

WisdomTree U.S. SmallCap Earnings Fund

EES

By design, exchange-traded funds (ETFs) that track the Russell 2000 Index can invest in companies that don't generate profits.¹ At WisdomTree we do things differently. For EES, we start by including only profitable companies, and we rebalance annually to remove those that became unprofitable. The result? U.S. small-cap exposure with historically higher long-term returns. Not only has EES outperformed the Russell 2000 Index since the Fund's inception, it also outperformed its peer group during the same time.

MORNINGSTAR PEER GROUP RANKINGS [Analysis Period: 3/1/2007–9/30/2017]

Morningstar Fund Category: U.S. ETF & OE Small Blend	3-Year			5-Year			10-Year			3/1/2007-9/30/2017		
	Total Return	Rank in Peer Group	% of Peer Group Beaten	Total Return	Rank in Peer Group	% of Peer Group Beaten	Total Return	Rank in Peer Group	% of Peer Group Beaten	Total Return	Rank in Peer Group	% of Peer Group Beaten
WisdomTree U.S. SmallCap Earnings Fund	12.55%	122	81%	14.74%	79	86%	9.96%	14	97%	8.97%	32	92%
Russell 2000 Index	12.18%	155	76%	13.79%	203	64%	7.85%	126	68%	7.63%	120	67%

The U.S. ETF & OE Small Blend category includes all the open-ended mutual funds and ETFs that Morningstar categorizes as "Small Blend" funds. # of Peers in Fund Category: 3-yr: 655, 5-yr: 556, 10-Year: 395; Since Inception: 366.

Fund Total Return Data as of 9/30/2017; returns do not include front-end loads. Morningstar, Inc., 2017. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance, rankings and ratings are no guarantee of future results. The % of Peer Group Beaten is the funds' total-return percentile rank compared to all funds within the same Morningstar Category and is subject to change each month.

AVERAGE ANNUAL RETURNS [As of 9/30/2017]

Fund/Index Name	Fund Information			Total Return NAV (%)					Market Price (%)				
	Ticker	Expense Ratio	Fund Inception Date	1-Year	3-Year	5-Year	10-Year	Since Fund Inception	1-Year	3-Year	5-Year	10-Year	Since Fund Inception
WisdomTree U.S. SmallCap Earnings Fund	EES	0.38%	2/23/2007	24.40%	12.55%	14.74%	9.96%	8.55%	24.42%	12.56%	14.72%	9.97%	8.53%
WisdomTree U.S. SmallCap Earnings Index				24.70%	12.73%	14.90%	10.06%	8.66%	24.70%	12.73%	14.90%	10.06%	8.66%
Russell 2000 Index				20.74%	12.18%	13.79%	7.85%	7.20%	20.74%	12.18%	13.79%	7.85%	7.20%

Performance is historical and does not guarantee future results. Current performance may be lower or higher than quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the most recent month-end is available at wisdomtree.com. You cannot invest directly in an Index. Index performance does not represent actual Fund or portfolio performance. A Fund or portfolio may differ significantly from the securities included in the Index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or Fund, or brokerage commissions on transactions in Fund shares. Such fees, expenses and commissions could reduce returns. WisdomTree shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total returns are calculated using the daily 4:00 p.m. EST net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where the Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times. Sources: Morningstar, WisdomTree.

¹ The Russell 2000 Index does not screen companies for profitability. To be eligible in the WisdomTree U.S. SmallCap Earnings Index, companies must have positive, cumulative core earnings over the four quarters prior to the annual index screening date. EES is designed to track the WisdomTree U.S. SmallCap Earnings Index; its comparable cap-weighted benchmark is the Russell 2000 Index.

So, what's behind this performance? WisdomTree designed EES with thoughtful innovation and smart engineering to redefine how you invest in small-cap equities—because we believe that in the quest for pure growth, investors often pay too much.

EES helps solve this challenge in three ways:

- + **Inclusion of only profitable companies at annual screening date**
- + **Weighting stocks by earnings rather than market capitalization**
- + **Focusing on earnings and earnings growth² rather than price alone**

A FOCUS ON EARNINGS

We believe fundamentals such as dividends or earnings offer more objective measures of a company's health, value and profitability than stock price alone. While the majority of ETFs are market cap-weighted—meaning they tend to give more weight to companies that sell at higher prices than those that offer stronger fundamentals—we developed a proprietary index methodology designed to help magnify the effect earnings have on total returns. We believe funds that track the returns of market capitalization-weighted indexes can lead investors to pay too much—especially in the small-cap space.

Consider that the prices of small companies are typically less efficient than those of large companies (meaning that their stock price may not accurately reflect their fair value). Since they're generally not as widely followed or as well known, market sentiment and other factors beyond actual business operations may impact their prices much more significantly than they do their large-cap counterparts. At WisdomTree we seek to help solve this challenge by focusing on a measure of fundamental value—in the case of EES, earnings—that we believe may provide a truer sense of what these companies are worth than stock price alone.

