

Q4/17 Results

February 2, 2018



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; 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.

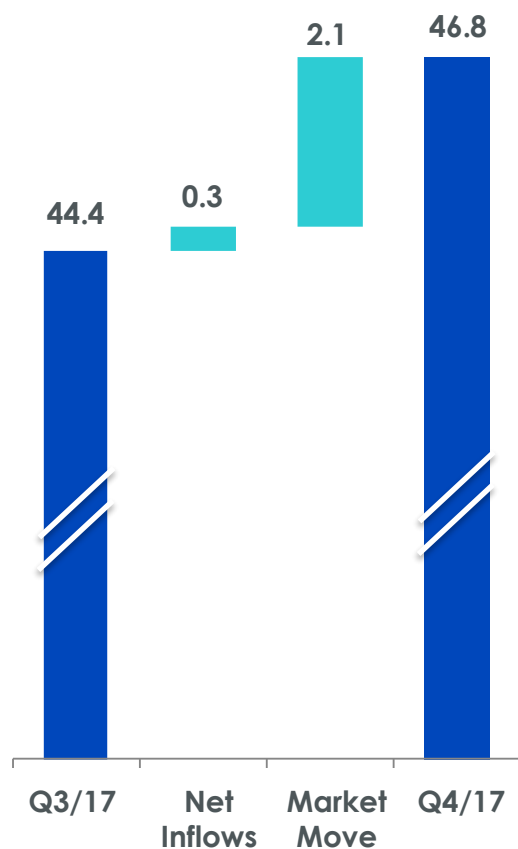
Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, 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.

Strong equity markets and flows ex-HEDJ drive AUM Growth

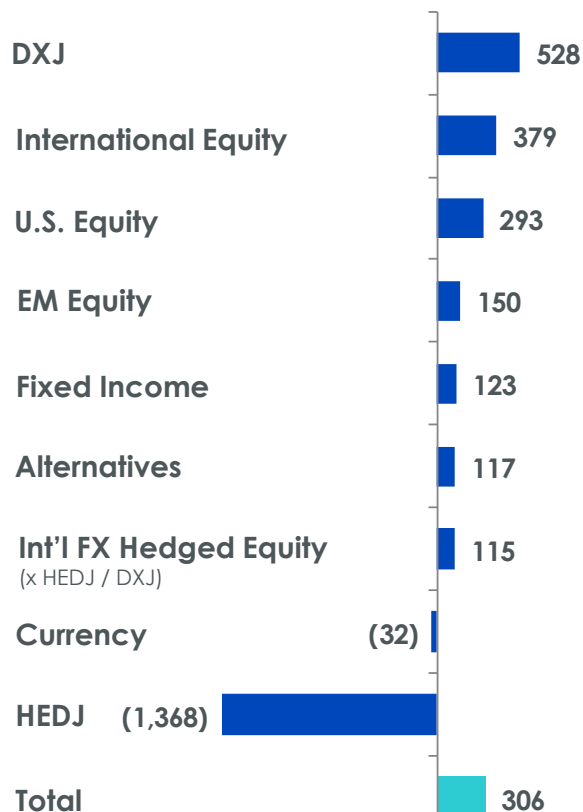
Quarterly U.S. ETF AUM Change

(\$ billions)



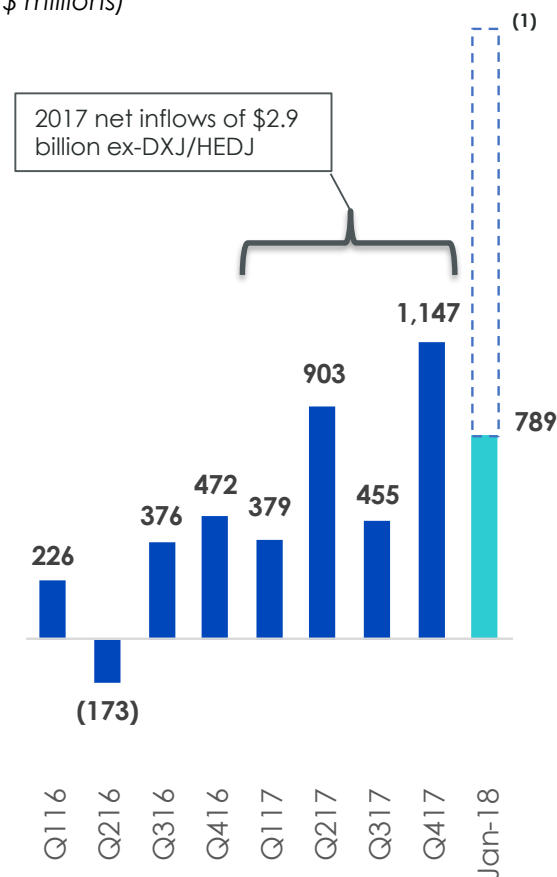
Q4/17 Net Inflows

(\$ millions)



Flows ex-DXJ / HEDJ

(\$ millions)



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

Notable flow highlights – Q4/17

- + **\$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 into 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)

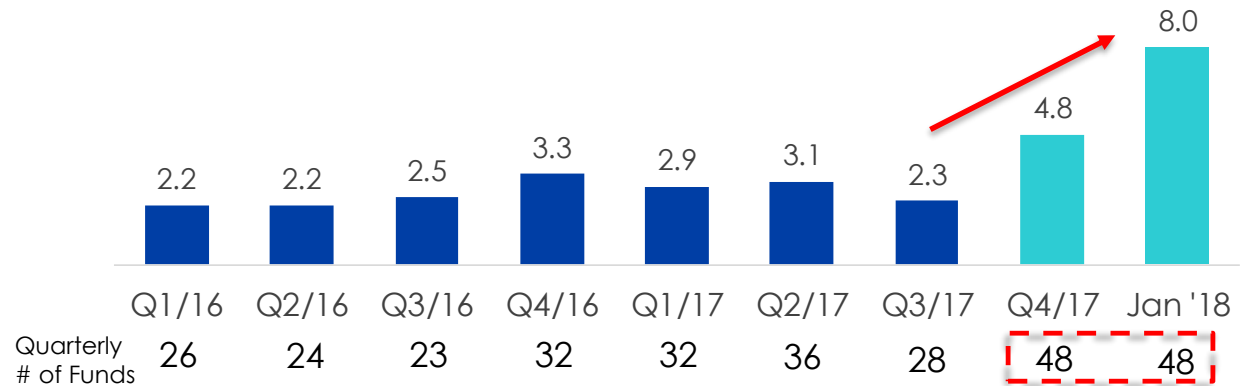
Efforts to diversify and grow AUM continue to take hold

