ARE EMERGING MARKETS POISED FOR THE LONG RUN?

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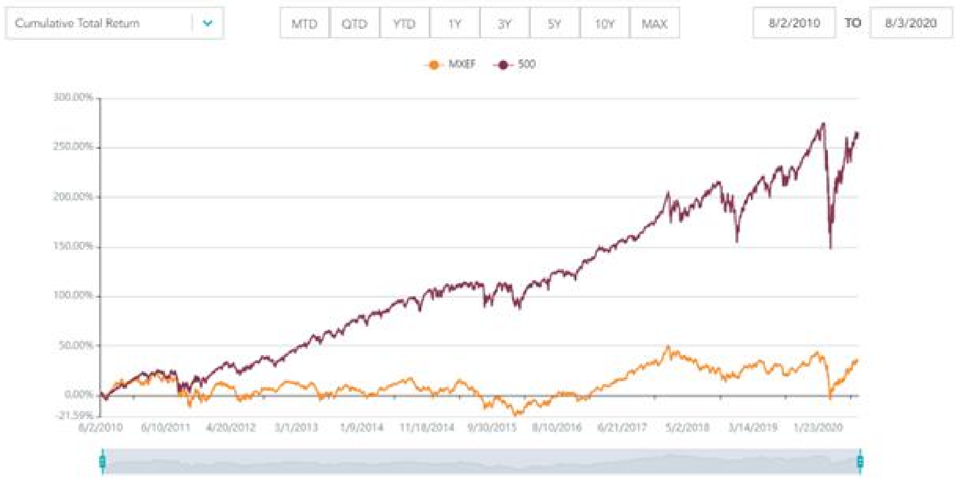
It's been a remarkable decade for the S&P 500 Index. Less so for global benchmarks.

Exhibit A: The MSCI Emerging Markets Index lagged the S&P 500 by over 200 percentage points *cumulatively* over the trailing 10-years—an average of more than 10% per year!

Cumulative Total Return



PERFORMANCE

as of 8/3/2020		Cumulative Returns			Average Annual Total Returns					
Ticker	Fund	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Common Period 12/31/2001 - 8/3/2020
MXEF	MSCI EM Index	4.67%	16.84%	-3.54%	8.29%	2.90%	6.42%	2.84%	-	8.54%
500	S&P 500 Index	5.36%	16.95%	3.12%	14.52%	12.22%	11.70%	13.72%	-	7.98%

Source: WisdomTree Fund Comparison Tool. Inception date for the MSCI Emerging Markets Index (MXEF) was 1/1/01. Common period shown based on data availability. Past performance is not indicative of future returns. You cannot invest directly in an index.

But the opposite was true in the 10 years before this period, when the emerging markets index beat the S&P 500 by a similar magnitude. Since 2001, the return of the MSCI Emerging Markets is still ahead of the S&P 500.

That is the story of diversification.

And while global allocators like WisdomTree would have given a similar story during recent years, our expectation is that this trend of U.S dominance will not continue *forever.*

What is One of the Best Ways to Own Emerging Markets?

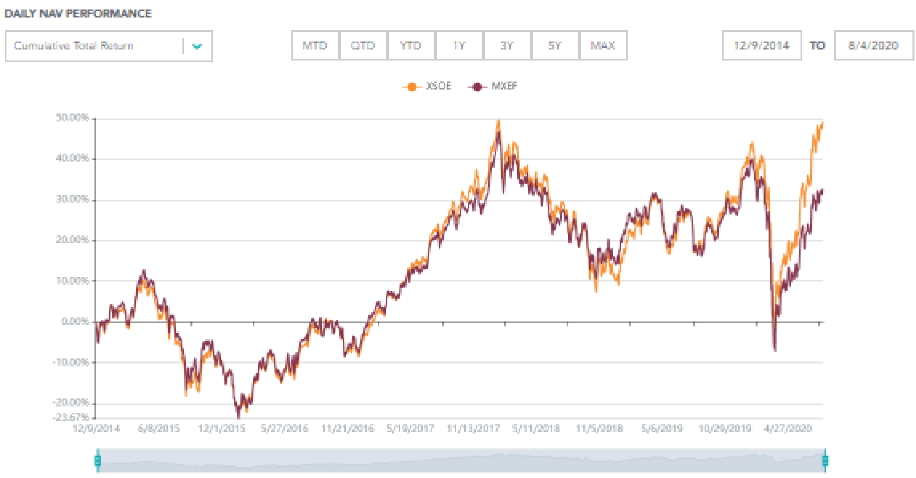
One reason the U.S. has outperformed global benchmarks is its dominance in large-cap tech giants. Europe and Japan and the developed world indexes are notably lacking any big companies that have rivaled those U.S. tech stars.