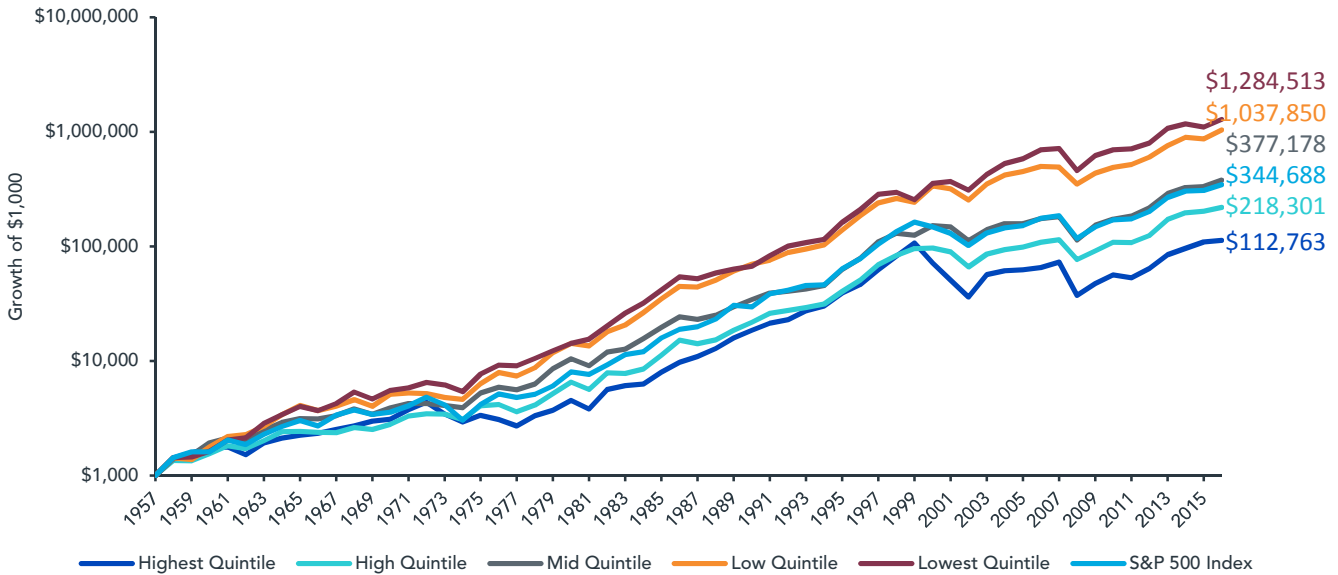
Research utilizing various universes of equity securities has been undertaken in an attempt to determine the historical relationship between P/E ratio levels and equity returns. One of the studies was conducted by Professor Jeremy Siegel on the S&P 500 Index. Not only did the stocks in the lowest P/E ratio quintile provide higher average annual returns and lower average annual standard deviation³ than the S&P 500 Index over the period, they also outperformed the stocks with the highest P/E ratios. While the exact numbers would, of course, change for other universes of equities, we believe the overall conclusion—that there has been a historical difference in performance between higher-and lower-P/E stocks—extends beyond the S&P 500 Index and is applicable to the small-cap segment as well.

² Earnings Growth: The annual rate of growth of earnings from investments.

³ Standard deviation: Measure of how widely an investment or investment strategy's returns move relative to its average returns for an observed period. A higher value implies more 'risk' in that there is more of a chance the actual return observed is farther away from the average return.

HISTORICALLY, LOWER P/E STOCKS HAVE OUTPERFORMED HIGHER P/E STOCKS

[Cumulative Growth of \$1,000 Based on Relative P/E Quintiles from 12/31/1957 to 12/31/2016]



Risk and Return, 12/31/1957 - 12/31/2016		
P/E Quintile ⁴	Average Annual Returns	Average Annual Std. Dev.
Lowest	12.90%	16.45%
Low	12.49%	15.93%
Mid	10.58%	15.43%
High	9.56%	15.42%
Highest	8.34%	19.40%
S&P 500	10.41%	16.83%

Sources: Jeremy Siegel, Future for Investors (2005), with updates to 2016.

Past performance is not indicative of future results.

You cannot invest directly in an index. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or fund, or brokerage commissions on transactions in fund shares. Such fees, expenses and commissions could reduce returns.

SCREENING FOR PROFITABILITY

We also believe it is not enough simply to look at earnings, so we focus on including only those companies that are actually profitable. To achieve this, EES includes only companies that have had four quarters of cumulative positive core earnings as of the annual screening date of the Index it's designed to track. The Russell 2000 Index does not screen for profitability and therefore can invest in companies with negative earnings over the same period.

