



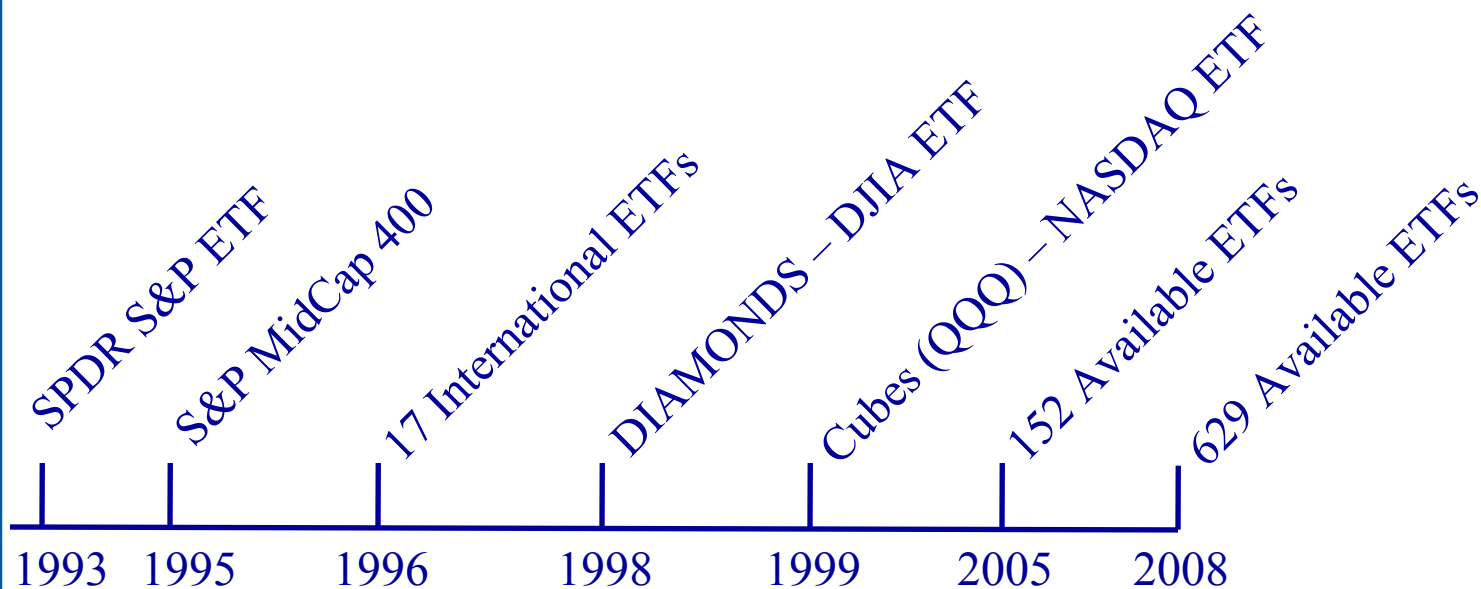
# **An Introduction to WisdomTree ETFs & Indexes**

**Dan Doischen – Mid Atlantic Regional Director**

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# Overview

## Chronological History

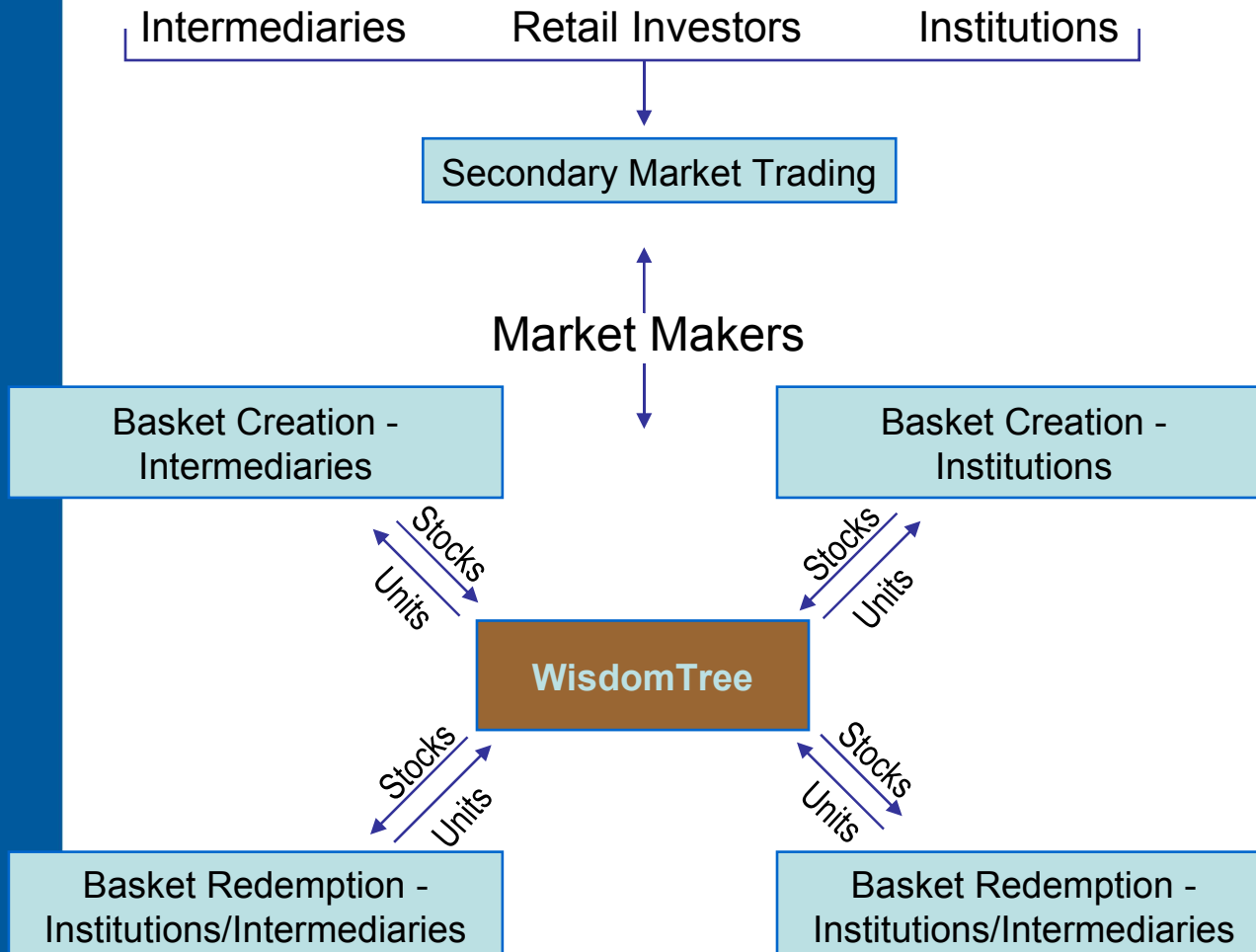


# ETFs – A Smart Way To Invest

- Lower expense ratios
  - Passive investment
  - Transparency
  - Tax-efficient investment
  - Liquidity/Continuous pricing
-

