

WisdomTree's Best and Worst Performing Equity Funds in 2013

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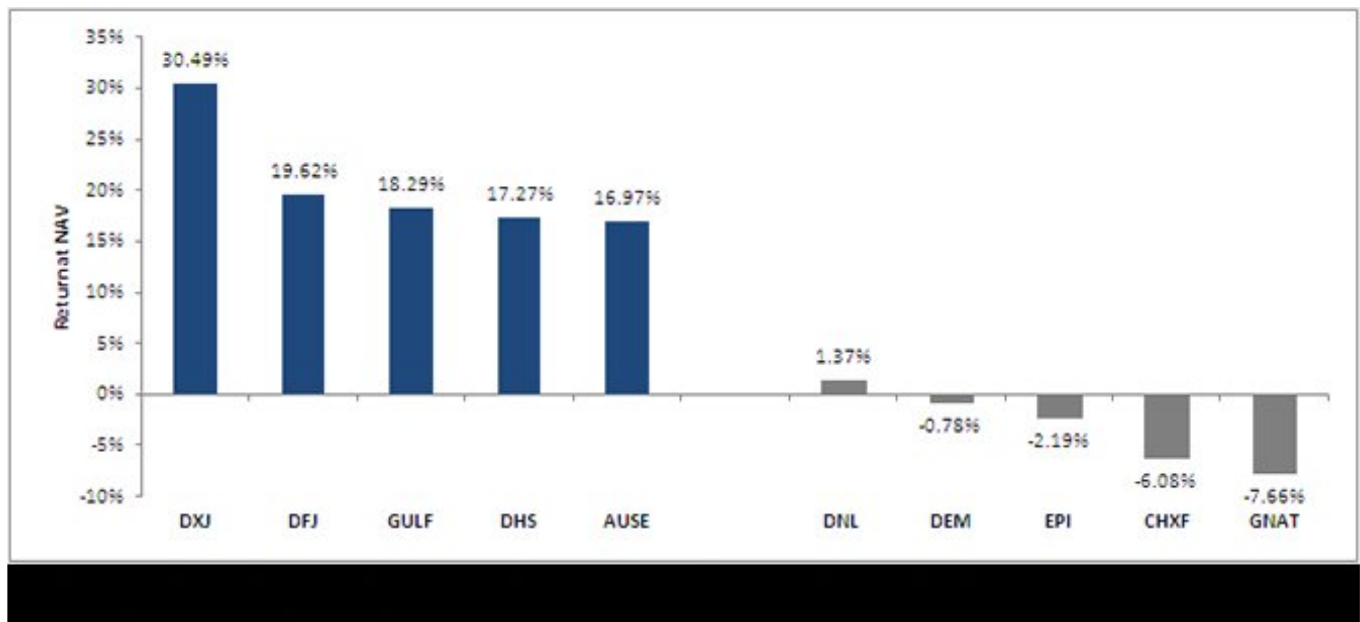
Global Chief Investment Officer

There have been a number of big stories across global equity markets in 2013 (through April 30):

- **Japan:** Japanese equities¹ have rallied significantly, largely as a result of an aggressive monetary policy and a government commitment to stimulating economic growth.
- **U.S. equities²** are hitting new record highs, led by the more defensively oriented industry sectors.³ However, there have also been some other stories about similarly strong equity market performance—they have just generated significantly less in the way of attention:
- **Middle East:** Even in the face of geopolitical risk, equity markets⁴ have delivered strong performance.
- **Australia:** This market⁵ has tended to shrug off uncertainties affecting emerging markets (to which it exports large amounts of natural resources) and continue to push higher.

On the other side of the spectrum are markets that have been lagging significantly. A common theme across the worst-performing markets is either a connection to commodity-oriented companies or the emerging markets.