⁴ Price-to-earnings (P/E) ratio quintiles are determined using the S&P 500 Index as the universe from which stocks are selected. On an annual basis, stocks are screened and P/E ratios are recorded; based on these readings, quintiles are determined—each quintile contains 20% of the available universe. The lowest quintile contains the 20% of stocks with the lowest P/E ratios; the highest quintile contains the 20% of stocks with the highest P/E ratios; the intervening quintiles are calculated analogously.

WEIGHTING BY EARNINGS CAN LOWER P/E RATIOS

EES seeks to provide broad small-cap coverage, but with a lower P/E ratio than comparable market capitalization-weighted benchmarks, like either the S&P SmallCap 600 Index, or the MSCI USA Small Cap Index. There are two main avenues through which this is accomplished. The first is to include only profitable companies, as firms with negative earnings can lower the overall earnings per share of an index and, in the case of a constant index price level, actually serve to raise the P/E ratio of the Index. The second is to weight constituents by earnings, as that is how the weighting methodology of the WisdomTree Index that EES is designed to track works. Weighting by earnings may help magnify the effect earnings have on performance while reducing overall Index P/E ratios.

As of November 30, 2016, the WisdomTree U.S. SmallCap Earnings Index had a notably lower P/E ratio than either the S&P SmallCap 600 Index or the MSCI USA SmallCap Index.

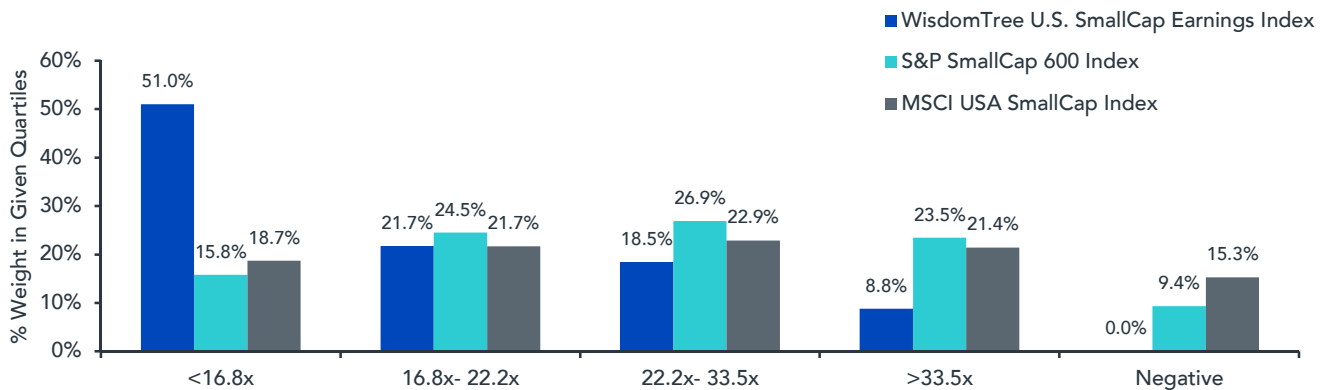
INDEX P/E RATIOS [As of 11/30/2016]

Index	P/E Ratio
WisdomTree U.S. SmallCap Earnings Index	12.2x
MSCI USA SmallCap Index	35.0x
S&P SmallCap 600 Index	30.3x

Source: WisdomTree, FactSet.

WISDOMTREE METHODOLOGY TILTS WEIGHT TO LOWER P/E RATIOS

SMALLCAP INDEX P/E QUARTILE DISTRIBUTION [As of 11/30/2016 screening; Base Index=MSCI USA SmallCap Index]



Source: Bloomberg.
Past performance is not indicative of future results.

At WisdomTree, we do things differently. We build our ETFs with proprietary methodologies, smart structures or uncommon access to provide investors with the potential for income, performance, diversification and more.

For more information about EES, contact your WisdomTree representative or visit WisdomTree.com

Unless otherwise stated, data source is WisdomTree.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund 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.

There are risks associated with investing, including possible loss of principal. Funds focusing their investments on certain sectors and/or smaller companies increase their vulnerability to any single economic or regulatory development. This may result in greater share price volatility. Please read the Fund's prospectus for specific details regarding the Fund's risk profile.

MSCI USA Small Cap Index: Designed to measure the performance of the small-cap segment of the U.S. market. The Russell 2000 Index: Measures the performance of 2,000 of the smallest companies in the Russell 3000, which is made up of 3,000 of the biggest U.S. stocks ranked by market capitalization. S&P SmallCap 600 Index: A market capitalization-weighted measure of the performance of small cap equities within the United States, with constituents required to demonstrate profitability prior to gaining initial inclusion. The S&P 500 Index: A capitalization-weighted index of 500 stocks selected by the Standard & Poor's Index Committee, designed to represent the performance of the leading industries in the United States economy. WisdomTree U.S. SmallCap Earnings Index: A fundamentally weighted index that measures the performance of the earnings-generating small-cap segment of the U.S. equity market.

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