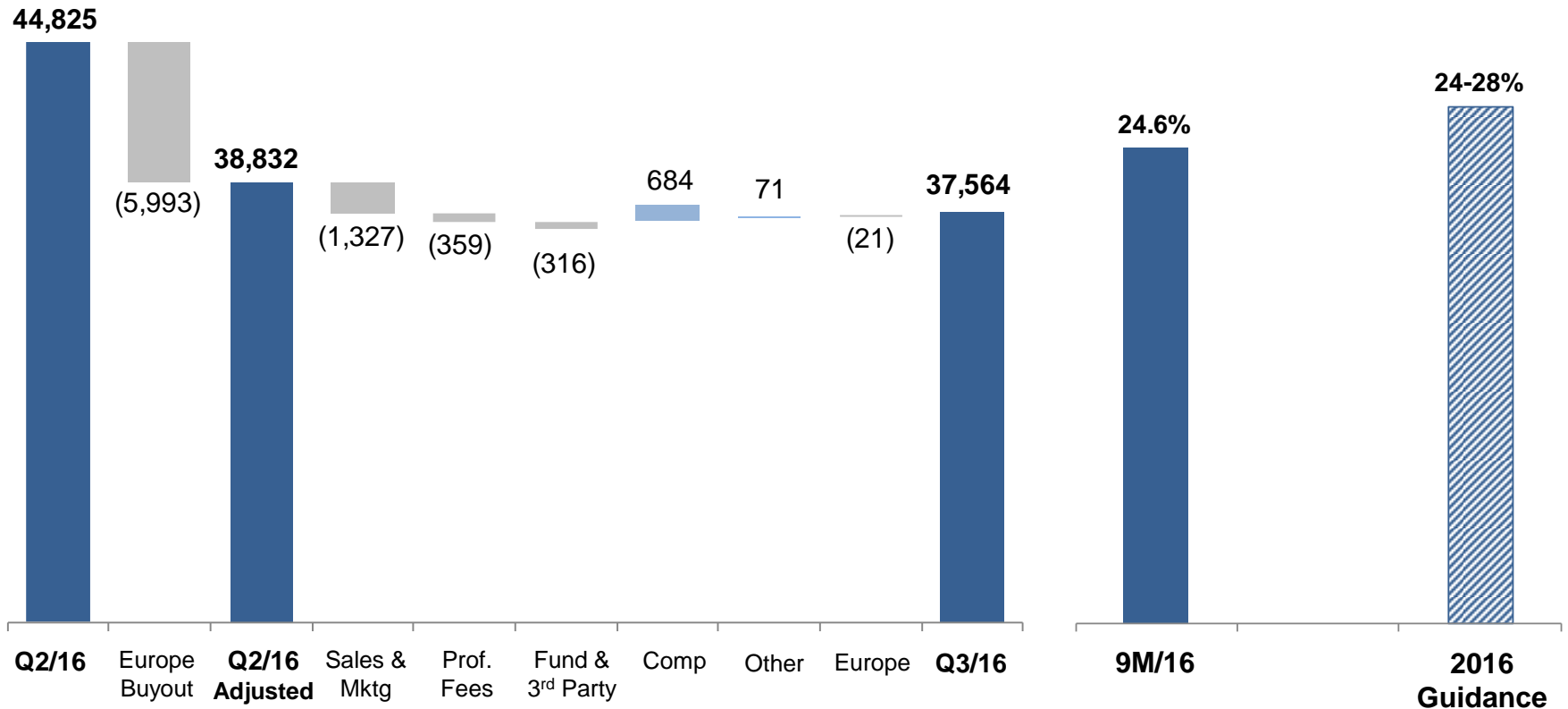
■ U.S. ■ Consolidated ■ Non-GAAP Consolidated

Q3 expenses down excluding buyout charge

Expense Base Change – Q2/16 to Q3/16⁽¹⁾

(\$ thousands)

Comp as % of Revenue – U.S.