# Exchange Traded Funds

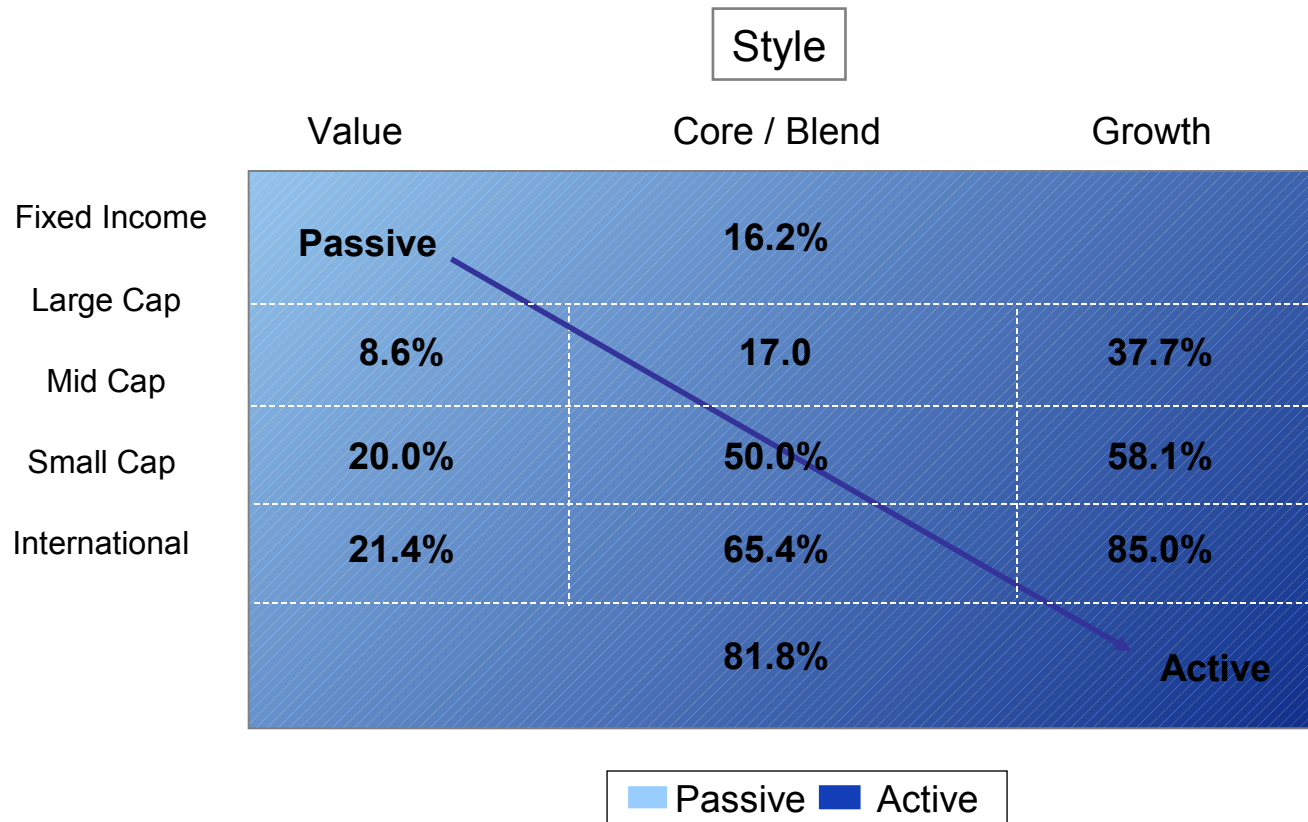
## Product Structure



# Active vs. Passive Management

## Asset Class Efficiency

*Utilize passive management for efficient asset classes and active management for the less efficient asset classes*





# Who Buys ETFs?

## Appeal to Diverse Market Participants

### ■ Users:

#### • Institutional Investors

- Qualified (Tax-Exempt/Deferred) Plans ie.) Retirement, Endowments/Foundations
- Mutual Fund Companies
- Banks & Trusts

#### • Market Intermediaries

- Trading Desks, Derivatives & Option Traders, Specialists, etc

#### • Hedge Funds

- Risk mgmt. by gaining market exposure through shorting

#### • Financial Advisors

- National, Regional & Independent B/D's, RIA's, Family Offices

#### • Retail Brokers/Investors

- Individual Brokerage acts., IRAs, etc.
-

# Utilizing ETFs

## Applications

### Tax Loss Harvesting

- Wash Sale Period: ETFs are a convenient way to maintain exposure to a sector or industry where a stock position has been sold to harvest losses i.e..) Sell XOM, buy XLE for 31days

### Transition Management

- Maintain market exposure while transferring from an old money manager or mutual fund to a new one: buy ETF as undesirable positions are sold; then sell ETF as attractive positions are added
- Completion portfolio: use ETF to gain immediate market exposure as concentrated stock is unwound

### Risk Management

- Sell ETFs short to hedge investments

### Cash Equitization

- An investor receiving cash into the portfolio can temporarily purchase an ETF to minimize the risk of being “out of the market” while he/she decides which investment decisions to make

### Asset Allocation

- Strategic: Core/Satellite approach
  - Tactical: Market Timing, i.e.. style, sector and/or niche exposure
-

## All ETFs Are Not Created Equal

- *The flaw of market cap weighting....*
  - “Buy high and sell low”
  - Efficient Market Hypothesis v. Noisy Market Hypothesis
-



# All Equity ETFs Are Not Created Equal

## *Why dividends?*

- From 1926 through 2004, reinvestment of dividends accounted for 96% of the stock market's total return after inflation\*
- Weighting by dividends can raise a portfolio's dividend yield
- Cash dividends provide an objective measure of a company's value
- Provide potential bear market protection

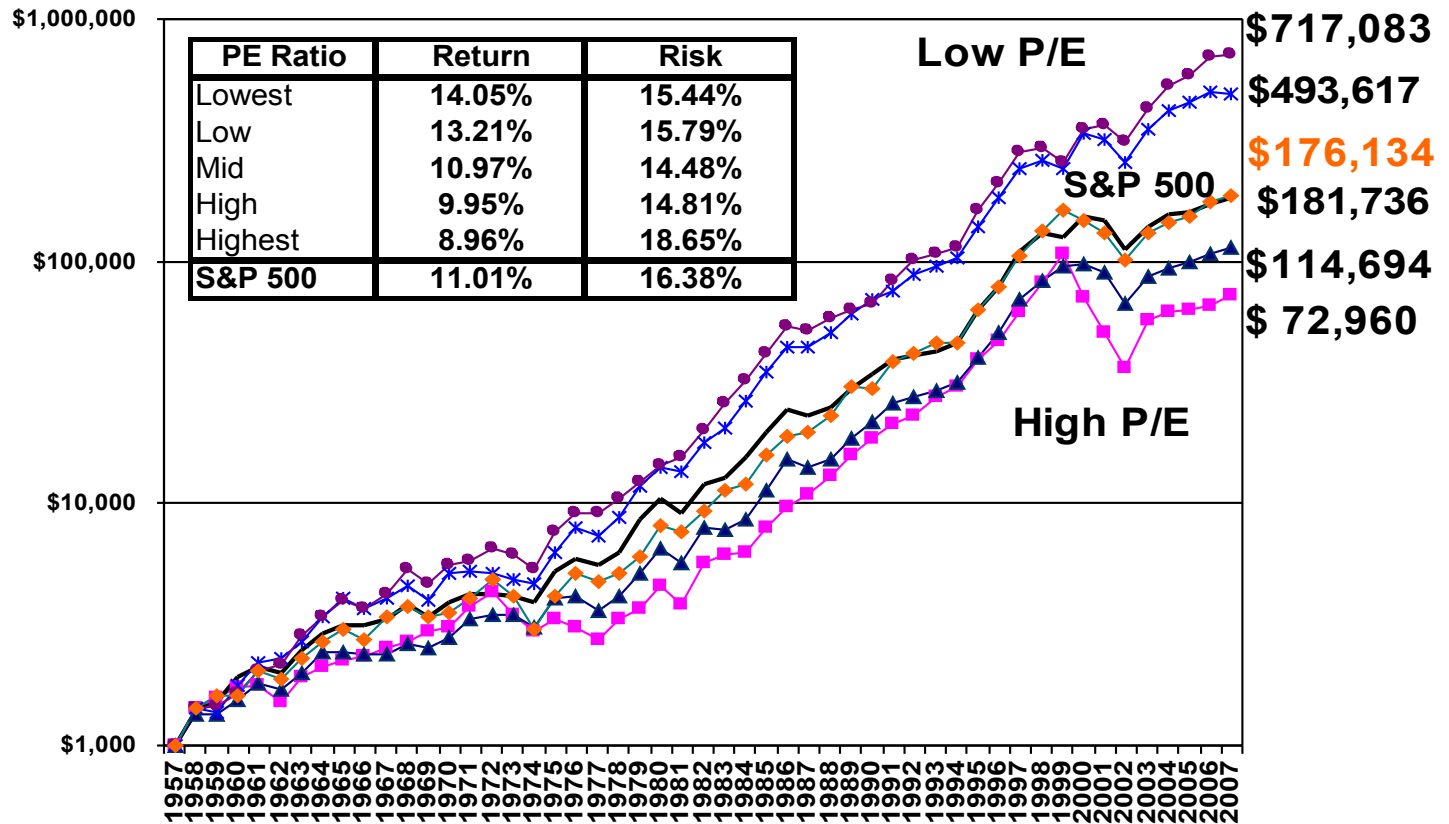
## *Why earnings?*

- Only profitable companies are eligible for inclusion.
- Weighting by earnings can lower a portfolio's overall P/E Ratio

\*The Future for Investors, Jeremy Siegel, 2006. The past performance does not guarantee future results.

