

WisdomTree Launches Emerging Markets ex-State-Owned Enterprises Fund (XSOE)

Industry's First ETF for Pure Private Sector Emerging Markets Exposure

New York, NY – (GlobeNewswire) – December 10, 2014 – WisdomTree (NASDAQ: WETF), an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager, today announced the launch of the WisdomTree Emerging Markets ex-State-Owned Enterprises Fund (XSOE) on the NYSE Arca. XSOE seeks to provide exposure to broad-based emerging markets stocks that exclude state-owned companies. The Fund has a net expense ratio of 0.58%.

Differentiated Exposure to Opportunistic Asset Class

State-owned enterprises (“SOEs”), companies wholly or partially owned or operated by a government, are prevalent among emerging markets (“EM”) countries such as Brazil, China and Russia. WisdomTree is offering the industry’s first ETF for pure private sector EM exposure, eliminating SOEs.

Jeremy Schwartz, WisdomTree Director of Research, said, “Some investors believe that government ownership can negatively impact the operational aspects of a company because government-owned companies may be influenced by a broader set of interests, beyond generating profits for shareholders. XSOE was designed to broadly represent the investment opportunity set in the emerging markets *outside* of state-owned enterprises. ¹”

Historical Underperformance of State-Owned Enterprises

Over the past five years, MSCI Emerging Markets Index returns have lagged the U.S. markets cumulatively by more than 80%.² Schwartz said, “One of the major reasons for this underperformance has been the lackluster performance of the state-owned enterprises, which have dragged down broad emerging markets index returns. Traditional EM benchmarks have a quarter of their total exposure to SOEs. XSOE provides investors with an alternative beta EM exposure – ex-SOEs – that stands in stark contrast to established beta EM exposure. ³”

Further, according to a recent article in *The Economist*, “Across the world, big, listed state-owned enterprises (SOEs) that were floated, or raised mountains of equity, between 2000 and 2010 have had a dismal time. Their share of global market capitalisation has shrunk from a peak of 22% in 2007 to 13% today. ⁴”

The WisdomTree Emerging Markets ex-State-Owned Enterprises Fund (XSOE): A New Form of EM Beta

By starting with a similar country universe as traditional market cap weighted benchmarks and limiting sector and company concentration, The WisdomTree Emerging Markets Ex-State-Owned Enterprises Index (EMXSOE) offers diversified exposure to EM beta while removing a potential risk from the asset class. The Index includes more than 500 securities with an aggregate market capitalization in excess of \$5 trillion – a distinct, but broad-based alternative to MSCI EM exposures.

Read more about XSOE on the WisdomTree Blog: <http://bit.ly/1vwaBDG>

¹ WisdomTree defines state-owned enterprises as those having government ownership of more than 20 % of outstanding shares.

² Sources: WisdomTree, Bloomberg; U.S. markets refer to the S&P 500 Index, from 9/30/09-9/30/14.

³ Sources: WisdomTree, S&P.

⁴ Source: The Economist, “State Capitalism in the Dock.” November 22, 2014.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. To obtain a prospectus containing this and other important information, call 866.909.WISE (9473) or visit wisdomtree.com. Read the prospectus carefully before you invest.

This Fund is new and has limited operating history. Diversification does not eliminate the risk of experiencing investment losses. You cannot invest directly in an index.

There are risks associated with investing, including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Investments in emerging or offshore markets are generally less liquid and less efficient than investments in developed markets and are subject to additional risks, such as risks of adverse governmental regulation and intervention or political developments. Funds focusing their investments on certain sectors and/or regions increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility.

Investments in currency involve additional special risks, such as credit risk and interest rate fluctuations. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit and the Fund does not attempt to outperform its Index or take defensive positions in declining markets. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

Beta: Measure of the volatility of an index or investment relative to a benchmark. A reading of 1.00 indicates that the investment has moved in lockstep with the benchmark; a reading of -1.00 indicates that the investment has moved in the exact opposite direction of the benchmark.

MSCI Emerging Markets Index: a broad market cap-weighted Index showing performance of equities across 23 emerging market countries defined as "emerging markets" by MSCI.

WisdomTree Emerging Markets ex-State-Owned Enterprises Index (EMXSOE): Measures the performance of emerging market stocks that are not state-owned enterprises. State-owned enterprises are defined as government ownership of more than 20% of outstanding shares of companies. The Index employs a modified float-adjusted market capitalization-weighting process to target the weights of countries in the universe prior to the removal of state owned enterprises while also limiting sector deviations to 3% of the starting universe.

WisdomTree Funds are distributed by ALPS Distributors, Inc.
Jeremy Schwartz is a registered representative of ALPS Distributors, Inc.
WIS007052 (12/2015)

About WisdomTree

WisdomTree Investments, Inc., through its subsidiaries in the U.S. and Europe (collectively, "WisdomTree"), is an exchange-traded fund ("ETF") and exchange-traded product ("ETP") sponsor and asset manager headquartered in New York. WisdomTree offers products covering equities, fixed income, currencies, commodities and alternative strategies. WisdomTree currently has approximately \$40.9 billion in assets under management globally. For more information, please visit www.wisdomtree.com or follow us on Twitter [@WisdomTreeETFs](https://twitter.com/WisdomTreeETFs).

WisdomTree® is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide.

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