Cash increased \$3 million in Q3

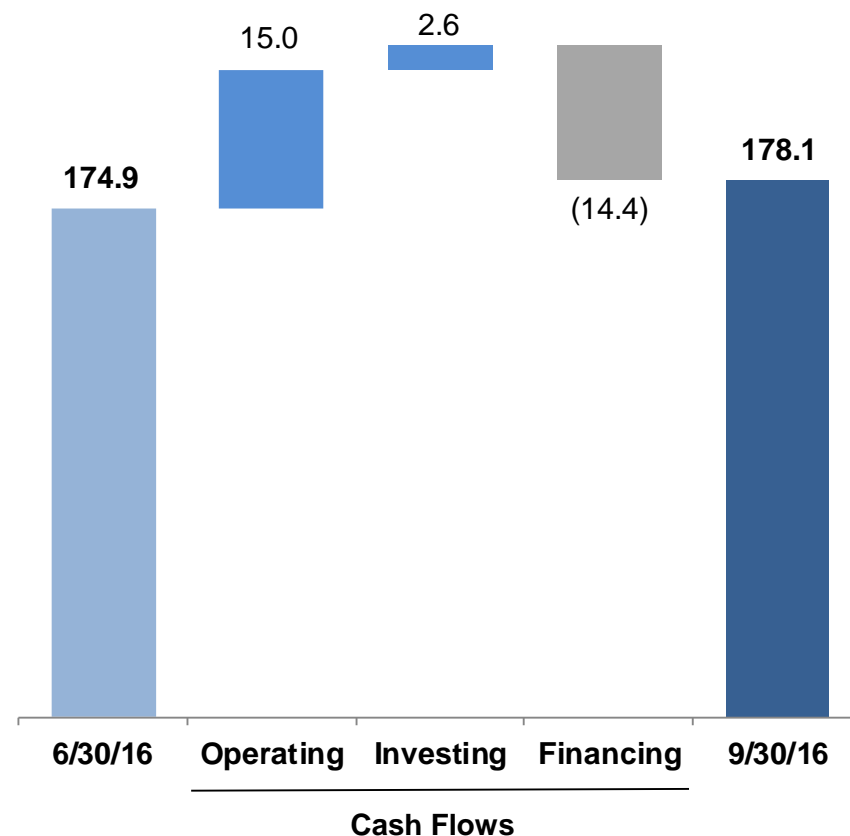
Balance Sheet

(\$ millions)

	Sept. 30, 2016	Dec. 31, 2015
Assets		
Cash and cash equivalents	\$178.1	\$210.1
Investments	16.2	23.7
Accounts receivable	17.3	27.5
Deferred tax asset, net	6.7	14.1
Fixed assets, net	11.8	12.0
Goodwill and intangibles	13.4	1.7
Other assets	5.0	3.6
Total assets	\$248.5	\$292.7
Liabilities		
Fund management and administration	\$13.4	\$13.0
Compensation and benefits	9.1	28.1
Accounts payable and other liabilities	15.1	12.0
Deferred rent	5.0	5.1
Total liabilities	42.6	58.2
Stockholders' equity	205.9	234.5
Total liabilities and stockholders' equity	\$248.5	\$292.7

Change in Cash Q3/16

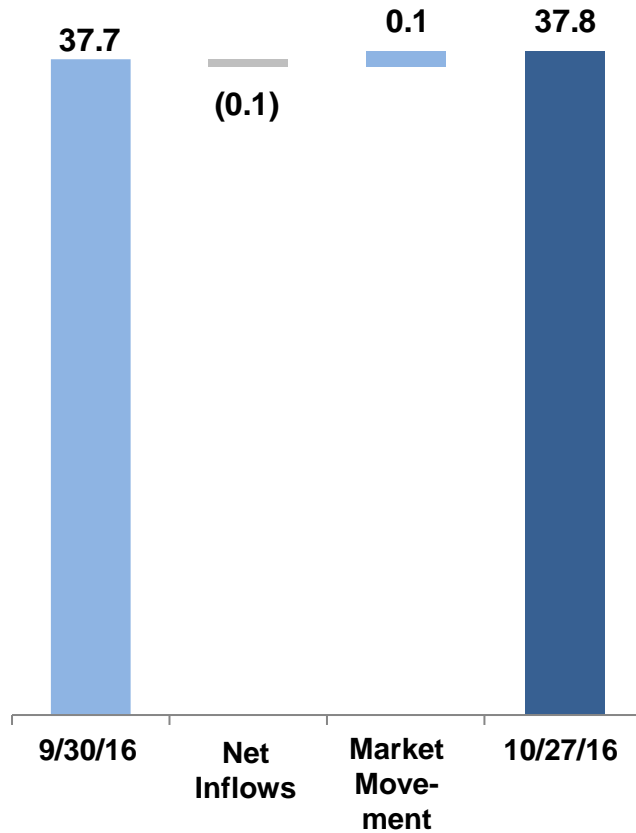
(\$ millions)