In emerging markets, China is the country competing with the U.S. for tech dominance. The U.S. has FAANG, while China brings a BAT (Baidu, Alibaba and Tencent) of strong growers.

China also has up-and-coming tech stars like Pinduoduo, Bilibili and TAL Education, which are in e-commerce, online education and online entertainment, gaining share against the BAT and exhibiting strong performance.

WisdomTree has been a proponent of value investing since our inception in 2006, when we introduced dividend-weighted global portfolios.

Yet for emerging markets, many of our strategic model portfolios and core allocations are anchored with a *growth-tilted* core emerging markets holding—the WisdomTree Emerging Markets ex-Stated-Owned Enterprises Fund (XSOE).



PERFORMANCE

as of 8/4/2020		Cumulative Returns			Average Annual Total Returns					
Ticker	Fund	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Common Period 12/10/2014 - 8/4/2020
XSOE	WisdomTree Emerging Markets ex-State-Owned Enterprises Fund (NAV)	8.25%	29.48%	7.76%	23.11%	6.83%	9.46%	-	7.34%	7.34%
MXEF	MSCI EM Index	5.81%	21.94%	-2.49%	9.43%	3.16%	6.59%	2.93%	-	5.13%

Source: WisdomTree Fund Comparison Tool. Inception date for XSOE was 12/10/14. You cannot invest directly in an index.

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.

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 Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

For standardized performance of XSOE, please click here.

Year to date[1], this growth-tilted core strategy has outperformed the MSCI Emerging Markets Index by over 1,000 basis points (bps) at NAV, bringing its since-inception performance to over 200 bps per year ahead of its benchmark.

XSOE accomplished these results by following a simple two-step process:

1. **Remove state-owned enterprises (SOEs)**: Identify all companies that have more than 20% ownership by the state. SOEs are most commonly found in China (almost half of all SOEs are in China), but also in banking and energy. Removing these means the remaining portfolio is overweight the technology and consumer sectors. These sector tilts were intentional elements of the strategy, and is a reason we believe this Fund is best aligned to the

reason investors allocate to emerging markets in the first place—access to a large population that is seeing income levels catch up and grow relative to the developed world.

2. **The [WisdomTree Emerging Markets ex-State-Owned Enterprises Index (EMXSOE)] follows a [market cap-weighted] approach designed to be *country neutral*** *(i.e., no large bets to diverge from our universe)* while keeping sector tilts fairly balanced relative to our starting universe.

Let's look at what factors have driven the Fund's outperformance.

First, look at the returns of SOEs compared to those of non-SOEs since we launched EMXSOE.

- In the MSCI Emerging Markets Index, SOEs have declined 2.40% per year, while the non-SOEs have returned 3.58% per year.

- The 25% of the MSCI Emerging Markets Index that was exposed to SOEs dragged down the traditional benchmark returns.

EMXSOE - WisdomTree Emerging Markets ex-State-Owned Enterprises Index VS. MXEF - MSCI Emerging Markets Index

State-Ownership Attribution As of: 7/31/2020

MTD YTD 1Y 3Y 5Y Since Inception*

EXPORT EXCEL

	Attribution Component				Average Category Weight			Category Performance	
Category	Allocation	Stock Selection	Interaction	Total Attribution	Index Weight	Benchmark Weight	+/- Wgt	WT Index Return	Benchmark Return
SOE	1.01%	0.00%	0.00%	1.01%	0.00%	25.27%	-25.27%	0.00%	-2.40%
XSOE	0.33%	1.65%	0.54%	2.52%	100.00%	74.73%	25.27%	5.80%	3.58%
Total	**1.34%**	**1.65%**	**0.54%**	**3.54%**	-	-	-	**5.80%**	**2.26%**

Source: WisdomTree Index Attribution Tool. Inception date for EMXSOE was 8/18/14. XSOE in this instance refers to the category non-state-owned enterprises. You cannot invest directly in an index. Past performance is not indicative of future returns.

