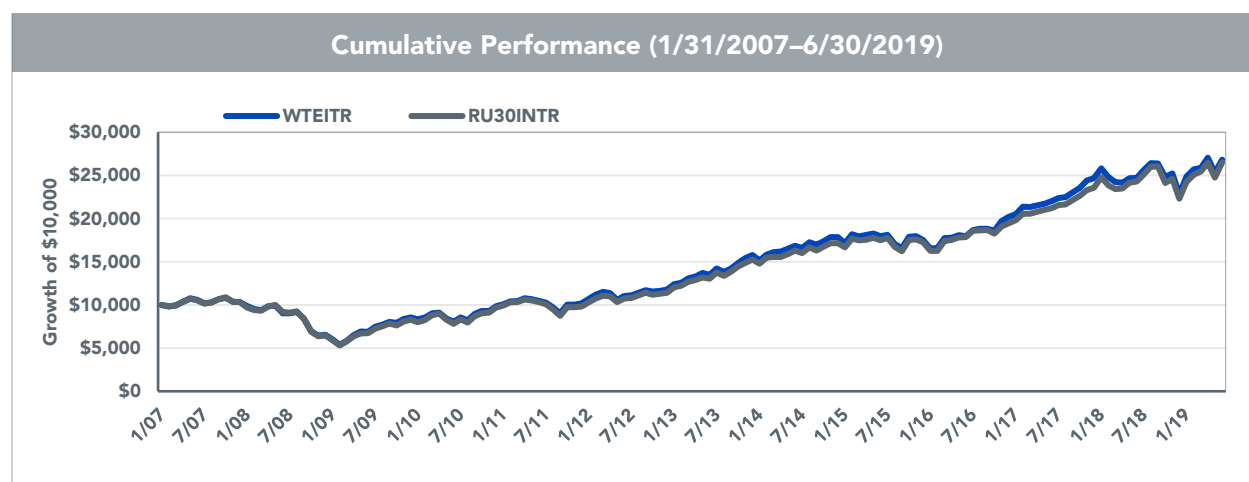


WisdomTree U.S. Total Market Fund

EXT

In the past few decades, index-based investment strategies have gained traction for obtaining exposure to broad asset classes. Numerous benefits of the passively managed exchange-traded fund (ETF) wrapper—including easy access to diversification, generally low fees in comparison to active strategies, tax efficiency and daily transparency of holdings—have helped these types of strategies gain in popularity. While the first set of indexes were traditional market cap-weighted offerings¹, a growing body of evidence suggests that a rules-based approach to indexing can add significant value to the core of investor portfolios.

Take earnings as an example. At WisdomTree, we believe that a focus on core earnings may provide investors with an opportunity to maintain much of the broad exposure associated with an equity market while managing valuations. By focusing on a company's earnings, WisdomTree has created broad exposure while remaining grounded to a common fundamental metric. A core objective of constructing these indexes was to have both a beta and correlation close to 1 compared to a broad market-cap weighted benchmark, but with incremental improvement over the long-run by avoiding some of the more expensive and unprofitable parts of the market. The chart and table below illustrate the real-time results of this approach on the WisdomTree U.S. Total Market Index.



This chart illustrates how a hypothetical investment of \$10,000 might have grown. The calculations assume reinvestment of dividends and do not reflect transaction and other costs. Past performance is not indicative of future results.

Index	Avg. Ann. Return	Avg. Ann. Std. Dev.	Sharpe Ratio	vs. Russell 3000 Index	
				Beta	Correlation
WisdomTree U.S. Total Market Index (WTEITR)	8.27%	15.20%	0.48	0.98	0.99
Russell 3000 Index (RU30INTR)	8.16%	15.36%	0.47	1.00	1.00

Sources: WisdomTree, FactSet, 1/31/2007–6/30/2019. Start date reflects WisdomTree Index inception. 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.

¹ Market capitalization weighting: Market cap = share price x number of shares outstanding. Firms with the highest values receive the highest weights.

The Difference Earnings Weighting Makes (Hypothetical Illustration)

Hypothetical Universe				Market Cap Weighted			Earnings Weighted		
Company	Market Cap (\$mm)	Earnings Stream (\$mm)	P/E	Market Cap Weight	Investment	P/E Ratio	Earnings Weight	Investment	P/E Ratio
A	\$200	\$40.00	5.00x	17.39%	\$17,391		40%	\$40,000	
B	\$250	\$25.00	10.00x	21.74%	\$21,739		25%	\$25,000	
C	\$700	\$35.00	20.00x	60.87%	\$60,870		35%	\$35,000	
Totals	\$1,150	\$100.00	-	-	\$100,000		-	\$100,000	
Portfolio P/E Ratio						11.50x	Portfolio P/E Ratio		8.16x

