What is Cloud Computing?

- The cloud allows on-demand access to a centralized pool of information technology (IT) resources via a network connection.
- This technology transforms computing power from a product that is owned and maintained onsite, into a dynamic service that delivers IT capabilities in the form of application software, development platforms, and operational infrastructure.

**The Cloud Stack:**

- **SaaS** is on top because users primarily interact with software hosted on the cloud, and not the platform or infrastructure on which it runs. PaaS allows users to create and deploy applications. IaaS is the infrastructure and hardware that powers the cloud.

**Software as a Service (SaaS)** – Software applications provided over a network connection (ex: Gmail)

**Platform as a Service (PaaS)** – Software development environment provided over a network connection (ex: Google App Engine)

**Infrastructure as a Service (IaaS)** – IT resources (ex: storage and networking capabilities) provided over a network connection. (ex: Amazon Web Services)

Source: WisdomTree
How Does the Cloud Look? Cloud vs. On-Premises

**On-Premises**

- All services and software are maintained and managed by the client.
- On-Premise set-up includes in-house IT, servers, hardware and phone system; data back-ups and recovery via tapes or disk.

**Cloud**

- Access to software and services via the internet. Software and services are managed by the vendor and not the client.
- Vendors provide data back-up and recovery solutions.

Source: WisdomTree. For illustrative purposes only.
Cloud vs. Traditional Software Companies

- A key differentiator of SaaS businesses vs. traditional software companies is that revenue shifts from a large, upfront transaction to a recurring revenue model.
- As SaaS businesses scale, revenue growth has the potential to accelerate at a faster rate.
What Do Cloud Companies Do? A Few Examples

<table>
<thead>
<tr>
<th>Atlassian</th>
<th>Box</th>
<th>ServiceNow</th>
<th>Dropbox</th>
<th>Smartsheet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Teamwork/Collaboration/Data Storage</strong></td>
<td>Firms attempting to improve how people work together on different types of projects and providing cloud-based data storage services.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Twilio</th>
<th>Elastic</th>
<th>New Relic</th>
<th>Atlassian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Software Development</strong></td>
<td>In the current application-driven economy, platforms that can help developers scale quite quickly.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workiva</th>
<th>BlackLine</th>
<th>Avalara</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reporting / Accounting/Compliance</strong></td>
<td>Firms capitalizing on companies’ needs to prepare and file reports based on data consolidation from multiple sources and teams with improved collaboration, transparency and accuracy.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instructure</th>
<th>PluralSight</th>
<th>2U</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education/Training</strong></td>
<td>Education is on a path of disruption, where the ways in which students can engage with educators needs to move beyond approaches that only utilize the physical classroom.</td>
<td></td>
</tr>
</tbody>
</table>

Source: WisdomTree
As of 3/31/2020 WCLD held 2.2%, 2.0%, 2.1%, 2.0%, 2.0%, 1.6%, 1.8%, 1.8%, 1.6%, 2.0%, 1.9%, 1.3%, and 2.0% in Atlassian, Box, ServiceNow, Dropbox, Smartsheet, Twilio, Elastic, New Relic, Workiva, BlackLine, Avalara, PluralSight, 2U, respectively.
The Cloud Computing Revenue Model

**Retention**
Users tend to prefer a flexible, pay-as-you-go payments over a large, upfront transactions.

**Large Addressable Market**
The software is not one-size-fits-all, so cloud providers can service small businesses to large enterprises.

**Efficiency**
More transparency in performance, profitability, and cash flow allows companies to adapt and build scale with less risk.

**Recurring Revenue Stream**
Revenue is derived from a subscription- or usage-based business model, rather than infrequent one-time purchases.

Source: WisdomTree
Potential Advantages of Cloud vs. Traditional Software Companies

Cloud-based businesses can lead to better margins, growth and efficiency characteristics

**Business Model Advantages:** more predictable, annuity-like revenue, lower R&D costs, higher customer retention given embedment of service into an enterprise’s workflow, and the potential for longer periods of recurring revenue as product enhancements don’t require an additional sales cycle

**Product Advantages:** deploying software via cloud allows companies to install software updates quickly, efficiently, and at scale; to more easily expand to foreign markets; and to automate service delivery such that customer acquisition could happen 24/7.

Source: Bessemer Venture Partners, Nasdaq, WisdomTree.
Cloud’s Revenue Forecast

Cloud’s market potential is driven by increasing cloud adoption and the shift from traditional IT solutions to cloud-based solutions.

Increased cloud adoption can lead to a significant increase in revenue with SaaS being responsible for the largest revenue share in the cloud market and IaaS demonstrating the highest CAGR\(^1\) rates from 2018 to 2022.