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# P/E Ratio and Relative Performance, S&P 500 Index P/E Quintiles, 1957-2007\*

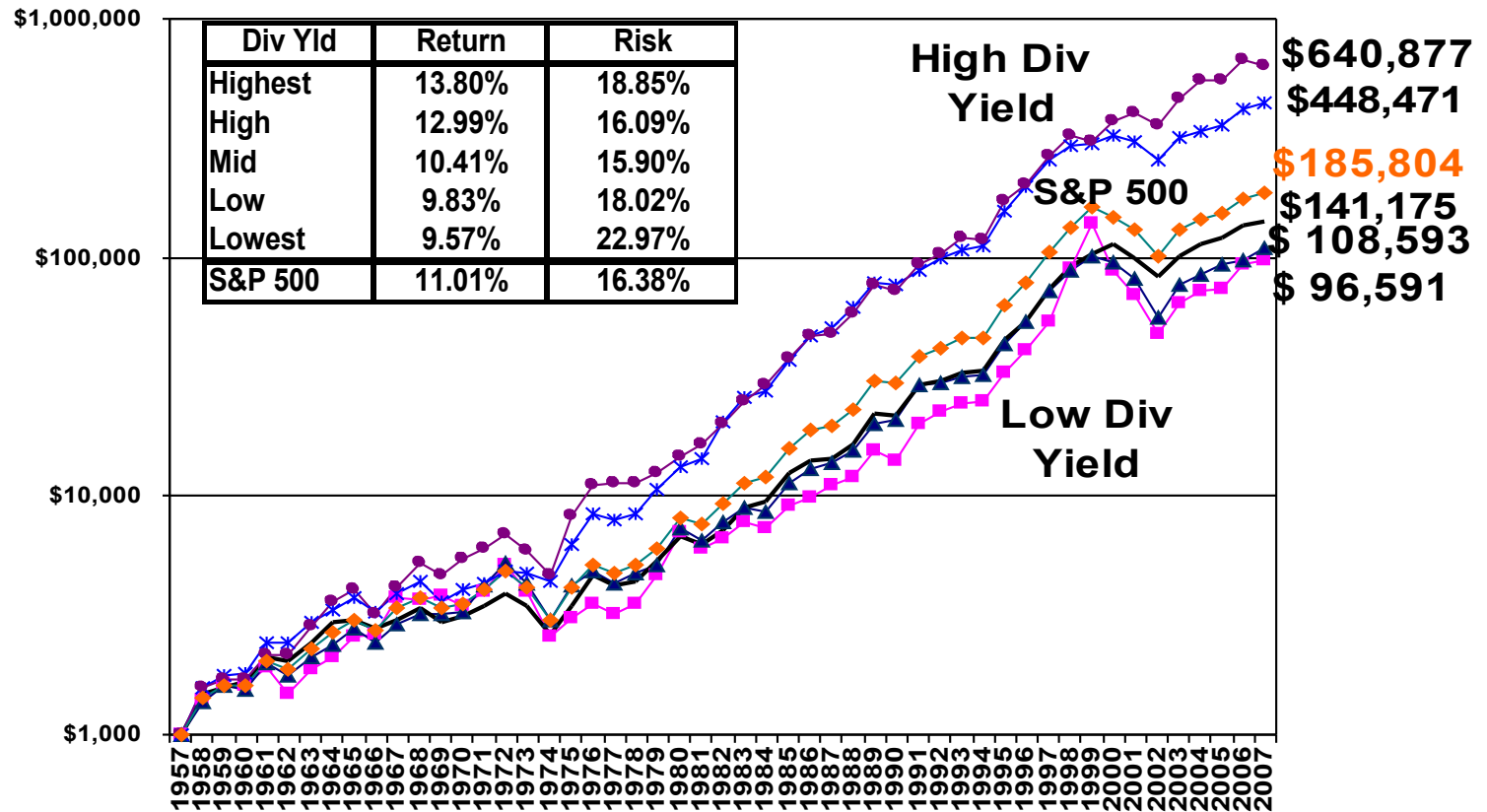


\*Source: Jeremy J. Siegel, *The Future for Investors*, updated through 2007  
Average Annual Total Returns-1957-2007; "Risk" is defined as annualized volatility.

Each stock in S&P 500 is ranked from lowest to highest by price to earnings ratio on December 31st of every year and placed into "quintiles," baskets of 100 stocks in each basket. The stocks in the quintiles are weighted by their market capitalization. The price/ earnings ratio is defined as each component's stock price divided by each stock's net income per share as of December 31st of that year.

Past performance does not guarantee future results.

# Dividend Yield and Relative Performance, S&P 500 Dividend Quintiles, 1957-2007\*



\* Source: Jeremy J. Siegel, *The Future for Investors* (2005), Copyright Jeremy J. Siegel, updated through 2007.

Average Annual Total Returns-1957-2007; "Risk" is defined as annualized volatility.

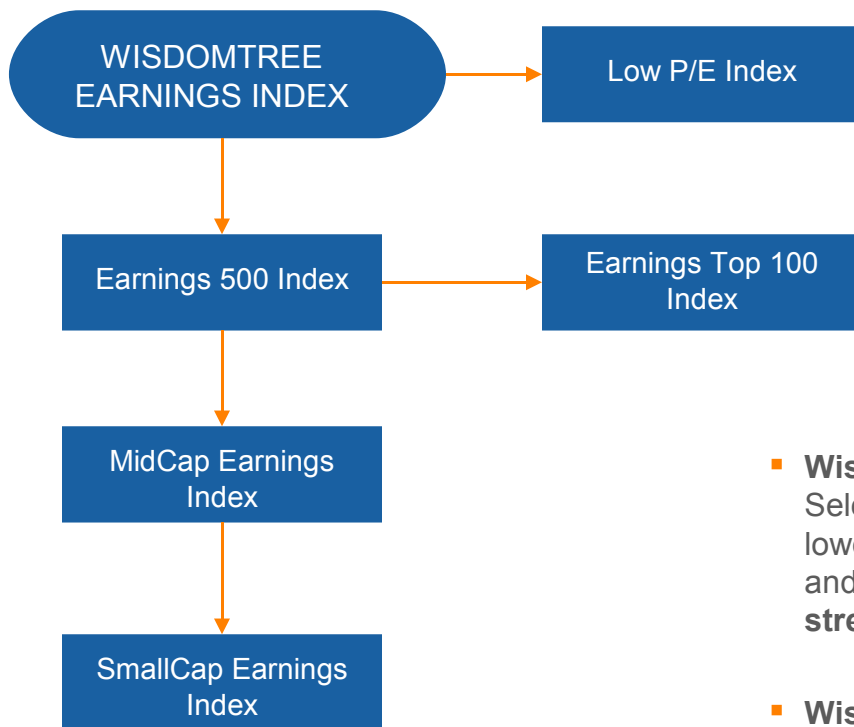
Each stock in S&P 500 is ranked from highest to lowest by dividend yield on December 31st of every year and placed into "quintiles," baskets of 100 stocks in each basket. The stocks in the quintiles are weighted by their market capitalization. The dividend yield is defined as each stock's annual dividends per share divided by its stock price as of December 31st of that year.

Past performance does not guarantee future results.

## WisdomTree Domestic Index Construction

- **Cash dividends or core earnings**
  - **Be ordinary common shares or shares of REIT**
  - **Meet minimum market cap requirements**
  - **Meet daily trading volume requirements**
  - **Be incorporated in the U.S.**
  - **List on a major exchange**
  - ***Note: the complete and updated WisdomTree Index Methodology is available at [www.wisdomtree.com](http://www.wisdomtree.com).***
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# WisdomTree Earnings Indexes: LargeCap Value



- **WisdomTree Low P/E Index**  
Selects the top 30% of companies ranked by lowest P/E ratio from the broad market index and **weights based on core earnings stream (last four fiscal quarters)**
- **WisdomTree Earnings Top 100 Index**  
Selects the 100 companies with the highest earnings yields from the 300 largest companies within the largecap index and **weights by earnings yield (trailing four fiscal quarters divided by market capitalization)**

## Weighting by the Earnings Stream, November 30<sup>th</sup> 2007\*

Ten Largest Companies by Core Earnings			
Rank	Name	Company Core Earnings Stream (\$ Billions)	Percent of Earning Stream
1	Exxon Mobil Corp.	\$39.94	4.47%
2	General Electric	\$20.90	2.34%
3	Bank of America Corp.	\$19.04	2.13%
4	Citigroup Inc.	\$17.50	1.96%
5	Chevron Corp.	\$16.62	1.86%
6	JPMorgan Chase & Co.	\$16.41	1.84%
7	American Int'l. Group	\$15.01	1.68%
8	Microsoft Corp.	\$14.33	1.60%
9	Wal-Mart Stores	\$12.81	1.43%
10	Berkshire Hathaway	\$12.39	1.39%
<b>Top 10</b>		<b>\$184.94</b>	<b>20.11%</b>
<b>WisdomTree Earnings Index Total</b>		<b>\$919.55</b>	<b>100.00%</b>

Company Core Earnings Stream = Total earnings over prior 12 months of company in dollars

Percent of Earnings Stream = Company Earnings Stream / Total stream of all companies