Diversify & grow asset base

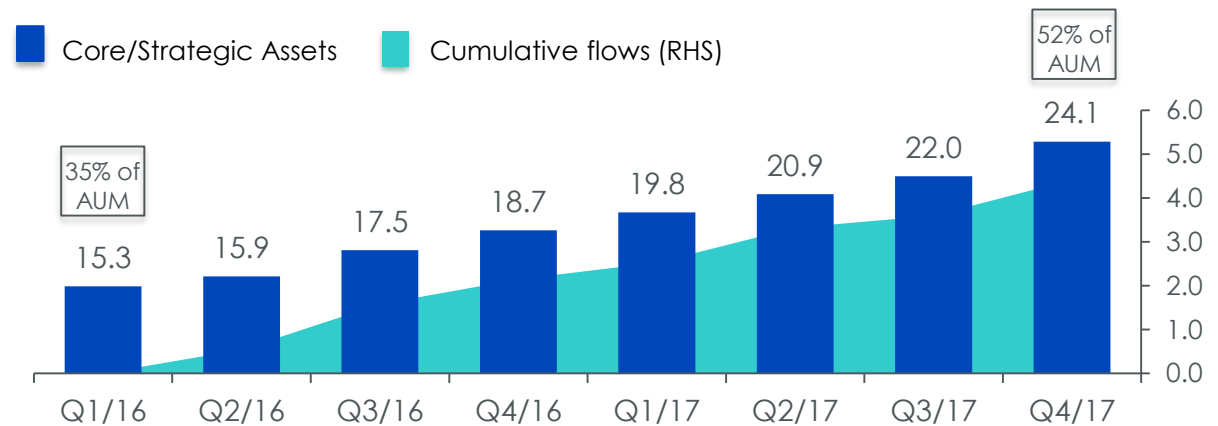
Investments in products and distribution driving broader inflows ex-DXJ/HEDJ

- + 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

Daily Average Number of Funds Creating and Quarterly Number of Funds with Net Inflows



Core/Strategic⁽¹⁾ 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, GSD, HDRW, HGSD, IHDG, IQDG, PUTW, QSY, SFHY, SFIG, SHAG, USFR, USMF, WBAL, WFHY, WFIG, XMX, XSOE

Net income impacted by several unusual items

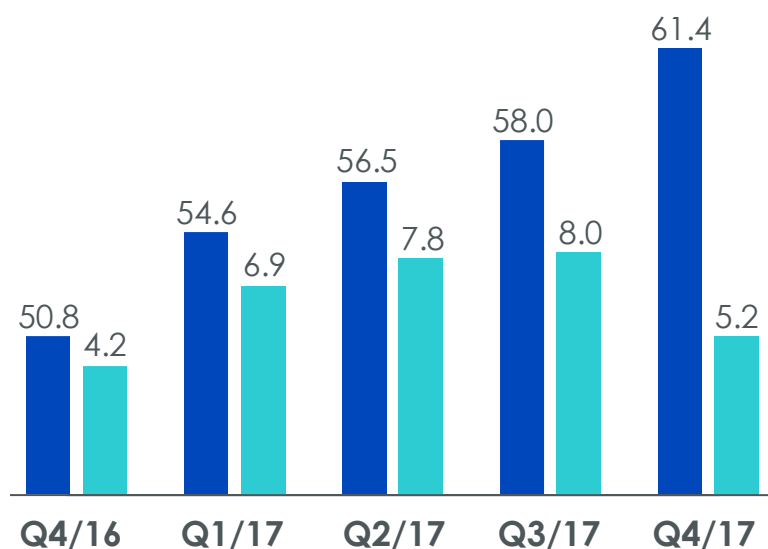
Revenue, Income, EPS ⁽¹⁾

(\$ millions)

Total Revenue ⁽⁵⁾



Adjusted Net Income



EPS:	\$0.02 ⁽²⁾	\$0.05	\$0.09 ⁽³⁾	\$0.06	\$0.00 ⁽⁴⁾
Adjusted EPS:	\$0.03	\$0.05	\$0.06	\$0.06	\$0.04
Net Income:	2.5	6.9	12.1	8.0	0.2

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



(1) See "Non-GAAP Financial Measurements"

(2) Includes \$0.01 goodwill impairment

(3) Includes \$0.03 settlement gain

(4) Includes \$0.04 of transaction costs and DTA remeasurement

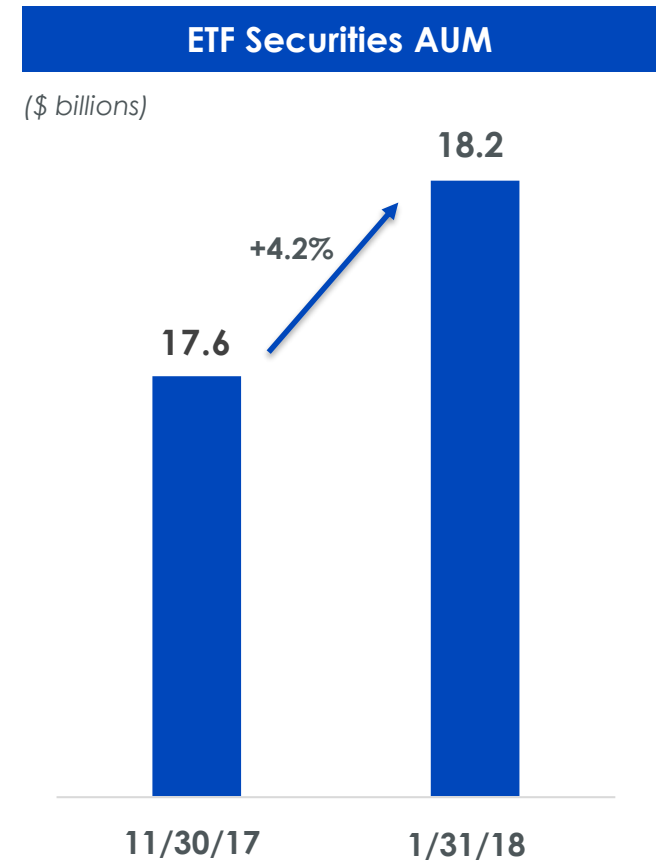
(5) Q2/17 excludes \$6.9 million settlement gain