Q4 as of 10/27/16

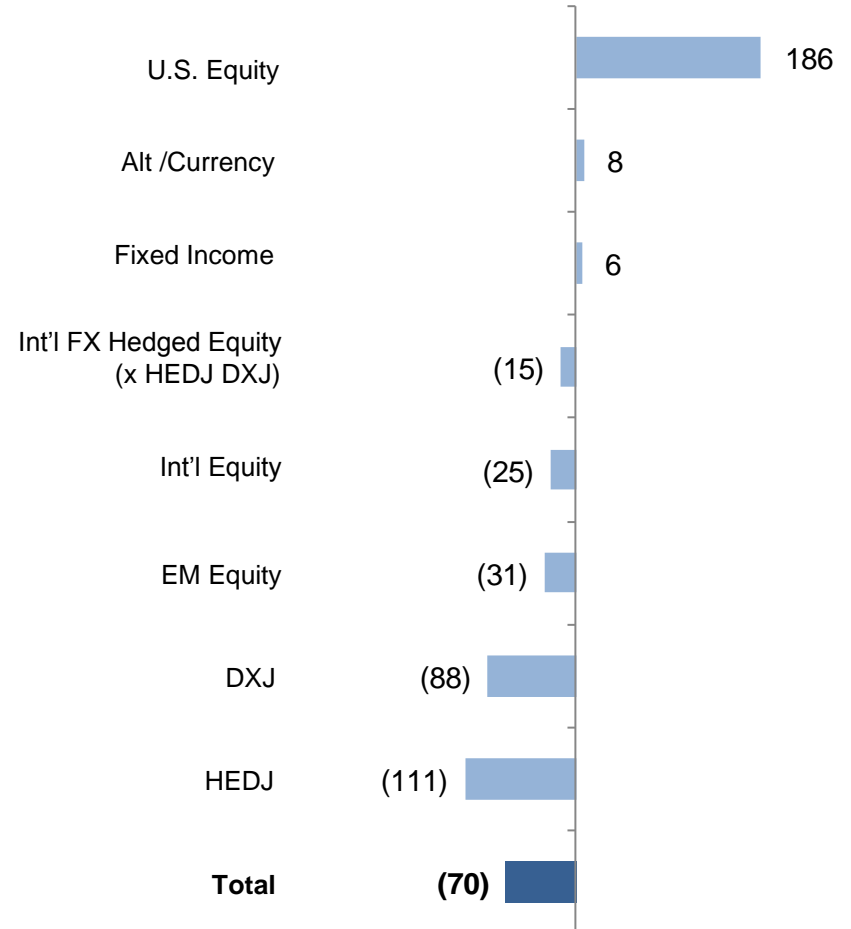
WisdomTree U.S. Listed AUM

(\$ billions)



U.S. Net Inflows

(\$ millions)



Q3 Recap

- Challenging quarter, but momentum headed in the right direction
- Strategically investing to maximize our long-term growth potential
- Uniquely well-positioned for post-DOL fiduciary rule world

Appendix

Consolidated Financial Results

(\$ thousands)