**Total Earnings Stream: \$919.55 Billion**

Source: S&P, WisdomTree

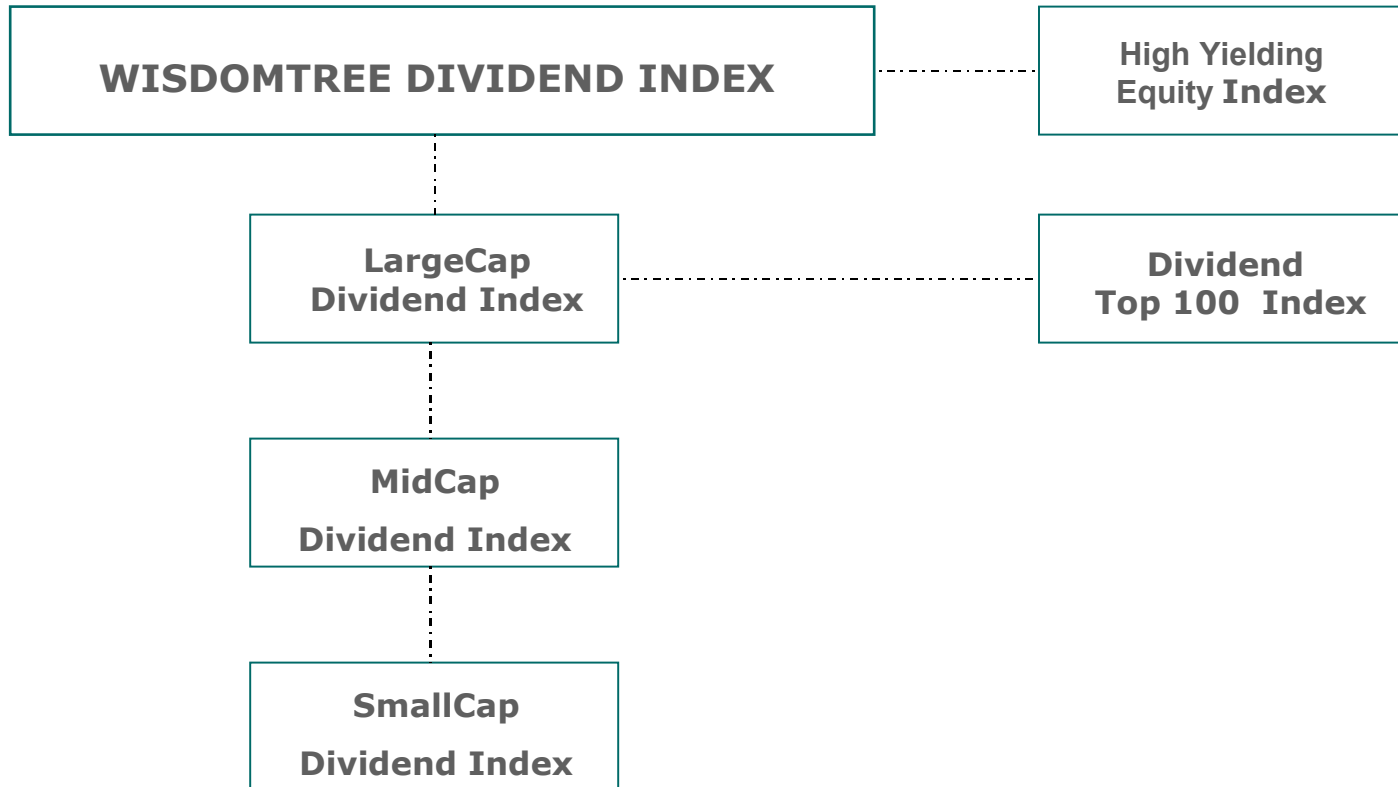
\*The annual screening date for the WisdomTree Earnings Index takes place at the end of November.



# WisdomTree Domestic Specialty/High Yield Indexes

## CORE INDEXES

## SPECIALITY INDEXES





# Portfolio Construction: Weighting By The Dividend Stream

WisdomTree Dividend Index – As of November 30, 2007\*

## Ten Largest Companies by Cash Dividends

Rank	Name	Indicated Dividend Per Share	Shares Outstanding in Billions	Company Dividend Stream (\$ Billions)	Percent of Dividend Stream
1	Bank of America Corp	\$2.56	4.44	\$11.36	3.94%
2	General Electric Co	\$1.12	10.11	\$11.32	3.92%
3	Citigroup	\$2.16	4.98	\$10.76	3.73%
4	AT&T Inc	\$1.42	6.06	\$8.61	2.98%
5	Pfizer Inc	\$1.16	6.83	\$7.92	2.75%
6	Exxon Mobil Corp	\$1.40	5.46	\$7.65	2.65%
7	Altria Group Inc	\$3.00	2.11	\$6.32	2.19%
8	JP Morgan Chase & Co	\$1.52	3.36	\$5.11	1.77%
9	Wachovia Corp	\$2.56	1.98	\$5.06	1.75%
10	Verizon Communications inc	\$1.72	2.89	4.97	1.72%
<b>Top 10</b>				<b>\$79.08</b>	<b>27.41%</b>
<b>WisdomTree Dividend Index Total</b>				<b>\$288.53</b>	<b>100.00%</b>

Source: WisdomTree Investments, Bloomberg.

**Indicated Dividend Stream = Indicated Dividends Per Share x Shares Outstanding**

**Percent of Dividend Stream = Company Dividend Stream / Total Stream of all Companies**

**Total Dividend Stream: \$288.53 Billion**

\*The annual screening date for the WisdomTree Dividend Index takes place in November.

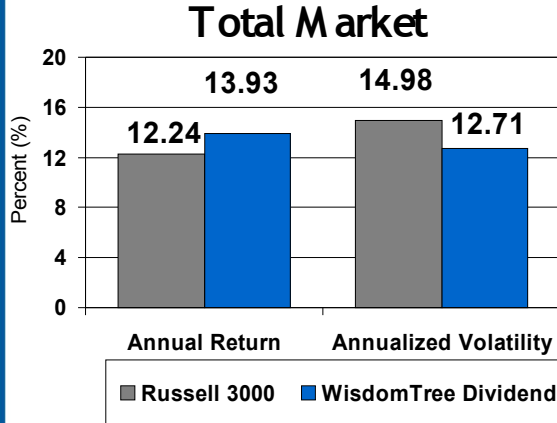
Dividend Stream is a service mark of WisdomTree Investments Inc.



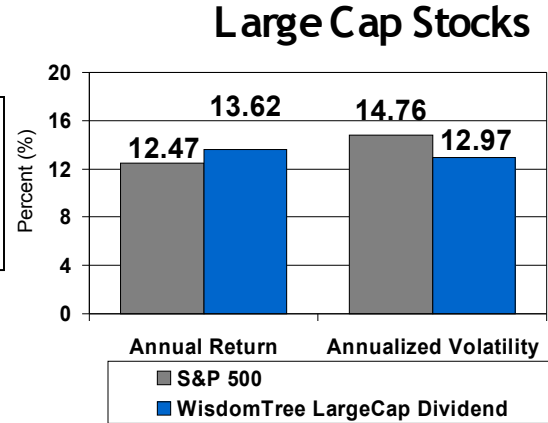


# WisdomTree Domestic Dividend Indexes Index Performance, 1980-2008

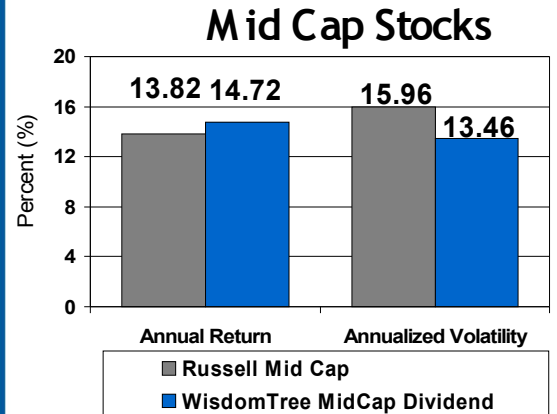
**Average Annual Total Returns, Jan 1, 1980- Mar. 31, 2008**



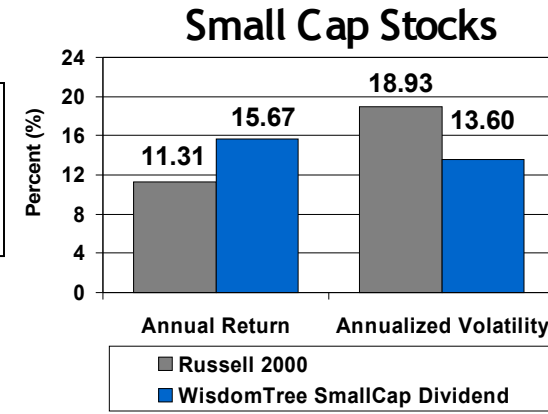
**Returns:  
+ 169 bps  
Volatility:  
-227 bps**