WisdomTree's methodology also delivered higher returns in the non-SOE segment—EMXSOE returns were 5.80% for non-SOEs compared to the MSCI Index returns of 3.58% in the non-SOE segment.

How much did the sector shift help?

As seen in the chart below, the allocation impact from sector deviations only represented 80 bps of the 354-bp total outperformance. Stock selection, and better returns within the sectors, was a key driver.

This is the impact from WisdomTree's methodology removing SOEs, as both indexes follow a generally market capitalization-weighted approach.

Index Attribution

EMXSOE - WisdomTree Emerging Markets ex-State-Owned Enterprises Index VS. MXEF - MSCI Emerging Markets Index

Sector Attribution As of: 7/31/2020

MTD | YTD | 1Y | 3Y | 5Y | Since Inception*

EXPORT EXCEL

	Attribution Component				Average Category Weight			Category Performance	
Category	Allocation	Stock Selection	Interaction	Total Attribution	Index Weight	Benchmark Weight	+/- Wgt	WT Index Return	Benchmark Return
Communication Services	0.06%	0.72%	0.13%	0.92%	14.92%	12.18%	2.74%	10.26%	4.65%
Consumer Discretionary	0.13%	0.49%	0.23%	0.84%	17.80%	11.99%	5.80%	7.82%	3.97%
Financials	0.27%	0.57%	-0.19%	0.64%	17.72%	24.25%	-6.53%	0.57%	-1.69%
Energy	0.08%	0.63%	-0.17%	0.54%	5.40%	7.38%	-1.98%	7.94%	-1.15%
Real Estate	0.02%	0.23%	-0.01%	0.24%	2.50%	2.72%	-0.22%	8.19%	0.56%
Materials	0.03%	0.18%	-0.02%	0.19%	6.38%	7.40%	-1.01%	0.89%	-1.57%
Utilities	0.12%	0.16%	-0.10%	0.18%	1.30%	2.97%	-1.67%	-0.04%	-4.64%
Health Care	0.05%	0.07%	0.02%	0.14%	3.93%	2.72%	1.21%	6.79%	4.75%
Information Technology	0.08%	0.01%	-0.01%	0.07%	15.25%	15.21%	0.04%	13.14%	13.05%
Industrials	0.04%	-0.03%	-0.01%	-0.00%	5.52%	5.96%	-0.44%	-4.20%	-4.03%
Consumer Staples	-0.07%	-0.12%	-0.03%	-0.23%	9.27%	7.21%	2.06%	-2.52%	-0.88%
Total	**0.80%**	**2.90%**	**-0.17%**	**3.54%**	-	-	-	**5.80%**	**2.26%**

Source: WisdomTree Index Attribution Tool. You cannot invest directly in an index. Past performance is not indicative of future returns.* Inception date for EMXSOE was 8/18/14.

In our view the decade ahead is unlikely to see the U.S. continue its major outperformance.

Emerging markets represent one of the global growth stories we see over the long run. To capitalize on this potential, we'd advocate for a growth-tilted core like XSOE.

[1] As of 8/04/20.

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You cannot invest directly in an index.

DEFINITIONS

MSCI Emerging Market Index : The MSCI Em (Emerging Markets) Index is a free-float weighted equity index that captures large and mid cap representation across Emerging Markets (EM) countries.

Diversification : A risk management strategy that mixes a wide variety of investments within a portfolio.

Large-Capitalization (Large-Cap) : A term used by the investment community to refer to companies with a market capitalization value of more than $10 billion. Large cap is an abbreviation of the term "large market capitalization". Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share.

FAANG : An acronym referring to the stocks of the five most popular and best-performing American technology companies: Facebook, Amazon, Apple, Netflix and Alphabet (formerly known as Google).

Value : Characterized by lower price levels relative to fundamentals, such as earnings or dividends. Prices are lower because investors are less certain of the performance of these fundamentals in the future. This term is also related to the Value Factor, which associates these stock characteristics with excess returns vs the market over tim.

Dividend weighted : Constituent securities represented within the Index in proportion to their contribution to the dividend stream of the Index.

Growth : Characterized by higher price levels relative to fundamentals, such as dividends or earnings. Price levels are higher because investors are willing to pay more due to their expectations of future improvements in these fundamentals.

Basis point : 1/100th of 1 percent.

State-owned enterprise : Companies in which governments have a significant ownership stake and the potential to influence the firms' actions over time.