WisdomTree's Five Best and Worst-Performing Equity ETFs through April 30, 2013



Average Annual Returns as of 3/31/2013

Fund	Ticker	Exp. Ratio	Inception Date	Total Return NAV					Market Price				
				YTD	1-Year	3-Year	5-Year	Since Fund Inception	YTD	1-Year	3-Year	5-Year	Since Fund Inception
WisdomTree Japan Hedged Equity Fund	DXJ	0.48%	6/16/2006	18.19%	19.12%	2.36%	-0.66%	-0.88%	16.83%	18.67%	2.46%	-0.54%	-0.74%
WisdomTree Japan SmallCap Dividend Fund	DFJ	0.58%	6/16/2006	13.27%	9.97%	7.77%	3.91%	1.05%	12.05%	10.04%	7.82%	3.92%	1.32%
WisdomTree Middle East Dividend Fund	GULF	0.88%	7/16/2008	9.71%	8.46%	5.87%	N/A	-4.84%	10.41%	10.36%	5.30%	N/A	-4.93%
WisdomTree Equity Income Fund	DHS	0.38%	6/16/2006	12.68%	18.80%	17.88%	5.74%	4.42%	12.76%	18.82%	18.33%	5.76%	4.44%
WisdomTree Australia Dividend Fund	AUSE	0.58%	6/16/2006	13.53%	20.49%	9.72%	7.30%	10.34%	12.63%	20.72%	10.27%	7.27%	10.41%
WisdomTree Global ex-US Growth Fund	DNL	0.59%	6/16/2006	-0.25%	5.03%	4.21%	3.87%	3.04%	-1.68%	5.10%	4.37%	3.89%	3.16%
WisdomTree Emerging Markets Equity Income Fund	DEM	0.63%	7/13/2007	-2.00%	-1.05%	5.74%	5.50%	5.38%	-3.38%	-1.09%	5.75%	5.46%	4.93%
WisdomTree India Earnings Fund	EPI	0.83%	2/22/2008	-6.11%	-5.80%	-7.52%	-3.80%	-5.59%	-7.18%	-5.93%	-7.65%	-4.05%	-5.74%
WisdomTree China Dividend ex-Financials Fund	CHXF	0.63%	9/19/2012	-4.96%	N/A	N/A	N/A	3.76%	-6.73%	N/A	N/A	N/A	2.89%
WisdomTree Global Natural Resources Fund	GNAT	0.58%	10/13/2006	-5.96%	-6.55%	0.58%	-2.54%	1.84%	-6.88%	-6.62%	0.84%	-2.45%	1.72%

The “**Bottom 5**” WisdomTree’s five worst-performing equity ETFs on a year-to-date basis may represent some pockets of underlying relative value—the types of areas where a contrarian investor may want to focus. • **GNAT**: This fund focuses on equities within natural resource sectors, and it is the worst-performing of all WisdomTree’s equity funds year-to-date. However, if we compare the [price-to-earnings \(P/E\) ratio](#) to the S&P 500 Index, a commonly used benchmark for the performance of U.S. equities, it is approximately 20% lower. Generally speaking, natural resources are necessary inputs to fuel overall global growth, so this recent negative performance could be an opportunity. • **Emerging Markets: DEM, EPI, and CHXF** all fit a common theme of different ways in which to generate exposure to emerging markets. Each has a negative return year-to-date. We believe the relative underperformance of emerging market equities could provide an attractive entry point and good relative value compared to the United States, which has been a particularly good performer over the same period. • **DNL**: This is the only positive performer among WisdomTree’s “bottom 5,” and a big reason for its performance issues has been exposure to emerging markets. Developed market growth-oriented equities (measured by the MSCI EAFE Growth Index) have actually delivered much stronger returns during this period, but DNL was hurt by bringing in some significant emerging market exposure, including companies in Brazil, South Africa, China and Mexico. Also, being under-weight in Japan compared to the MSCI EAFE Growth Index was not helpful. **Conclusion** While there is truly no way to predict future inflection points for different funds, we believe it is always interesting to consider both sides of the performance spectrum. Top-performing funds are typically well-noted, garnering significant attention. Much less noted are the bottom performers—and at times these could have the potential to be the top performers of tomorrow. 1As represented by the MSCI Japan Local Currency Index. 2As represented by the [S&P 500 Index](#). 3Sectors: [S&P 500 Consumer Staples](#), [Health Care](#), [Telecommunication Services](#) and [Utilities Indexes](#). 4As represented by the WisdomTree Middle East Dividend Index. 5As represented by the WisdomTree Australia Dividend Index.

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