**Returns:  
+ 115 bps  
Volatility:  
-179 bps**



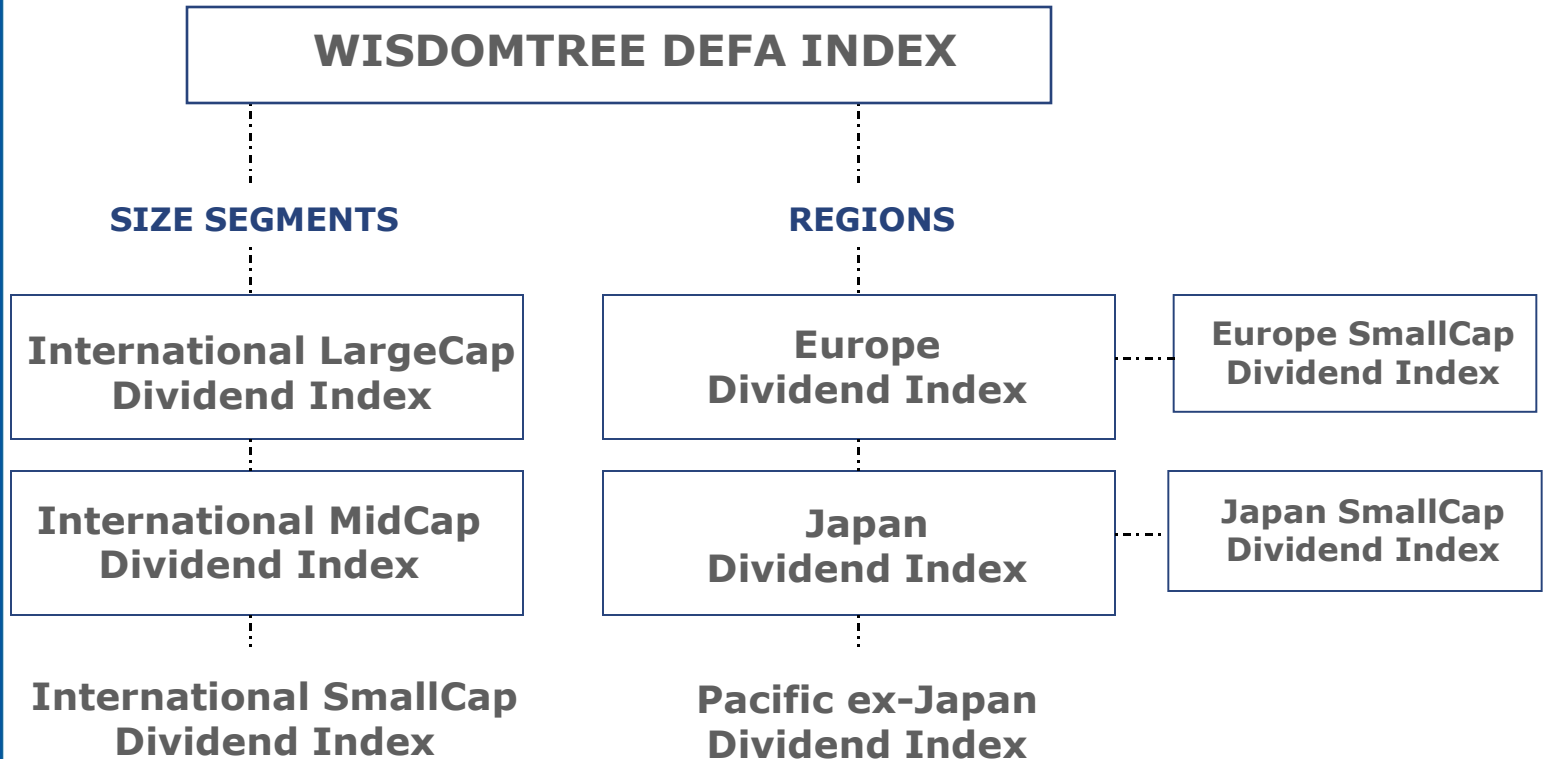
**Returns:  
+ 90 bps  
Volatility:  
-250 bps**



**Returns:  
+ 436 bps  
Volatility:  
-533 bps**

Performance of the WisdomTree Dividend Indexes prior to June 1, 2006 is based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent before June 1, 2006. Hypothetical back-tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. The performance of the cap-weighted benchmark for the WisdomTree MidCap Dividend Index is not available for the time period shown, therefore the equivalent Russell Index is used as benchmark. **Sources: WisdomTree Investments, Bloomberg**

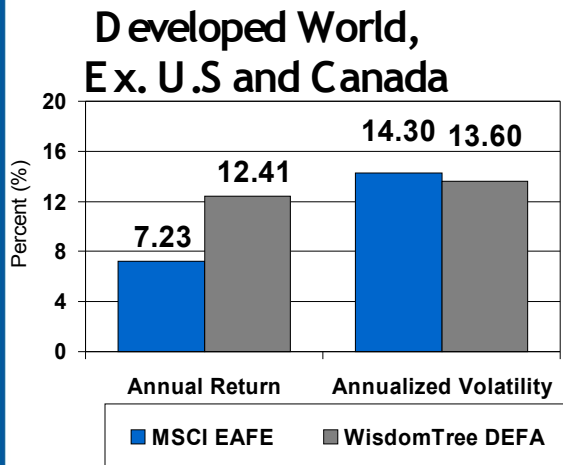
## WisdomTree Investments International Dividend Indexes



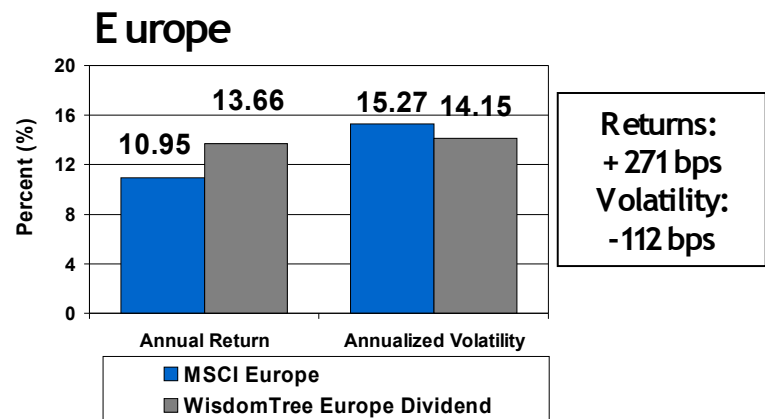


# WisdomTree International Dividend Indexes Index Performance, Jan 1, 1996 – March 31, 2008

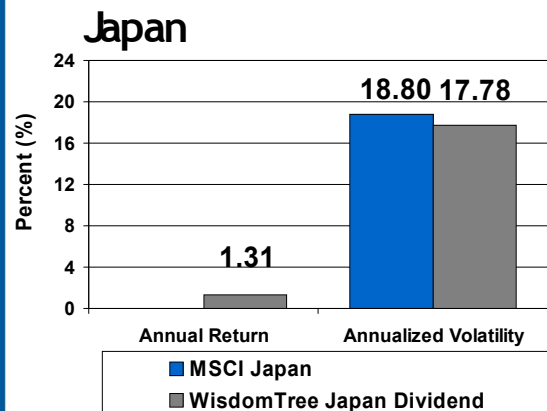
## Average Annual Total Returns, Jan. 1, 1996- Mar. 31, 2008



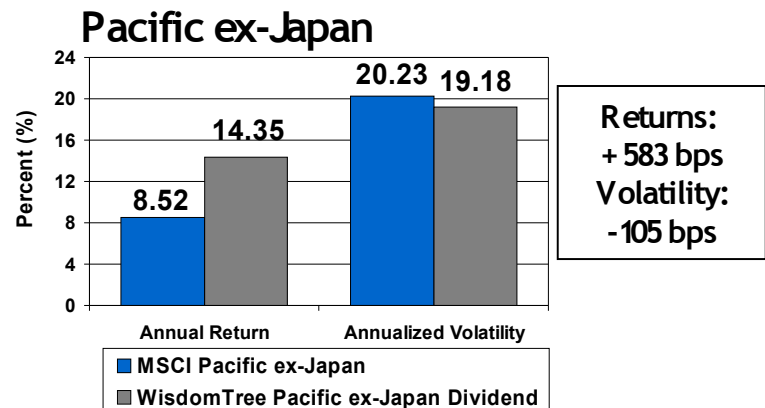
Returns:  
+ 518 bps  
Volatility:  
-70 bps