2018 Guidance Items

- + 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%

ETF Securities Transaction Update

- + 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

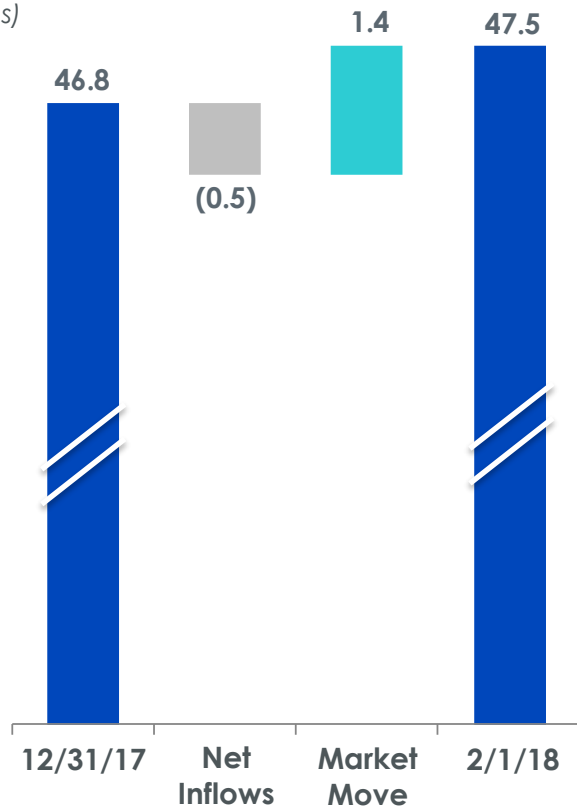


Q1/18 as of 2/1/18

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

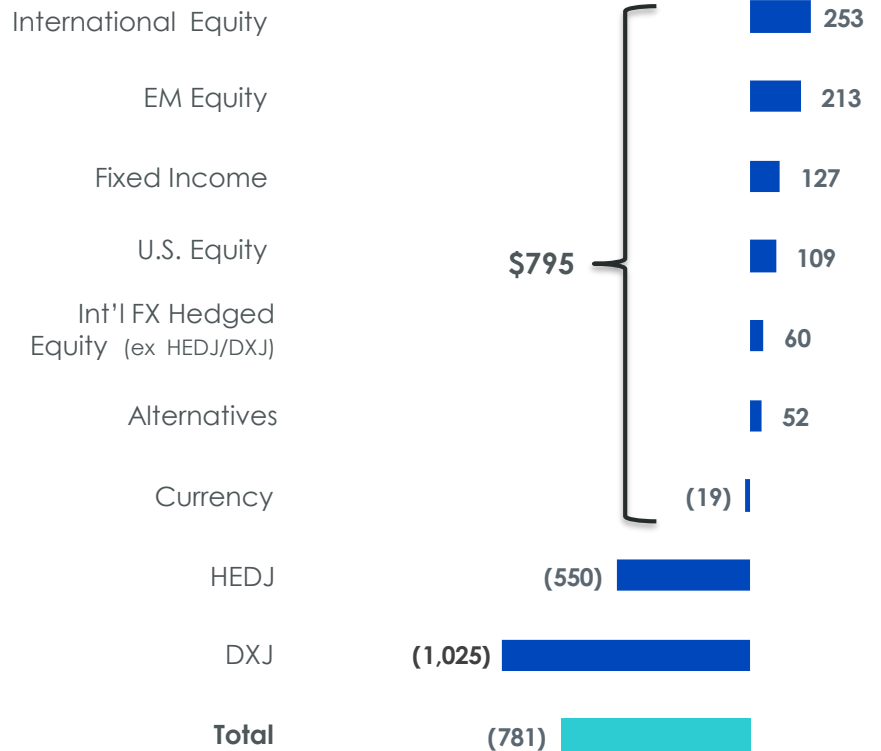
WisdomTree U.S. Listed AUM

(\$ billions)