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues											
Advisory fees	\$ 42,609	\$ 43,938	\$ 46,942	\$ 49,327	\$ 59,869	\$ 81,320	\$ 80,520	\$ 76,235	\$ 60,615	\$ 55,931	\$ 51,553
Other income	311	190	172	273	272	239	233	254	263	50	236
Total revenues	42,920	44,128	47,114	49,600	60,141	81,559	80,753	76,489	60,878	55,981	51,789
Expenses											
Compensation and benefits	9,355	7,551	9,990	14,099	19,601	18,669	19,407	15,551	15,226	14,343	15,328
Fund management and administration	9,168	7,818	8,465	8,932	10,168	11,208	10,519	10,887	10,044	10,621	10,372
Marketing and advertising	2,578	2,726	3,341	2,869	3,076	3,628	3,573	3,094	3,832	4,566	3,600
Sales and business development	1,301	1,727	1,279	1,914	1,900	2,076	2,438	2,775	2,447	3,834	3,075
Professional and consulting fees	1,795	1,840	1,383	2,560	1,463	1,604	1,570	2,430	2,835	1,365	1,035
Occupancy, communications and equipment	900	853	882	943	918	943	1,183	1,255	1,222	1,241	1,469
Depreciation and amortization	192	201	207	221	220	223	253	310	316	330	332
Third party sharing arrangements	10	115	187	282	283	497	485	1,178	907	709	622
Acquisition payment					257	264	172	1,492	745	5,993	--
Other	1,142	1,164	1,123	1,101	1,235	1,509	1,620	1,823	1,632	1,823	1,731
Total expenses	26,441	23,995	26,857	32,921	39,121	40,621	41,220	40,795	39,206	44,825	37,564
Income before taxes	16,479	20,133	20,257	16,679	21,020	40,938	39,533	35,694	21,672	11,156	14,225
Income tax (benefit)/expense	(13,725)	9,531	9,634	7,057	8,958	16,766	16,245	15,164	9,600	7,505	6,270
Net Income	\$ 30,204	\$ 10,602	\$ 10,623	\$ 9,622	\$ 12,062	\$ 24,172	\$ 23,288	\$ 20,530	\$ 12,072	\$ 3,651	\$ 7,955
Note:											
Stock-based compensation included above	\$ 2,015	\$ 2,030	\$ 2,077	\$ 2,015	\$ 2,344	\$ 2,608	\$ 2,926	\$ 3,022	\$ 3,503	\$ 3,767	\$ 3,822

Key Operating Statistics

(\$ millions)