Returns:  
+ 271 bps  
Volatility:  
-112 bps



Returns:  
+ 182 bps  
Volatility:  
-102 bps

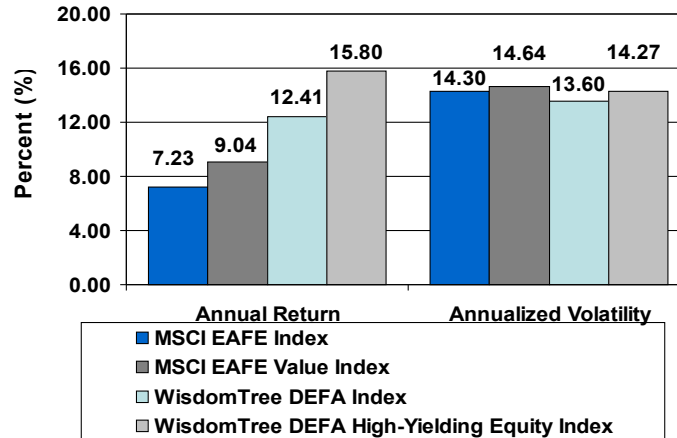


Returns:  
+ 583 bps  
Volatility:  
-105 bps

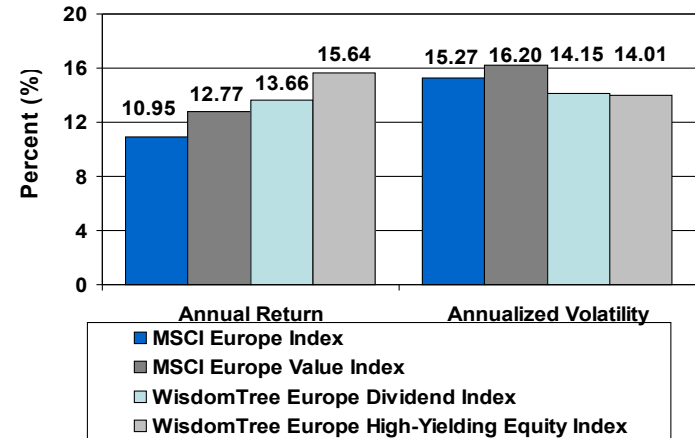
Performance of the WisdomTree Dividend Indexes prior to June 1, 2006 based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent before June 1, 2006. Hypothetical back-tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. Sources: WisdomTree Investments, Bloomberg, MSCI.

# WisdomTree International Developed World High-Yielding Family, Average Annual Total Returns, Jan. 1, 1996- Mar. 31. 2008

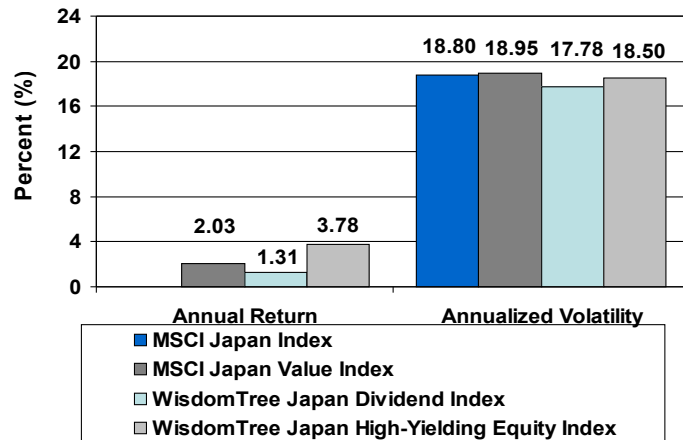
## Developed Int'l



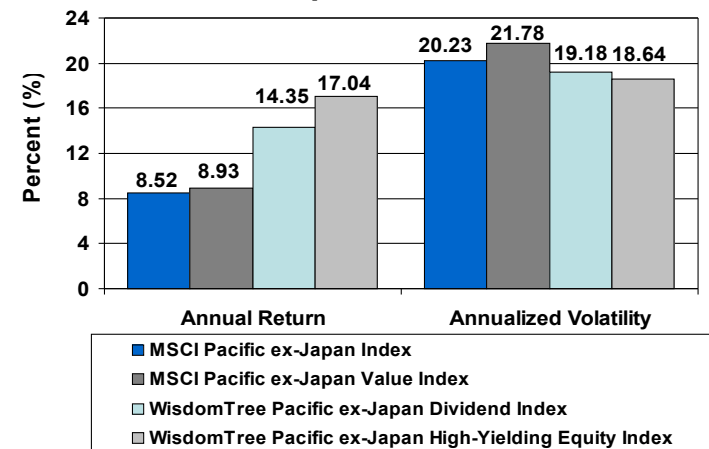
## Europe



## Japan



## Pacific ex-Japan



Performance of the WisdomTree Dividend Indexes prior to June 1, 2006 based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent before June 1, 2006. Hypothetical back-tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. Sources: WisdomTree Investments, Bloomberg, MSCI.

# The Exotics

- EPI – Earnings Weighted India ETF
  - Dividend Weighted Emerging Markets
    - DEM
    - DGS
  - International Sectors
  - Currencies
    - Euro
    - Yen
    - Rupee
    - Yuan
    - Real
-



# WisdomTree Domestic Index Performance

For the period ended March 31, 2008

Index	Average Annual Total Returns					5-Yr Period: Apr. 1, 2003 - Mar. 31, 2008			
	1 year	3 years	5 years	10 years	Since Inception of WT Earnings (Mar 1, 2002-Dec 31, 2007)	Std Dev (%)	Sharpe Ratio	Beta	Alpha
<b>WisdomTree Dividend Index</b>	<b>-6.92%</b>	<b>5.89%</b>	<b>12.25%</b>	<b>6.39%</b>	<b>6.57%</b>	<b>8.58</b>	<b>1.074</b>	<b>0.888</b>	<b>1.72%</b>
<b>WisdomTree Earnings Index</b>	<b>-5.68%</b>	<b>6.68%</b>	<b>13.00%</b>	<b>N/A</b>	<b>7.11%</b>	<b>8.96</b>	<b>1.112</b>	<b>0.957</b>	<b>1.85%</b>
Russell 3000 Index	-6.06%	6.10%	12.07%	3.88%	5.57%	9.61	0.941	1.041	0.38%
Wilshire 5000 Index	-5.75%	6.37%	12.45%	3.95%	6.01%	9.62	0.979	1.041	0.72%
<b>WisdomTree LargeCap Dividend Index</b>	<b>-6.39%</b>	<b>6.08%</b>	<b>11.84%</b>	<b>5.76%</b>	<b>5.82%</b>	<b>8.54</b>	<b>1.032</b>	<b>0.875</b>	<b>1.45%</b>
<b>WisdomTree Earnings 500 Index</b>	<b>-4.31%</b>	<b>7.00%</b>	<b>12.64%</b>	<b>N/A</b>	<b>6.63%</b>	<b>8.65</b>	<b>1.110</b>	<b>0.924</b>	<b>1.77%</b>
Russell 1000 Index	-5.40%	6.19%	11.86%	3.83%	5.39%	9.28	0.951	1.010	0.42%
S&P 500 Index	-5.08%	5.85%	11.32%	3.50%	4.86%	9.18	0.904	1.000	0.00%
<b>WisdomTree MidCap Dividend Index</b>	<b>-15.96%</b>	<b>3.17%</b>	<b>13.10%</b>	<b>8.46%</b>	<b>8.81%</b>	<b>10.68</b>	<b>0.943</b>	<b>0.958</b>	<b>2.12%</b>
<b>WisdomTree MidCap Earnings Index</b>	<b>-12.92%</b>	<b>5.01%</b>	<b>15.72%</b>	<b>N/A</b>	<b>10.55%</b>	<b>12.00</b>	<b>1.057</b>	<b>1.156</b>	<b>2.96%</b>
Russell Midcap Value Index	-14.12%	6.56%	16.77%	8.16%	10.48%	10.80	1.272	1.076	4.46%
Russell Midcap Index	-8.92%	7.36%	16.31%	7.65%	9.85%	11.25	1.180	1.129	3.64%
S&P MidCap 400 Index	-6.97%	7.06%	15.10%	9.02%	8.66%	11.48	1.051	1.115	2.69%
<b>WisdomTree SmallCap Dividend Index</b>	<b>-17.02%</b>	<b>2.50%</b>	<b>12.97%</b>	<b>10.08%</b>	<b>10.72%</b>	<b>12.75</b>	<b>0.779</b>	<b>1.069</b>	<b>1.31%</b>
<b>WisdomTree SmallCap Earnings Index</b>	<b>-17.80%</b>	<b>3.37%</b>	<b>15.60%</b>	<b>N/A</b>	<b>11.14%</b>	<b>14.10</b>	<b>0.892</b>	<b>1.274</b>	<b>2.14%</b>
Russell 2000 Index	-13.00%	5.06%	14.90%	4.96%	7.81%	14.83	0.800	1.400	0.58%
Russell 2000 Value Index	-16.88%	4.33%	15.45%	7.46%	9.02%	13.89	0.893	1.295	1.81%
S&P SmallCap 600 Index	-10.60%	5.31%	15.62%	7.06%	8.87%	13.43	0.937	1.242	2.34%
<b>WisdomTree High-Yielding Equity Index</b>	<b>-13.99%</b>	<b>4.38%</b>	<b>12.19%</b>	<b>8.69%</b>	<b>7.16%</b>	<b>10.27</b>	<b>0.891</b>	<b>0.896</b>	<b>1.75%</b>
<b>WisdomTree Low P/E Index</b>	<b>-9.21%</b>	<b>6.78%</b>	<b>15.58%</b>	<b>N/A</b>	<b>9.46%</b>	<b>10.46</b>	<b>1.199</b>	<b>1.019</b>	<b>3.82%</b>
Russell 1000 Value Index	-9.99%	6.01%	13.68%	5.54%	7.30%	9.53	1.117	0.999	2.17%
Russell 3000 Value Index	-10.60%	5.87%	13.79%	5.63%	7.42%	9.75	1.103	1.023	2.10%
<b>WisdomTree Dividend Top 100 Index</b>	<b>-10.67%</b>	<b>7.52%</b>	<b>14.47%</b>	<b>8.55%</b>	<b>8.98%</b>	<b>9.37</b>	<b>1.221</b>	<b>0.861</b>	<b>4.05%</b>
<b>WisdomTree Earnings Top 100 Index</b>	<b>-7.53%</b>	<b>8.77%</b>	<b>16.84%</b>	<b>N/A</b>	<b>10.31%</b>	<b>10.60</b>	<b>1.302</b>	<b>1.007</b>	<b>5.08%</b>
Dow Jones Select Dividend Index	-15.27%	2.97%	12.14%	7.30%	7.23%	10.06	0.905	0.881	1.81%
Russell 1000 Value Index	-9.99%	6.01%	13.68%	5.54%	7.30%	9.53	1.117	0.999	2.17%
S&P 500 / Citigroup Value Index	-8.36%	7.11%	14.04%	4.53%	7.11%	9.69	1.136	1.028	2.28%