\(^1\)CAGR=Compound annual growth rate

Source: Gartner, as of November 13, 2019. Forecasts are limited and should not be relied upon when making investment decisions. There are no guarantees the cloud computing sector will realize projected growth potential. In addition Cloud computing companies may have limited operating history, product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress, and government regulation. These companies typically face intense competition and potentially rapid product obsolescence.
Cloud Computing as an Investment Opportunity

+ Software & Services is now the largest industry group within the S&P 500, comprising $3.2tn in market capitalization and 14% of the index’s weight.

+ There are several mega-cap cloud-based software companies already in the S&P 500 (ex: Adobe), but there are many smaller and emerging companies that are not currently included in the benchmark index.


The weight of the Software & Services industry within the S&P 500 Index is currently 12.5% of the index’s total weight. 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.
Measures of Cloud Success: The Five C's of Cloud Finance

**Committed Annual Recurring Revenue (CARR)**
- Provides clearest visibility into the revenue health.
- CARR = Contracted ARR (contract signed, service going into production) + Live ARR (service already in production) – Projected ARR Churn (service already or expected to be cancelled)

**Cash Flow**
- Net Cash Flow “Burn Rate” provides visibility into how quickly cloud companies are converting revenue into cash inflows, net of cash outlays

**Customer Acquisition Cost (CAC) Payback Period**
- Line of sight into profitability of a customer. It is the amount of time taken to earn the gross profit required to fully pay back the upfront customer acquisition cost (ex: sales and marketing expenses).

**Customer Lifetime Value (CLTV)**
- Measures customer profitability over time. It is the net present value of the recurring profit streams of a given customer, less the acquisition cost.

**Churn**
- A measure of client attrition. It is the percentage of all customers that have churned over the time period.

Source: Bessemer Venture Partners, WisdomTree
Resilient Cloud Leaders Operate with G.R.I.T.

+ A high G.R.I.T score helps cloud companies achieve sustainable growth to endure periods of market uncertainty and volatility.

Source: Bessemer Venture Partners, WisdomTree

G.R.I.T. Score = GROWTH + RETENTION + IN THE BANK + TARGETED SPEND

- **GROWTH**
  - % YoY² Growth in Annual Recurring Revenue
  - A baseline measure for the pace of business growth.
  - 50-200%

- **RETENTION**
  - % Annual Client Net Retention
  - Successful companies retain clients and achieve a rate above 100% - they sell more to clients as their businesses scale.
  - 80-150%

- **IN THE BANK**
  - Years of Cash on Balance Sheet
  - Companies should maintain a cash buffer for growth opportunities or as a contingency in a downturn.
  - 1-3 years

- **TARGETED SPEND**
  - Spending Efficiency Score
  - A measure of revenue growth relative to cash spend - overspending to achieve topline growth is not sustainable.
  - 0.5x-1.5x

- **GOOD** 3-4
- **BETTER** 4-6
- **BEST** > 6

The G.R.I.T. score is calculated as the sum of the following four metrics: year-over-year percentage change in annual recurring revenue (ARR Growth), percentage of clients retained year-over-year (Retention), the number of years the current level of cash on the balance sheet would cover projected annual rate of cash expenditures (Years of Cash on the Balance Sheet), and the sum of the year-over-year percentage change in recurring revenue and the ratio of free cash flow to revenue (Efficiency Score). For example, a company with 50% ARR, 100% Retention, 2 Years of Cash on the Balance Sheet, and an Efficiency Score of 100% would equate to a G.R.I.T. score calculation of 0.5+1+2+1 = 4.5, and categorized as a “Better” G.R.I.T. score.
### BVP Nasdaq Emerging Cloud Index (EMCLOUD) Methodology

<table>
<thead>
<tr>
<th>Company Selection</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must derive the majority of revenue from business-oriented software products, as determined by Bessemer Venture Partners (BVP), which are both:</td>
<td></td>
</tr>
<tr>
<td>+ Provided to customers through a cloud delivery model – e.g., hosted on remote and multi-tenant server architecture, accessed through a web browser or mobile device, or consumed as an application programming interface (API)</td>
<td></td>
</tr>
<tr>
<td>+ Provided to customers through a cloud economic model – e.g., as a subscription-based, volume-based, or transaction-based offering</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual revenue growth, as determined by BVP, of at least:</td>
</tr>
<tr>
<td>+ 15% in both the last two full fiscal years for new additions</td>
</tr>
<tr>
<td>+ 7% in at least one of the last two fiscal years for current securities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Common stock or ordinary shares</td>
</tr>
<tr>
<td>– Listed on the NASDAQ Exchange, the New York Stock Exchange, NYSE American, or the CBOE</td>
</tr>
<tr>
<td>– Listed for at least three months on an Index-eligible exchange</td>
</tr>
<tr>
<td>– Minimum market capitalization of $500mn</td>
</tr>
<tr>
<td>– Minimum 3-month average daily dollar trading volume of $5mn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weight &amp; Rebalance</th>
</tr>
</thead>
<tbody>
<tr>
<td>– One security per issuer is permitted</td>
</tr>
<tr>
<td>– May not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible</td>
</tr>
<tr>
<td>– May not be issued by an issuer currently in bankruptcy proceedings</td>
</tr>
</tbody>
</table>