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
AUM (end of period)											
International Hedged Equity	\$12,612	\$12,557	\$13,971	\$17,760	\$33,925	\$39,222	\$34,608	\$33,311	\$25,140	\$18,798	\$17,270
U.S. Equity	7,505	8,052	7,939	9,390	9,748	9,245	8,247	8,603	8,966	9,766	10,698
International Developed Equity	4,830	5,340	4,494	3,988	4,323	4,829	4,394	4,525	4,653	4,184	4,334
Emerging Markets Equity	6,753	7,606	7,495	6,187	6,068	6,244	4,288	3,825	3,803	3,683	4,020
Fixed Income	1,610	1,376	1,379	1,152	904	956	794	799	828	790	597
Alternative Strategy	152	163	183	205	225	230	211	208	440	452	445
Currency	422	406	362	599	565	573	505	368	426	373	340
	\$33,884	\$35,500	\$35,823	\$39,281	\$55,758	\$61,299	\$53,047	\$51,639	\$44,256	\$38,046	\$37,704
Average ETF AUM	\$33,859	\$34,141	\$35,554	\$37,680	\$46,391	\$61,153	\$59,572	\$56,603	\$45,475	\$41,830	\$38,710
Net Inflows / (Outflows)											
U.S. Equity	\$189	\$221	\$84	\$968	\$294	(\$320)	(\$259)	(\$14)	(\$8)	\$500	\$759
Emerging Markets Equity	(632)	388	270	(836)	(165)	250	(1,013)	(418)	(171)	(160)	93
Alternative Strategy	(4)	8	13	21	17	14	(13)	(4)	5	(10)	5
Currency	(549)	(21)	(35)	232	(44)	7	(63)	(121)	65	(54)	(29)
International Developed Equity	812	518	(452)	(305)	188	497	21	(56)	160	(251)	(139)
Fixed Income	(306)	(278)	69	(164)	(210)	67	(85)	9	(14)	(47)	(204)
International Hedged Equity	(12)	(502)	799	4,580	13,440	6,083	751	(1,997)	(5,396)	(4,927)	(2,865)
Total	(\$502)	\$334	\$748	\$4,496	\$13,520	\$6,598	(\$661)	(\$2,601)	(\$5,359)	(\$4,949)	(\$2,380)
Average ETF Advisory Fee	0.51%	0.51%	0.52%	0.52%	0.52%	0.53%	0.53%	0.52%	0.52%	0.52%	0.51%
Average Mix											
International Hedged Equity	39%	36%	36%	42%	53%	63%	66%	66%	61%	54%	47%
U.S. Equity	21%	23%	23%	23%	21%	16%	15%	16%	18%	22%	27%
International Developed Equity	13%	15%	14%	11%	9%	8%	8%	8%	9%	11%	11%
Emerging Markets Equity	20%	21%	22%	19%	14%	10%	9%	7%	8%	9%	11%
Fixed Income	5%	4%	4%	3%	2%	2%	1%	2%	2%	2%	2%
Currency	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Alternative Strategy	0%	0%	0%	1%	0%	0%	0%	0%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
# of ETFs	62	69	69	70	70	75	79	86	93	99	93
European Listed ETFs: (in thousands)											
AUM (end of period)	\$113,244	\$123,210	\$165,018		\$288,801	\$384,089	\$431,259	\$437,934	\$488,069	\$560,063	\$647,497
Net Inflows	\$17,685	\$19,224	\$82,175		\$145,381	\$50,331	\$191,044	\$153,023	\$123,461	\$20,578	\$92,045
Average Advisory Fee	0.82%	0.79%	0.78%		0.81%	0.82%	0.83%	0.85%	0.84%	0.84%	0.82%
Total UCITS ETFs: (in thousands)											
AUM (end of period)			\$16,179		\$45,846	\$228,588	\$264,452	\$335,938	\$396,901	\$391,900	\$371,307
Net Inflows			\$16,036		\$28,851	\$144,234	\$62,217	\$52,271	\$71,440	\$26,931	(\$58,908)
Average Advisory Fee			0.38%		0.40%	0.44%	0.45%	0.45%	0.47%	0.46%	0.44%
Total Canada ETFs: (in thousands)											
AUM (end of period)											68,427
Net Inflows											68,531
Average Advisory Fee											0.51%
U.S. Headcount	90	92	97	101	109	117	128	137	146	149	151
Non-U.S. Headcount		11	20	23	27	29	34	40	45	55	52

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.* We disclose gross margin, which we define as total revenues less fund management and administration expenses and third-party sharing arrangements, 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 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 operating our products.
- *Operating results for our U.S. listed ETF business.* We disclose the results of our U.S. listed ETF business separately from the start up stage of our European business 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.
- *Operating results for the second quarter of 2016 excluding a \$6.0 million charge related to the accelerated buyout of the minority shareholders of our European business.* 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
CONSOLIDATED STATEMENTS OF OPERATIONS
GAAP to NON-GAAP RECONCILIATION
(in thousands)
(Unaudited)

	Sep. 30, 2016	Three Months Ended Jun. 30, 2016	Sep. 30, 2015
GAAP total revenue	\$ 51,789	\$ 55,981	\$ 80,753
Fund management and administration	(10,372)	(10,621)	(10,519)
Third-party sharing arrangements	(622)	(709)	(485)
Gross margin	<u>\$ 40,795</u>	<u>\$ 44,651</u>	<u>\$ 69,749</u>
Gross margin percentage	<u>78.8%</u>	<u>79.8%</u>	<u>86.4%</u>
<u>U.S. listed ETFs:</u>			
GAAP total revenue	\$ 49,960	\$ 54,447	\$ 79,472
Fund management and administration	(9,110)	(9,339)	(9,666)
Third-party sharing arrangements	(622)	(709)	(485)
Gross margin	<u>\$ 40,228</u>	<u>\$ 44,399</u>	<u>\$ 69,321</u>
Gross margin percentage	<u>80.5%</u>	<u>81.5%</u>	<u>87.2%</u>
<u>Adjusted net income and diluted earnings per share:</u>			
Net income, as reported		\$ 3,651	
Add back acquisition payment.....		<u>5,993</u>	
Adjusted net income		\$ 9,644	
Weighted average common shares—diluted		135,132	
Adjusted net income per share—diluted.....		\$ 0.07	
<u>Adjusted pretax margin:</u>			
Income before income taxes		\$ 11,156	
Add back acquisition payment.....		<u>5,993</u>	
Adjusted income before income taxes		\$ 17,149	
Total revenues		\$ 55,981	
Adjusted pretax margin		<u>30.6%</u>	