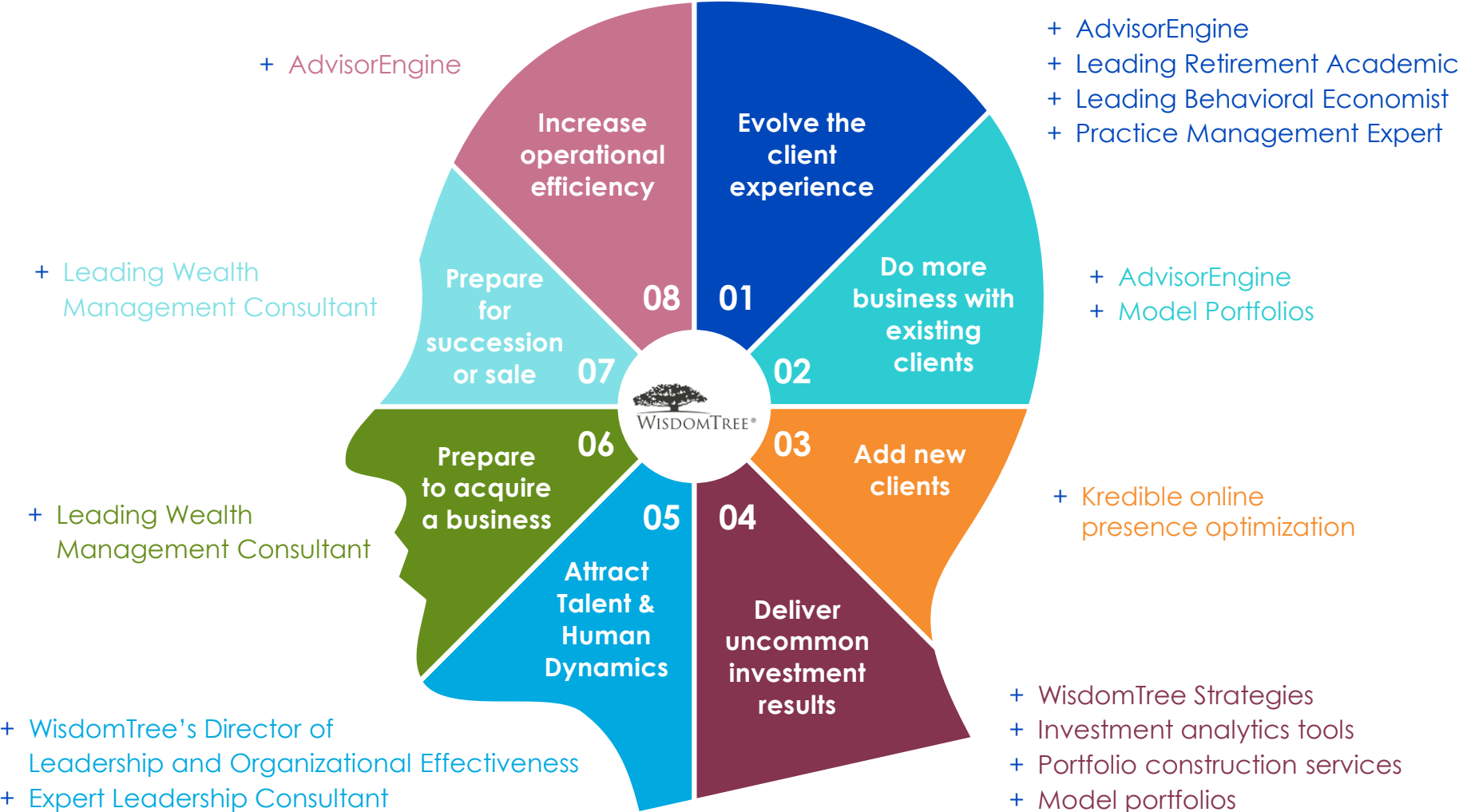


U.S. Net Inflows

(\$ millions)



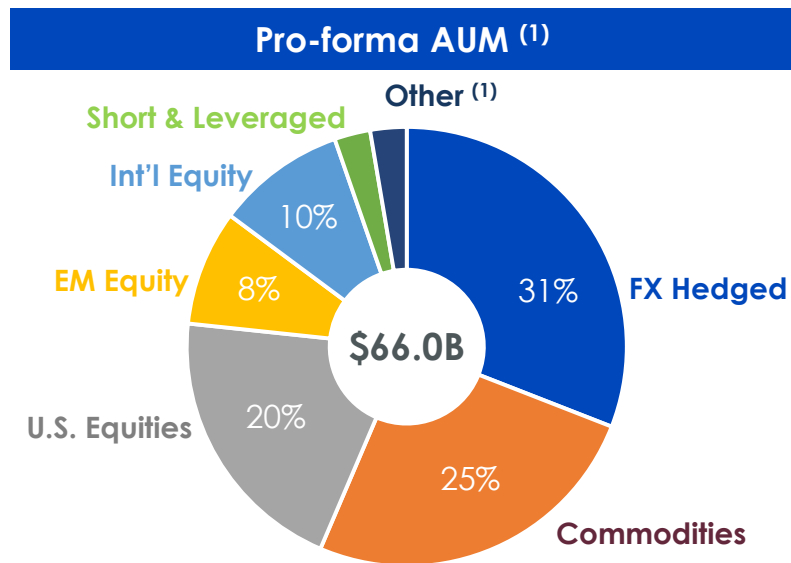
Built a differentiated Advisor Solutions program



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 ⁽¹⁾

	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	Invesco	22	2.7%
9	WisdomTree/ETFS	20	2.4%
10	Deka	11	1.4%
	Other	72	9.0%
	Total Market	804	