| – The index is equal-dollar weighted |
| – The index is evaluated and rebalanced semi-annually in February and August. The above criteria are applied using market data as of the end of January and July. |

Source: Nasdaq, Bessemer Venture Partners, WisdomTree
Nasdaq and Bessemer Venture Partners (BVP) leveraged their complementary expertise to create the BVP Nasdaq Emerging Cloud Index.

<table>
<thead>
<tr>
<th>BVP</th>
<th>Nasdaq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud Industry Expertise</td>
<td>Transparent, Rules-Based Indexing</td>
</tr>
<tr>
<td>+ Leading venture capital firm in the cloud computing space(^1)</td>
<td>+ A long-established history of creating indexes and ability to deliver the most accurate real-time data.</td>
</tr>
<tr>
<td>– 22 Initial Public Offerings</td>
<td>+ Ensures sufficient liquidity, tradability, and size with index maintenance and rebalancing standards.</td>
</tr>
<tr>
<td>– 49 Mergers &amp; Acquisitions</td>
<td></td>
</tr>
<tr>
<td>– 150+ Cloud leaders</td>
<td></td>
</tr>
<tr>
<td>+ Defines the industry and classifies companies, applying an “emerging” overlay suited to rapid growth of Cloud companies</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nasdaq, Bessemer Venture Partners, WisdomTree
1. As of 4/30/2019
WisdomTree Cloud Computing Fund (WCLD) Fundamentals: Robust Growth and Efficiency

WCLD seeks to track the price and yield performance of the BVP Nasdaq Emerging Cloud Index before fees and expenses.

Sources: WisdomTree, Bessemer Venture Partners, FactSet, S&P Global as of 03/31/2020. Weighted average fundamentals calculated as the sum product of constituent weight and fundamentals. Please note that the metrics calculated for WCLD predate the fund’s inception date because they are trailing metrics specific to each company held in WCLD as of 03/31/2020. 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.

WisdomTree Cloud Computing Fund
WCLD - Valuation vs. Sales Growth

Sales growth plays a significant role in driving WCLD’s valuation.

+ WCLD’s weighted average sales growth was 38.0% over the trailing 12 months. Sales growth for the S&P 500 Index and its growth counterpart paled in comparison—at 8.3% and 10.7%, respectively. The S&P Software & Services Index, WCLD’s closest comp, generated sales growth of 20%, nearly 20 percentage points below WCLD.

+ WCLD is currently valued at 8.0x trailing 12-month sales, while the S&P 500, S&P 500 Growth, and S&P Software & Services Indexes are valued at 1.9x, 3.4x, and 2.5x, respectively.\(^1\)

---

1. Trailing sales are the sales generated over the preceding twelve-months. A higher price-to-sales valuation indicates a higher share price relative to the level sales generated per share; and vice versa, a lower price-to-sales valuation indicates a lower share price relative to the level of sales generated per share. Past performance is not indicative of future results. Weighted average sales growth is calculated as the sum product of constituent weight and annual sales growth. 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 transaction in funds. Such fees, expenses, and commissions could reduce returns.
## Cloud Company Profiles

<table>
<thead>
<tr>
<th>MEGA CAP</th>
<th>Adobe Inc.</th>
<th>Adobe develops software solutions for web and print publishing. The company’s Digital Media segment offers creative cloud services, which allow members to download and install the latest versions of products (ex: Adobe Photoshop).</th>
</tr>
</thead>
<tbody>
<tr>
<td>MID CAP</td>
<td>Box, Inc.</td>
<td>Box provides cloud based enterprise content management, enabling an organization to securely access, store, and collaborate on content from anywhere, on any device.</td>
</tr>
<tr>
<td>SMALL CAP</td>
<td>Yext, Inc.</td>
<td>Yext is a cloud-based digital knowledge platform, allowing businesses to manage digital knowledge in the cloud on a consolidated basis and sync it to other applications (ex: Apple Maps, Google, Yelp). The Yext Knowledge Engine package is provided on subscription basis. It helps businesses control their digital presence (ex: their location used on third-party applications), establish landing pages on their websites, manage digital content on their websites, and encourage and facilitate reviews from end consumers.</td>
</tr>
</tbody>
</table>