Historical statistics – U.S.

	U.S. Net Inflows		Market Share	Market Movement	Market AUM
	Industry (in billions)	WisdomTree (in millions)			
Q2 06	\$24.6	\$347	1.4%	\$18	\$365
Q3 06	\$5.3	212	4.0%	23	600
Q4 06	\$34.1	849	2.5%	75	1,523
Q1 07	\$14.3	1,475	10.3%	85	3,083
Q2 07	\$17.4	771	4.4%	146	4,001
Q3 07	\$48.1	405	0.8%	41	4,446
Q4 07	\$70.8	310	0.4%	(198)	4,559
Q1 08	\$8.8	136	1.5%	(399)	4,296
Q2 08	\$13.7	756	5.5%	(307)	4,746
Q3 08	\$81.5	(15)	n/a	(655)	4,075
Q4 08	\$73.2	30	0.0%	(925)	3,180
Q1 09	(\$2.5)	23	-0.9%	(428)	2,776
Q2 09	\$38.2	281	0.7%	606	3,663
Q3 09	\$27.1	559	2.1%	680	4,902
Q4 09	\$53.7	911	1.7%	166	5,979
Q1 10	\$7.0	582	8.3%	152	6,713
Q2 10	\$30.9	121	0.4%	(594)	6,240
Q3 10	\$33.4	1,161	3.5%	859	8,260
Q4 10	\$46.7	1,271	2.7%	360	9,891
Q1 11	\$23.6	1,264	5.4%	129	11,284
Q2 11	\$29.2	1,699	5.8%	(49)	12,934
Q3 11	\$20.9	179	0.9%	(1,929)	11,184
Q4 11	\$43.9	756	1.7%	242	12,182
Q1 12	\$53.2	2,299	4.3%	1,210	15,691
Q2 12	\$25.0	338	1.4%	(1,025)	15,004
Q3 12	\$51.8	1,036	2.0%	743	16,783
Q4 12	\$55.4	1,059	1.9%	444	18,286
Q1 13	\$52.2	5,893	11.3%	924	25,103
Q2 13	\$15.4	4,962	32.2%	(1,090)	28,975
Q3 13	\$53.7	1,160	2.2%	1,217	31,352
Q4 13	\$58.6	2,308	3.9%	1,224	34,884
Q1 14	\$14.5	(502)	n/a	(498)	33,884
Q2 14	\$57.7	334	0.6%	1,282	35,500
Q3 14	\$48.8	748	1.5%	(425)	35,823
Q4 14	\$119.7	4,496	3.8%	(1,038)	39,281
Q1 15	\$55.5	13,520	24.4%	2,957	55,758
Q2 15	\$41.4	6,598	15.9%	(1,057)	61,299
Q3 15	\$43.2	(661)	n/a	(7,591)	53,047
Q4 15	\$90.8	(2,601)	n/a	1,193	51,639
Q1 16	\$34.6	(5,359)	n/a	(2,249)	44,256
Q2 16	\$30.8	(4,949)	n/a	(1,261)	38,046
Q3 16	\$90.1	(2,380)	n/a	2,038	37,704
Total	\$1,736.3	\$42,382	2.4%	(\$6,940)	

	U.S. Net Inflows		Market Share	Market Movement	Market AUM
	Industry (in billions)	WisdomTree (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%	(4,498)	51,639
2016	\$155.5	(12,688)	n/a	(1,472)	37,704
Total	\$1,746.3	\$42,382	2.4%	(\$4,902)	



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