(1) As of 12/31/17

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

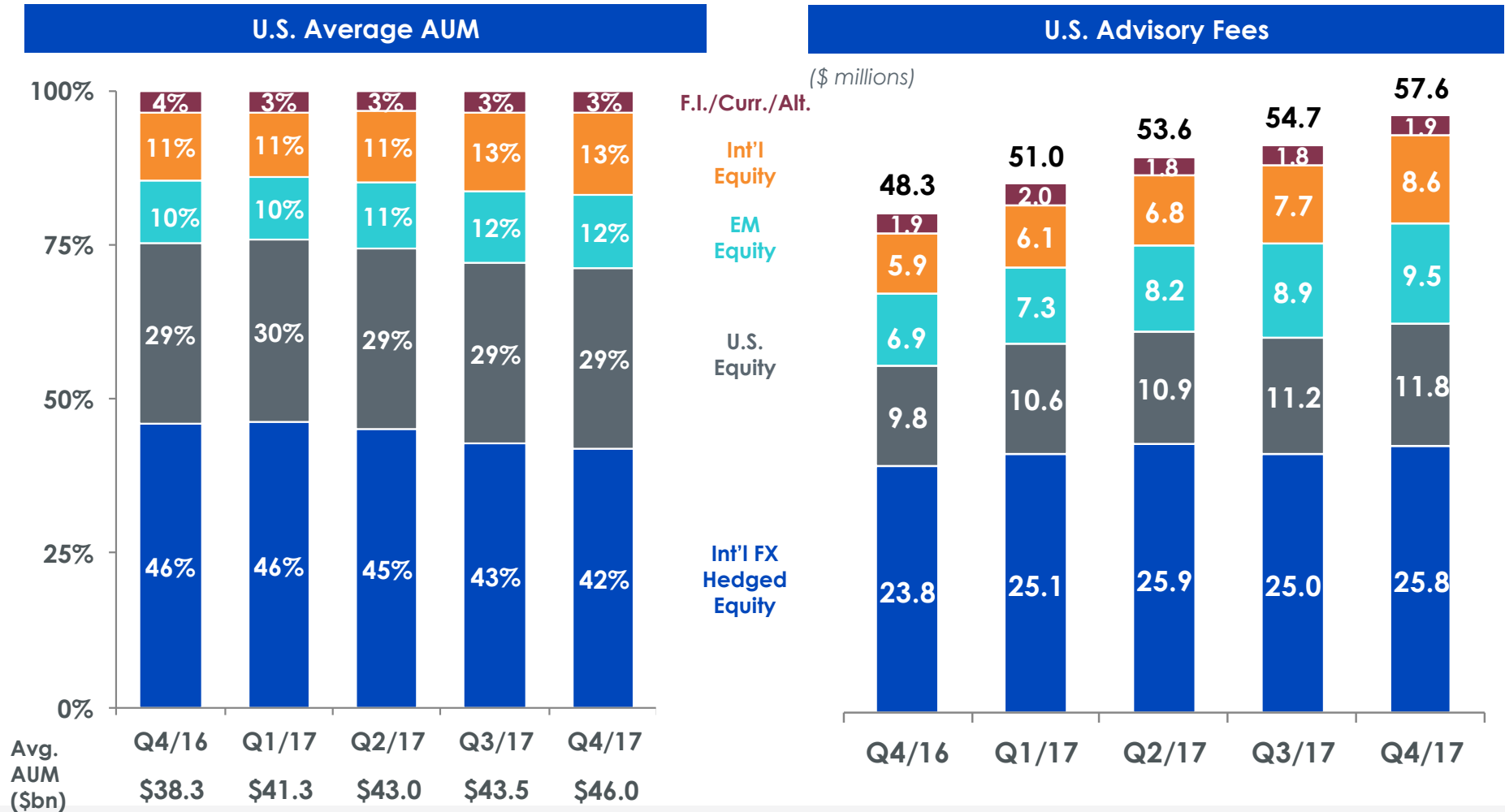
+ **Considerable progress and success with technology initiatives**

- 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

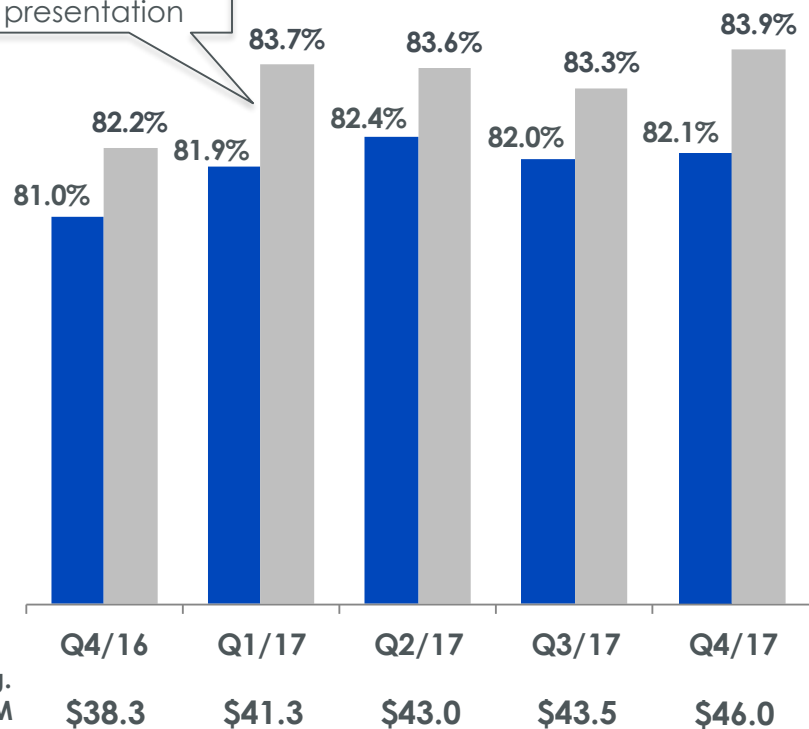
U.S. average AUM and advisory fees



Gross and pre-tax margins

U.S. Business Gross Margin ⁽¹⁾

Represents gross margin consistent with 2018 guidance presentation

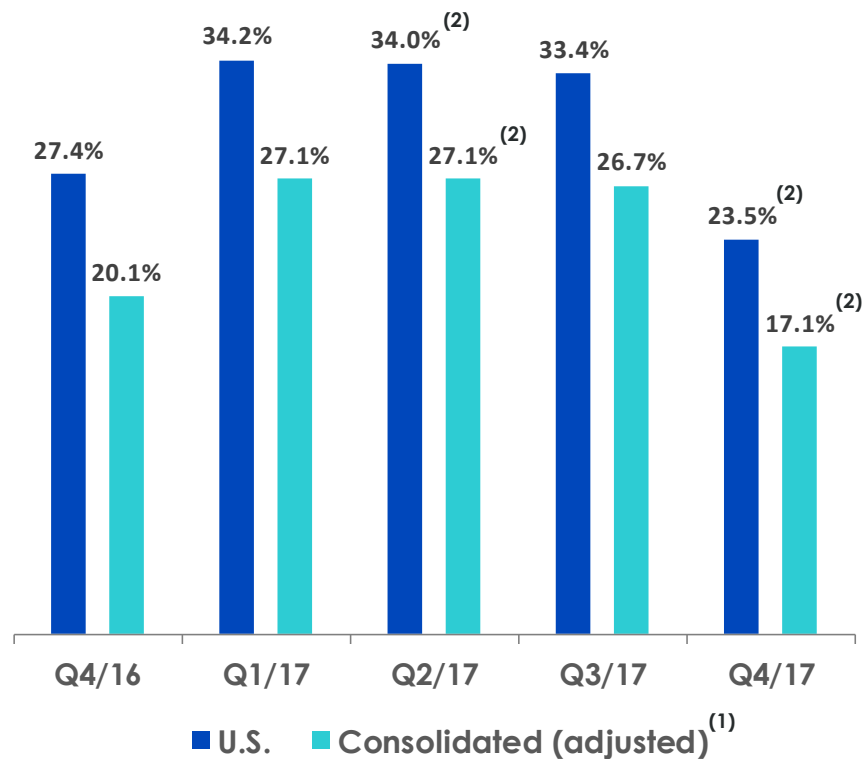


Avg. AUM (\$bn)