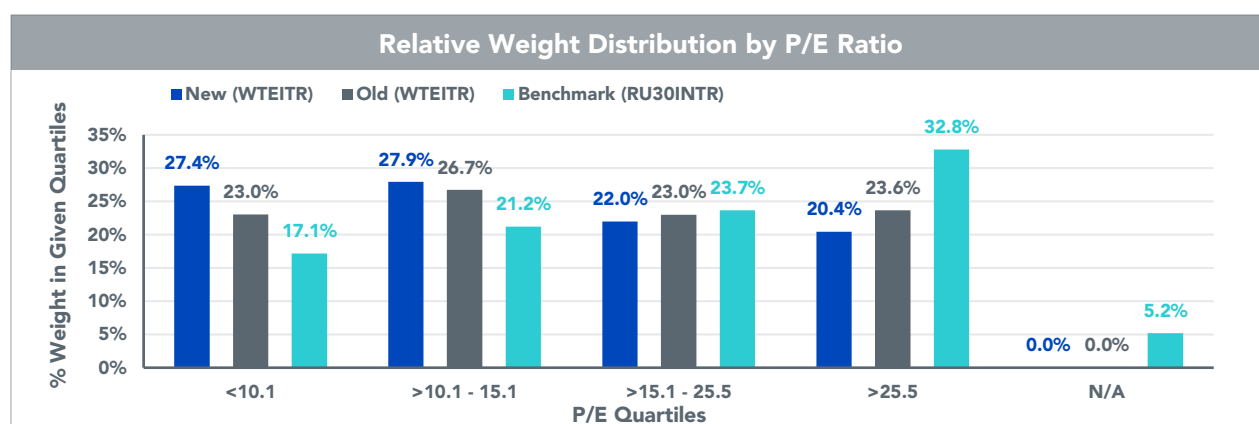
Source: WisdomTree. For illustrative purposes only. Does not reflect an actual investment.

A Methodology That Tilts Total Returns toward Earnings

In the late 1990s, U.S. investors saw growth stocks, with triple-digit P/E ratios², hijack the S&P 500, commanding the largest weights in the Index as their market capitalizations soared. And when this happens, market cap-weighted indexes can subject investors not only to higher risks resulting from having fewer securities with larger weights, but also to large losses when valuations fall. WisdomTree’s earnings-focused methodologies tilt the portfolio toward lower-valuation companies. The potential for risk-adjusted outperformance demonstrated by Wharton Professor Jeremy Siegel’s research is the foundation upon which the WisdomTree U.S. Total Market Index was built. At its core, the methodology focuses on:

Stock Selection—Our earnings strategies start with a universe of all companies in a region with positive trailing 12-month core earnings that meet WisdomTree’s market capitalization and liquidity³ requirements. From there, we make any appropriate size cuts depending on the focus of the strategy (Broad, Large, Mid, Small).

Cyclical Growth—By earnings-weighting our strategy, the portfolio takes on some unique sector tilts compared to a market cap-weighted approach. The portfolio has tended to be over-weight more cyclical consumer driven sectors and has had its best performance when broad market growth is robust and valuations multiples are expanding.



Sources: WisdomTree, FactSet, as of 12/24/2018, corresponding with the WisdomTree index annual reconstitution. N/A category includes non-dividend-paying companies and companies for which dividend data was unavailable. Quartiles are defined excluding the N/A category. Benchmark (RU30INTR) refers to the Russell 3000 Index weights as of 12/24/2018. New (WTEITR) and Old (WTEITR) refer to the WisdomTree U.S. Total Market Index. Note that the "Old" and "New" designations refer to WisdomTree U.S. Total Market Index's constituents on 12/21/2018 and 12/24/2018 respectively. Weights subject to change. You cannot invest directly in an index.