Note: Standard Deviation, Sharpe Ratio, Beta, and Alpha calculated using Zephyr StyleAdvisor.

Standard deviation is the degree to which an index's returns have fluctuated above or below its mean – a higher number indicates higher volatility. Sharpe Ratio is a measure calculated to determine reward per unit of risk, using standard deviation and excess return in an index - the S&P 500 Index. A higher Sharpe Ratio indicates a higher risk-adjusted return. Beta is a measure of volatility that compares how the indexes move relative to a benchmark - the S&P 500 Index. A lower beta indicates lower volatility relative to the benchmark. Alpha is a measure of risk-adjusted performance that compares how the indexes move relative to a benchmark - the S&P 500 Index. A higher number indicates higher risk-adjusted return relative to the benchmark. Index performance greater than one year has been annualized.

Performance of the WisdomTree Dividend Indexes prior to June 1, 2006 is based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent before June 1, 2006. Performance of the WisdomTree Earnings Indexes prior to February 1, 2007 is based on hypothetical back-tested data. Hypothetical back-tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. Sources: WisdomTree Investments, Bloomberg, Zephyr StyleAdvisor



# WisdomTree International Index Performance

For the period ended March 31, 2008

Index	Average Annual Total Returns				5-Yr Period: Apr. 1, 2003 - Mar. 31, 2008			
	1 year	3 years	5 years	10 years	Std Dev (%)	Sharpe Ratio	Beta	Alpha
	WisdomTree DEFA Index	-0.55%	15.62%	24.39%	10.57%	11.69	1.827	1.019
WisdomTree International LargeCap Dividend Index	1.12%	15.09%	22.92%	9.19%	11.80	1.685	1.012	0.69%
WisdomTree International MidCap Dividend Index	-4.69%	17.43%	28.55%	13.84%	12.23	2.087	1.045	4.82%
MSCI EAFE Index	-2.27%	13.79%	21.90%	6.56%	11.30	1.670	1.000	0.00%
WisdomTree DEFA High-Yielding Equity Index	-1.76%	14.92%	25.12%	12.99%	12.29	1.797	1.040	2.09%
WisdomTree International Dividend Top 100 Index	-0.49%	17.53%	26.52%	12.06%	12.02	1.954	1.005	3.84%
MSCI EAFE Value Index	-6.77%	12.79%	23.48%	8.33%	11.82	1.730	1.036	0.74%
WisdomTree International SmallCap Dividend Index	-7.95%	15.70%	28.79%	15.63%	12.62	2.041	1.020	5.54%
MSCI EAFE Small Cap Index	-10.89%	11.51%	25.93%	N/A	14.16	1.617	1.116	1.64%
WisdomTree Europe Dividend Index	-1.04%	15.54%	24.68%	9.81%	12.40	1.745	1.044	1.65%
MSCI Europe Index	0.66%	15.41%	23.50%	6.98%	12.57	1.628	1.059	0.43%
WisdomTree Europe SmallCap Dividend Index	-11.48%	17.03%	31.50%	15.19%	14.17	2.010	1.116	6.23%
MSCI Europe SmallCap Index	-9.31%	17.44%	31.62%	N/A	16.15	1.769	1.281	3.58%
WisdomTree Europe High-Yielding Equity Index	-3.66%	13.18%	24.85%	11.60%	12.62	1.729	1.045	1.81%
MSCI Europe Value Index	-4.48%	14.14%	25.04%	8.57%	13.59	1.620	1.138	0.43%
WisdomTree Japan Dividend Index	-14.44%	6.04%	15.31%	6.36%	13.46	0.912	0.706	-0.22%
MSCI Japan Index	-14.61%	6.54%	15.11%	3.58%	14.55	0.831	0.750	-1.02%
WisdomTree Japan SmallCap Dividend Index	-14.02%	2.03%	16.03%	8.52%	15.12	0.859	0.653	1.57%
MSCI Japan SmallCap Index	-19.03%	-1.30%	14.68%	N/A	18.55	0.628	0.796	-1.58%
WisdomTree Japan High-Yielding Equity Index	-14.84%	7.90%	17.54%	10.29%	13.34	1.087	0.683	2.13%
MSCI Japan Value Index	-15.73%	7.73%	18.44%	6.53%	14.28	1.079	0.697	2.79%
WisdomTree Pacific ex-Japan Dividend Index	12.34%	23.67%	29.47%	16.27%	14.45	1.829	1.042	5.94%
MSCI Pacific ex-Japan Index	6.78%	20.40%	27.11%	11.75%	14.58	1.651	1.086	3.21%
WisdomTree Pacific ex-Japan High-Yielding Equity Index	-0.04%	16.80%	24.34%	17.58%	13.17	1.618	0.914	3.81%
MSCI Pacific ex-Japan Value Index	-0.39%	16.12%	23.80%	12.09%	13.46	1.543	0.996	1.93%

Standard deviation is the degree to which an index's returns have fluctuated above or below its mean – a higher number indicates higher volatility. Sharpe Ratio is a measure calculated to determine reward per unit of risk, using standard deviation and excess return in an index - the MSCI EAFE Index. A higher Sharpe Ratio indicates a higher risk-adjusted return. Beta is a measure of volatility that compares how the indexes move relative to a benchmark - the MSCI EAFE Index. A lower beta indicates lower volatility relative to the benchmark. Alpha is a measure of risk-adjusted performance that compares how the indexes move relative to a benchmark - the MSCI EAFE Index. A higher number indicates higher risk-adjusted return relative to the benchmark. Index performance greater than one year has been annualized

Performance of the WisdomTree Indexes prior to June 1, 2006 based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent before June 1, 2006. Hypothetical back-tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. **Sources: WisdomTree Investments, Bloomberg, MSCI.**