Quarter	Avg. AUM (\$bn)
Q4/16	\$38.3
Q1/17	\$41.3
Q2/17	\$43.0
Q3/17	\$43.5
Q4/17	\$46.0

Pre-tax Margin

GAAP: 16.8% 27.1% 35.0% 26.7% 9.2%



■ U.S. ■ Consolidated (adjusted) ⁽¹⁾

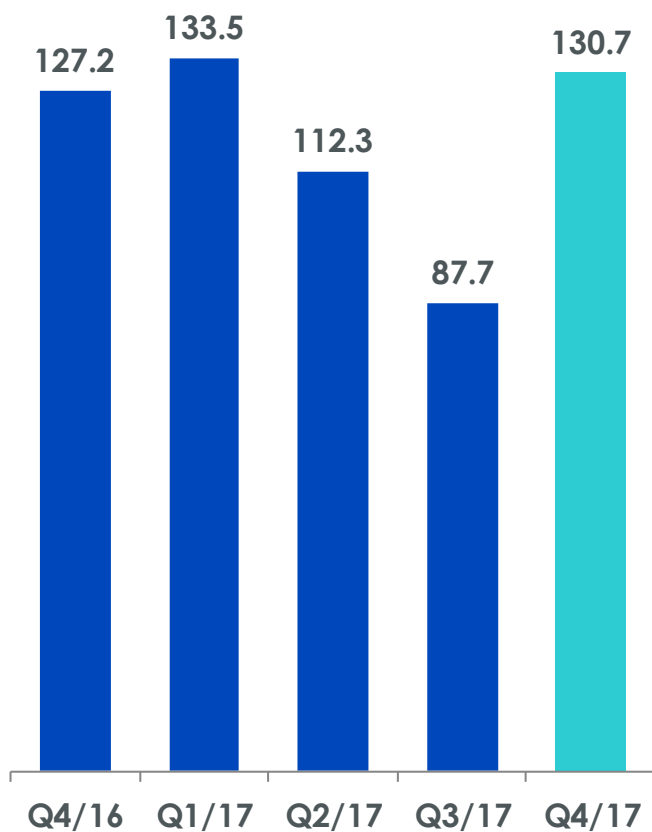
(1) See "Non-GAAP Financial Measurements"