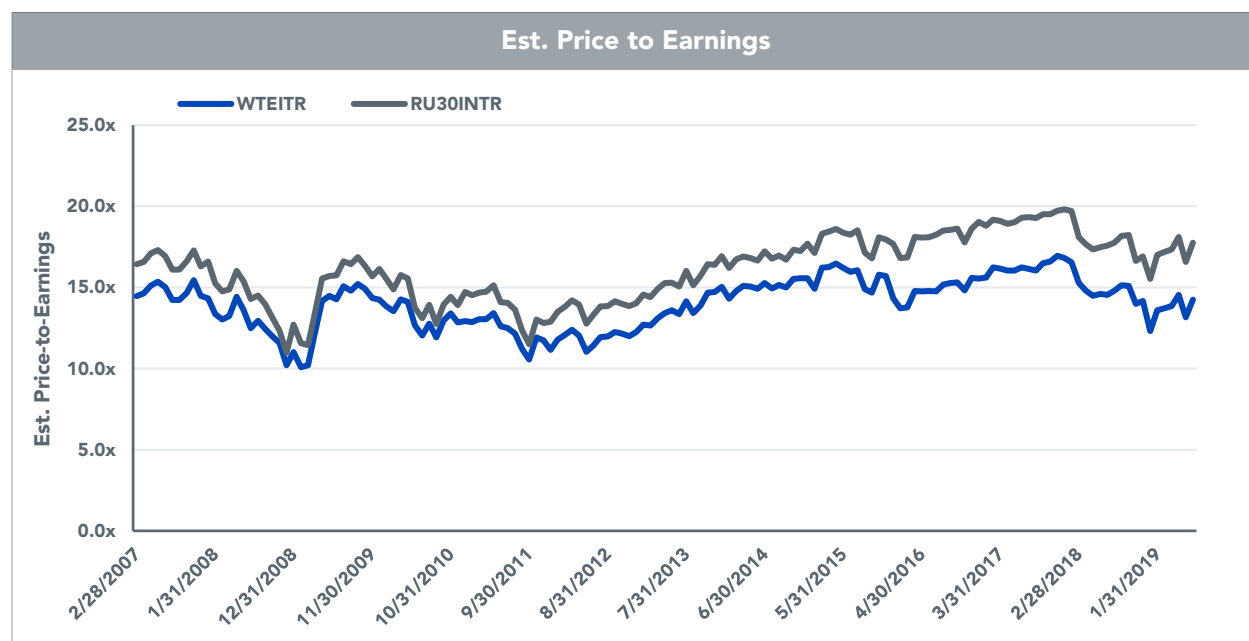
² Price-to-earnings (P/E) ratio: Share price divided by earnings per share. Lower numbers indicate an ability to access greater amounts of earnings per dollar invested.

³ Liquidity: The degree to which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets.

The Impact of Earnings Weighting on the Portfolio

We see a profile of the weight of the WisdomTree U.S. Total Market Index broken down by the quartile segment of the Russell 3000 Index based on P/E quartiles. It is important to note that beyond the quartiles, the Russell 3000 Index had a greater portion of its weight in companies with negative earnings, while the WisdomTree U.S. Total Market Index tilts away from these companies at its annual rebalance back to positive core earnings.

The impact that earnings weighting has had on valuations over time is evident from the estimated price-to-earnings discount of the WisdomTree U.S. Total Market Index compared to the Russell 3000 Index since index inception.



Sources: WisdomTree, FactSet, 1/31/2007—6/30/2019. Start date reflects WisdomTree Index inception. You cannot invest directly in an index. WTEITR refers to the WisdomTree U.S. Total Market Index and RU30INTR refers to the Russell 3000 Index. Past performance is not indicative of future results.

The WisdomTree U.S. Total Market Fund seeks to track the price and yield performance of the WisdomTree U.S. Total Market Index, before fees and expenses.

Quick Facts

Ticker	EXT
Exchange	NYSE Arca
Expense Ratio (Gross)	28bps ⁴
Expense Ratio (Net)	28bps
Structure	Open-end ETF
Exposure	Stocks with positive core earnings
Rebalancing	The portfolio is rebalanced on an annual basis.

⁴ Basis points (bps): 1/100th of 1 percent.

Definitions and Disclosures

Risk adjusted: Returns measured in relation to their own variability. High returns with a high level of risk indicate a lower probability that actual returns were close to average returns. High returns with a low level of risk would be more desirable, as they indicate a higher probability that actual returns were close to average returns. Passively managed: Strategies that take a rules-based approach with regular rebalancing schedules that are not changed due to market conditions. Actively managed: Refers to active funds run by portfolio managers who attempt to outperform the market by selecting those securities they believe to be the best. Average annual returns: Mean of annual returns for the historical period. Standard deviation: A measure of how widely an investment or investment strategy's returns move compared 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. Sharpe ratio: Measure of risk-adjusted return. Higher values indicate greater return per unit of risk, specifically standard deviation, which is viewed as being desirable. 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. Correlation: Statistical measure of how two sets of returns move in relation to each other. Correlation coefficients range from -1 to 1. A correlation of 1 means the two subjects of analysis move in lockstep with each other. A correlation of -1 means the two subjects of analysis have moved in exactly opposite directions. Earnings Stream: Earnings per share x the number of shares outstanding. For an index, these totals are added for all constituents.

WisdomTree U.S. Total Market Index: The WisdomTree U.S. Total Market Index is a fundamentally weighted index that measures the performance of earnings-generating companies within the broad U.S. Stock Market. Russell 3000 Index: The Russell 3000 Index measures the performance of 3,000 largest U.S. companies by market capitalization.

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, please call 866.909.9473, or visit WisdomTree.com to view or download a prospectus. Investors should read the prospectus carefully before investing.

There are risks associated with investing, including possible loss of principal. Funds focusing their investments on certain sectors 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.

Earnings are not guaranteed, and a company currently indicating earnings may cease doing so at any time. Diversification does not ensure a profit or protect against loss.

Unless otherwise stated, the data source is WisdomTree.

You cannot invest directly in an index. Additional index information is available at www.wisdomtree.com

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