# WisdomTree Emerging Markets and International Real Estate Index Performance

For the period ended March 31, 2008

Index	Average Annual Total Returns					5-Yr Period: Apr. 1, 2003 - Mar. 31, 2008			
	YTD	1 year	3 years	5 years	10 years	Std Dev (%)	Sharpe Ratio	Beta	Alpha
	<b>WisdomTree International Real Estate Index</b>	<b>-12.76%</b>	<b>-9.79%</b>	<b>19.70%</b>	<b>28.95%</b>	<b>15.44%</b>	<b>13.86</b>	<b>1.870</b>	<b>0.946</b>
Dow Jones Wilshire exUS Real Estate Securities Index	-6.88%	-18.30%	15.82%	26.29%	11.76%	12.77	1.821	0.869	6.27%
MSCI EAFE	-8.82%	-2.27%	13.79%	21.90%	6.56%	11.30	1.670	1.000	0.00%
<b>WisdomTree Emerging Markets High-Yielding Equity Index</b>	<b>-3.13%</b>	<b>28.33%</b>	<b>30.33%</b>	<b>39.38%</b>	<b>18.53%</b>	<b>16.86</b>	<b>2.155</b>	<b>1.245</b>	<b>10.64%</b>
<b>WisdomTree Emerging Markets SmallCap Dividend Index</b>	<b>-6.74%</b>	<b>17.12%</b>	<b>26.24%</b>	<b>36.77%</b>	<b>21.03%</b>	<b>17.49</b>	<b>1.929</b>	<b>1.285</b>	<b>7.90%</b>
WisdomTree Emerging Markets Dividend Index	-6.12%	25.19%	30.11%	37.98%	16.38%	16.96	2.060	1.278	8.91%
MSCI Emerging Markets Index	-10.92%	21.65%	29.64%	35.95%	12.53%	18.52	1.777	1.366	5.92%
MSCI Emerging Markets Value Index	-9.32%	25.60%	31.01%	38.72%	13.69%	18.36	1.944	1.368	8.05%
MSCI EAFE	-8.82%	-2.27%	13.79%	21.90%	6.56%	11.30	1.670	1.000	0.00%
<b>WisdomTree India Earnings Index</b>	<b>-26.45%</b>	<b>41.66%</b>	<b>40.17%</b>	<b>49.41%</b>	<b>22.98%</b>	<b>28.31</b>	<b>1.638</b>	<b>1.047</b>	<b>2.62%</b>
MSCI India Index	-26.99%	30.63%	39.07%	44.03%	18.13%	26.35	1.556	1.000	0.00%
<b>WisdomTree Global High-Yielding Equity Index</b>	<b>-8.67%</b>	<b>-1.88%</b>	<b>13.60%</b>	<b>21.72%</b>	<b>10.94%</b>	<b>11.09</b>	<b>1.685</b>	<b>1.039</b>	<b>2.97%</b>
MSCI AC World Index	-9.18%	-0.68%	11.63%	17.73%	5.52%	10.24	1.435	1.000	0.00%

Standard deviation is the degree to which an index's returns have fluctuated above or below its mean – a higher number indicates higher volatility.

Sharpe Ratio is a measure calculated to determine reward per unit of risk, using standard deviation and excess return in an index - the MSCI EAFE Index. A higher Sharpe Ratio indicates a higher risk-adjusted return. Beta is a measure of volatility that compares how the indexes move relative to a benchmark - the MSCI EAFE Index. A lower beta indicates lower volatility relative to the benchmark. Alpha is a measure of risk-adjusted performance that compares how the indexes move relative to a benchmark - the MSCI EAFE Index. A higher number indicates higher risk-adjusted return relative to the benchmark.

Performance information prior to June 1, 2007, for the WisdomTree International Real Estate or Emerging Markets High-Yielding Equity/Emerging Markets Index was not calculated in real time by an independent calculation agent. Starting June 1, 2007, the WisdomTree International Real Estate or Emerging Markets High-Yielding Equity/Emerging Markets Index is calculated in real time by an independent calculation agent. Performance information prior to August 1, 2007 presented herein for the WisdomTree Emerging Markets Small-Cap Dividend Index is based on hypothetical back tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent. Starting August 1, 2007, the WisdomTree Emerging Markets Small-Cap Dividend Index has been calculated in real time by an independent calculation agent. Performance information prior to December 3, 2007 for the WisdomTree India Earnings/WisdomTree Global High-Yielding Equity Index is based on hypothetical back-tested data for the specified time period(s) shown and was not calculated in real time by an independent calculation agent. Starting December 3, 2007, the WisdomTree India Earnings/WisdomTree Global High-Yielding Equity Index is calculated in real time by an independent calculation agent. A back test is an indication of how an index would have performed in the past if it existed. Hypothetical back tested performance has inherent limitations. Past performance does not guarantee future results. You cannot invest directly in an index. Index returns include reinvestment of dividends and do not reflect management fees, transaction costs or other expenses. **Sources: WisdomTree Investments, Bloomberg, MSCI.**





## WisdomTree – Common Sense Equity ETFs

### *All major market capitalizations*

- Domestic and international large-, mid- and small-cap

### *Important global regions*

- The U.S., Europe and Asia

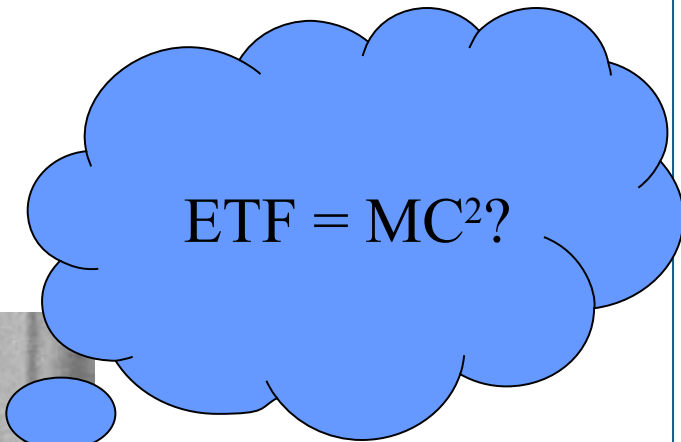
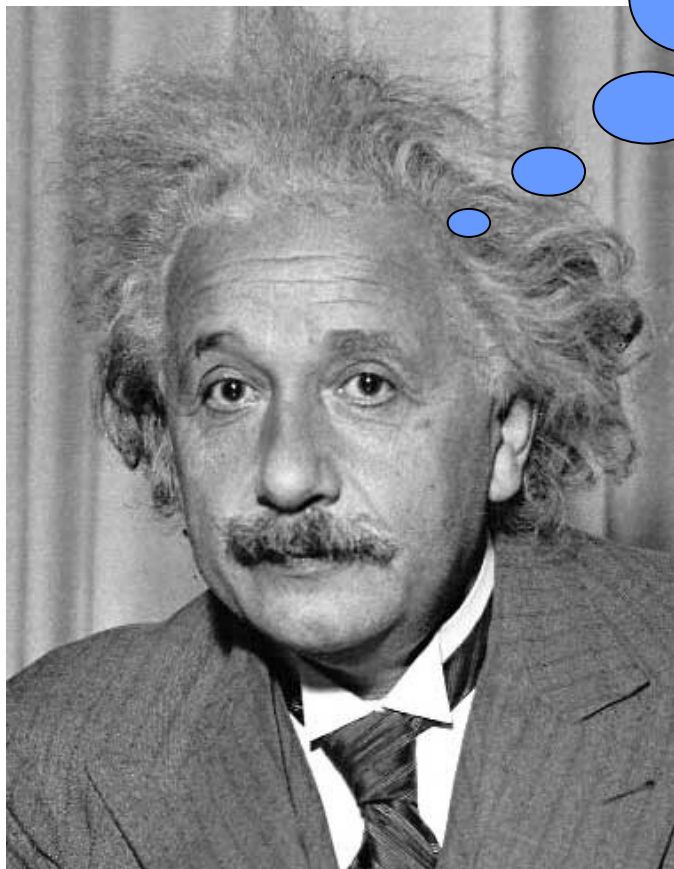
### *The most comprehensive international ETF offering*

- Developed world, emerging markets and non-U.S. sectors

### *Diverse international market sectors*

- Financials, utilities, industrials, energy and real estate
-

# Questions?



ETF = MC<sup>2</sup>?



## Important Information

This information is provided to further analyze the long term performance of the WisdomTree Indexes, specific components and characteristics of the Indexes, and/or inherent risk factors. The information provided herein represents an isolated analysis of one or more index characteristics for a specific time period.

March 1, 2002 was selected as the starting point of the back test for the WisdomTree Domestic Earnings Indexes because this is the earliest date for which four prior quarters of core earnings data was available for the securities included in the Earnings Indexes covered by the back test. The WisdomTree Earnings Indexes utilize Standard & Poor's "core earnings" data in connection with the selection and weighting of index constituents. Standard & Poor's shall have no liability for any errors or omissions in calculating the indexes.

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Hypothetical back test is a calculation of how an index might have performed in the past had it existed. Hypothetical back-tested performance has inherent limitations.

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