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

Industry U.S. listed ETF flows

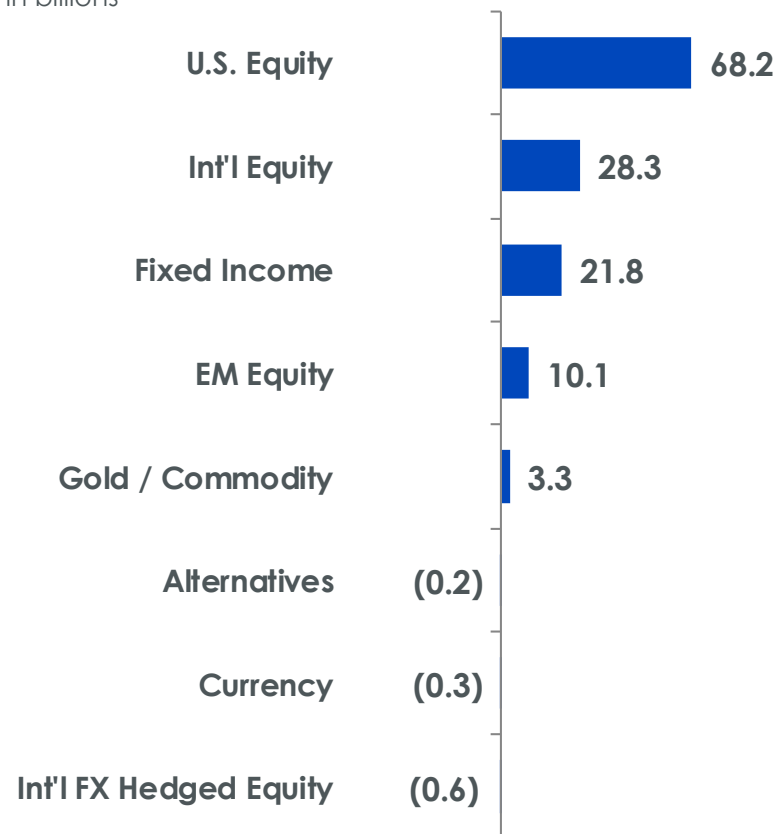
U.S. ETF Industry Net Inflows

\$ in billions



Industry Net Inflows by Category Q4/17

\$ in billions



Balance Sheet

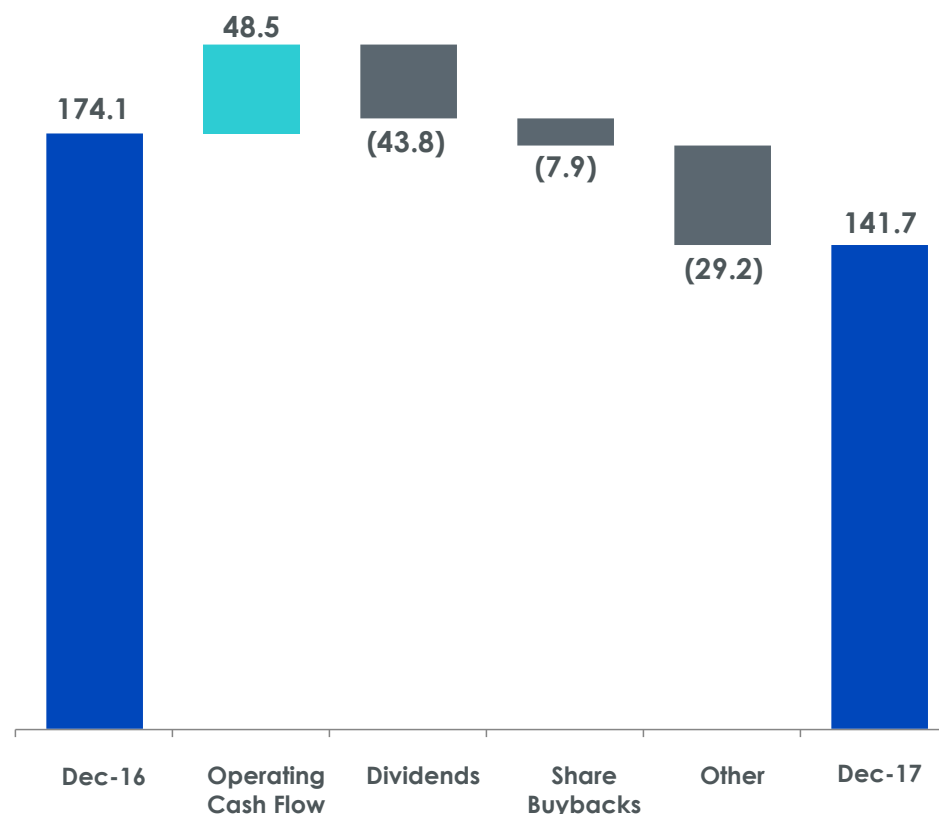
Balance Sheet

(\$ millions)

	Dec. 31, 2017	Dec. 31, 2016
Assets		
Cash and securities ⁽¹⁾	\$141.7	\$174.1
Investments ⁽²⁾	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⁾

(\$ millions)

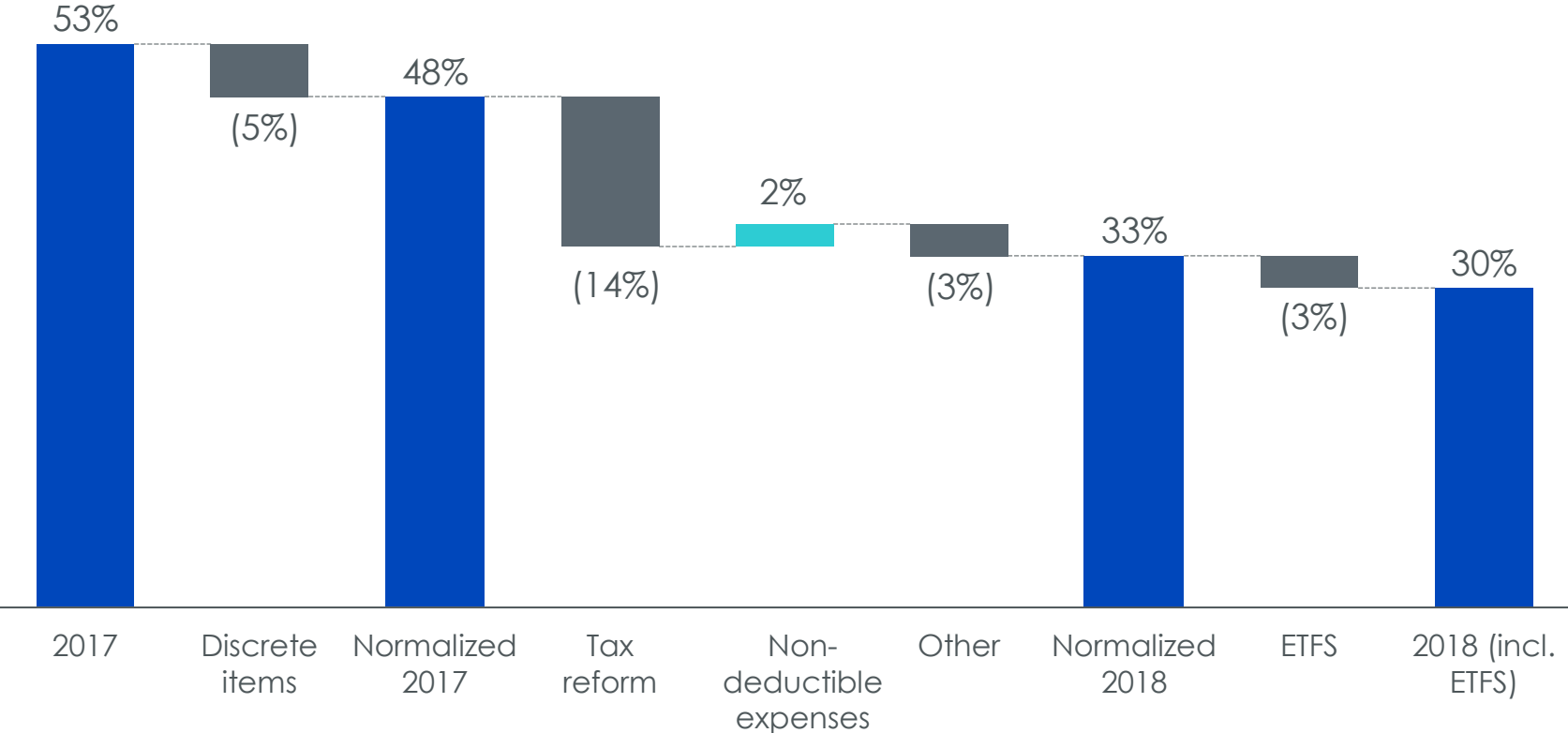


(1) Includes \$66.3 million invested in short-duration fixed income securities classified as securities owned and \$21.5 million in securities held to maturity

(2) Includes \$18.1 million note receivable associated with AdvisorEngine

Consolidated Effective Tax Rate Guidance

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

(shares and dollars in '000s)

	A	B	C	D = (C-B) x A	E	-D x E
<u>Vest Period</u>	<u># of Shares</u>	<u>Weighted Average Grant Date Price</u>	<u>Vest Date Stock Price (Illustrative)</u>	<u>Tax Windfall/ (Shortfall)</u>	<u>Tax Rate (Illustrative)</u>	<u>(Decrease)/ Increase to Tax Expense</u>
Expected Vestings - 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
	<u>566</u>			<u>(\$721)</u>		<u>\$187</u>

Note: Analysis above excludes options as the timing of employee exercises is outside of our control. Vesting stock price and tax rate is illustrative.

Historical Statistics – U.S.

	U.S. Net Inflows		Market Share	Market Movement (in millions)	AUM (in millions)
	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%	(4,273)	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	

Source: ICI, Bloomberg, WisdomTree.

Consolidated Financial Results

	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues												
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
Settlement gain										6,909		
Other income	272	239	233	254	263	50	236	432	1,337	405	412	561
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												
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
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
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
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	1,604	1,570	2,430	2,835	1,365	1,035	1,457	1,558	1,221	1,035	6,272
Occupancy, communications and equipment	918	943	1,183	1,255	1,222	1,241	1,469	1,279	1,353	1,371	1,378	1,313
Depreciation and amortization	220	223	253	310	316	330	332	327	337	352	353	353
Third party sharing arrangements	283	497	485	1,178	907	709	622	589	932	670	710	1,081
Acquisition payment	257	264	172	1,492	745	5,993	--	--	--	--	--	--
Goodwill impairment	--	--	--	--	--	--	--	1,676	--	--	--	--
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
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	<u>\$ 12,062</u>	<u>\$ 24,172</u>	<u>\$ 23,288</u>	<u>\$ 20,530</u>	<u>\$ 12,072</u>	<u>\$ 3,651</u>	<u>\$ 7,955</u>	<u>\$ 2,477</u>	<u>\$ 6,880</u>	<u>\$ 12,105</u>	<u>\$ 7,976</u>	<u>\$ 238</u>
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					-		-		-		411	
Add back acquisition contingent payment					5,993		-		-		-	
Add back goodwill impairment					-		1,676		-		-	
Subtract settlement gain, net of tax					-		-		(4,256)		-	
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		-		-		-	
Add back goodwill impairment					-		1,676		-		-	
Subtract settlement gain, before income taxes					-		-		(6,909)		-	
Adjusted income before income taxes					17,149		10,185		15,316		10,481	

Segment Financial Results

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% ⁽²⁾	30.7%	39.8%
Gross Margin ⁽¹⁾	81.0%	81.9%	82.4%	82.0%	82.1%

International Business Segment

International Business Segment

	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)



(1) See "Non-GAAP Financial Measurements"

(2) Compensation ratio in Q2/17 adjusted to remove impact of settlement gain

Key Operating Statistics

	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
AUM (end of period)												
International Hedged Equity	\$33,925	\$39,222	\$34,608	\$33,311	\$25,140	\$18,798	\$17,270	\$18,752	\$19,112	\$19,031	\$18,766	\$18,678
U.S. Equity	9,748	9,245	8,247	8,603	8,966	9,766	10,698	11,996	12,402	12,782	13,053	14,096
International Developed Equity	4,323	4,829	4,394	4,525	4,653	4,184	4,334	4,152	4,561	5,134	5,875	6,517
Emerging Markets Equity	6,068	6,244	4,288	3,825	3,803	3,683	4,020	3,881	4,508	4,771	5,209	5,816
Fixed Income	904	956	794	799	828	790	597	534	585	632	640	764
Alternative Strategy	225	230	211	208	440	452	445	510	476	574	607	738
Currency	565	573	505	368	426	373	340	339	296	259	248	218
	\$55,758	\$61,299	\$53,047	\$51,639	\$44,256	\$38,046	\$37,704	\$40,164	\$41,940	\$43,183	\$44,398	\$46,827
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
Net Inflows / (Outflows)												
U.S. Equity	\$294	(\$320)	(\$259)	(\$14)	(\$8)	\$500	\$759	\$609	\$221	\$258	(\$224)	\$293
Emerging Markets Equity	(165)	250	(1,013)	(418)	(171)	(160)	93	(41)	141	189	237	150
Alternative Strategy	17	14	(13)	(4)	5	(10)	5	72	(27)	97	34	117
Currency	(44)	7	(63)	(121)	65	(54)	(29)	(13)	(30)	(33)	(12)	(32)
International Developed Equity	188	497	21	(56)	160	(251)	(139)	(120)	102	311	434	379
Fixed Income	(210)	67	(85)	9	(14)	(47)	(204)	(35)	50	43	17	123
International Hedged Equity	13,440	6,083	751	(1,997)	(5,396)	(4,927)	(2,865)	(341)	(514)	(259)	(1,105)	(724)
Total	\$13,520	\$6,598	(\$661)	(\$2,601)	(\$5,359)	(\$4,949)	(\$2,380)	\$132	(\$58)	\$605	(\$619)	\$306
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%
Average Mix												
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%
International Developed Equity	9%	8%	8%	8%	9%	11%	11%	11%	11%	11%	13%	13%
Emerging Markets Equity	14%	10%	9%	7%	8%	9%	11%	10%	10%	11%	12%	12%
Fixed Income	2%	2%	1%	2%	2%	2%	2%	2%	1%	1%	1%	1%
Currency	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Alternative Strategy	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
# of ETFs	70	75	79	86	93	99	93	94	88	90	87	89
European Listed ETPs: (in thousands)												
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%	0.85%	0.84%	0.84%	0.82%	0.80%	0.79%	0.78%	0.77%	0.77%
Total UCITS ETFs: (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	(\$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
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	163	166	165	162
Non-U.S. Headcount	27	28	29	34	38	47	43	46	47	46	43	42

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 quarter 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)

	Three Months Ended				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 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.....	<u>\$47,286</u>	<u>\$44,876</u>	<u>\$44,189</u>	<u>\$41,772</u>	<u>\$39,145</u>
U.S. Gross margin percentage.....	<u>82.1%</u>	<u>82.0%</u>	<u>82.4%</u>	<u>81.9%</u>	<u>81.0%</u>
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: Remeasurement 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.....	<u>\$10,481</u>		<u>15,316</u>		<u>10,185</u>
Total revenues.....	61,386		63,428		50,798
Subtract: Settlement gain, before income taxes.....			(6,909)		
Adjusted revenues.....			<u>56,519</u>		
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.....			<u>54,149</u>		
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.....	<u>13,656</u>		<u>18,401</u>		
Adjusted pre-tax margin.....	23.5%		34.0%		



WISDOMTREE®