Source: WisdomTree, Nasdaq, Bessemer Venture Partners, FactSet
WCLD holds 2.0%, 2.0%, and 1.4% of its total weight in Adobe Inc., Box, Inc., and Yext, Inc., respectively as of 03/31/2020. The weights are subject to change.
Cloud Companies are Currently “Work from Home” Beneficiaries

+ Beginning 1Q 2020 the coronavirus pandemic forced us to reevaluate tools that enable remote working
+ WCLD provides exposure to companies that aid business continuity by enabling the workforce to operate virtually in the cloud. A few examples include:
  - Zoom Video for meetings and conferences
  - Slack for internal communications
  - DocuSign for signing legal documents
  - Dropbox for sharing and collaborating on documents
  - PayPal for online payments
+ This trend toward operating in the cloud is leading to fast relative growth rates and outperformance for the cloud technology industry, even during this volatile year.
+ As companies look to get back to work, we believe cost-saving efficiencies like the adoption of cloud-based software will accelerate.

<table>
<thead>
<tr>
<th>1Q 2020 Performance Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>WisdomTree Cloud Computing Fund (NAV)</td>
</tr>
<tr>
<td>-6.96%</td>
</tr>
</tbody>
</table>

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.

Short-term performance may often reflect conditions that are likely not sustainable and thus such performance may not be repeated in the future.
Case Study on Adobe

+ Until 2013, Adobe was primarily an on-premise, traditional software vendor (Photoshop, Creative Suite) resulting in a $2B business

+ In 2013, they migrated their product to a cloud-delivered model. This translated from a one-time price (typically ~ $1,800 USD) to a recurring, monthly subscription revenue model

+ While the transition was painful, they accelerated revenue growth from
  – 2012-2014:<10%
  – 2015-present: 16%+ growth

Case Study on Box

+ Founded in 2005, Box is a cloud storage company that enables users to access shared content from anywhere and on any device
+ 70% of Box’s users are employees from Fortune 500 companies
+ Box’s SaaS model has a ~97% recurring revenue (CARR)

Case Study on Yext

Established in 2006, Yext is an online brand management company that help companies to manage their public facts across the most popular channels consumers search on. Clients pay an annual recurring fee to receive services. Yext’s revenue comes from continued growth of their customer base and higher revenue from existing customers, primarily due to expanded subscriptions.

Key Takeaways

Cloud computing represents one of the fastest growing and most profitable segments of the technology sector.

For thematic or sector-focused investors, cloud-based strategies represent a higher beta\(^1\) play on tech.

By focusing on fundamentals like revenue growth WCLD seeks to provide exposure to the fastest-growing cloud software companies.

Source: WisdomTree

\(^1\) A measure of the volatility of a security or a portfolio in comparison to a benchmark. In general, a beta less than 1 indicates that the investment is less volatile than the benchmark, while a beta more than 1 indicates that the investment is more volatile than the benchmark.
WisdomTree Cloud Computing Fund

+ **Ticker:** WCLD
+ **Exchange:** Nasdaq
+ **Expense Ratio:** 0.45%
+ **Structure:** Open-ended ETF
+ **Exposure:** emerging U.S.-listed companies (including American Depositary Receipts) that are focused primarily on cloud software and services
+ **Equity Rebalancing**: Semi-annual

**Top Ten Holdings**

<table>
<thead>
<tr>
<th>Stock Name</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoom Video Communications, Inc.</td>
<td>3.5%</td>
</tr>
<tr>
<td>Cloudflare Inc</td>
<td>2.8%</td>
</tr>
<tr>
<td>Zscaler, Inc.</td>
<td>2.6%</td>
</tr>
<tr>
<td>DocuSign, Inc.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Five9, Inc.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Everbridge, Inc.</td>
<td>2.5%</td>
</tr>
<tr>
<td>Qualys, Inc.</td>
<td>2.3%</td>
</tr>
<tr>
<td>Veeva Systems Inc</td>
<td>2.3%</td>
</tr>
<tr>
<td>Atlassian Corp.</td>
<td>2.2%</td>
</tr>
<tr>
<td>Okta, Inc.</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Bessemer Venture Partners, WisdomTree. Top ten holdings and market cap split as of 03/31/2020. Subject to change.
Equity Rebalance: Bessemer Venture Partners and Nasdaq select and weight securities based on certain criteria for the BVP Emerging Cloud Index twice a year in February and August. WCLD seeks to track the changes to holdings and weights in the BVP Emerging Cloud Index on its semi-annual rebalance dates.
Standardized Performance

<table>
<thead>
<tr>
<th>Index</th>
<th>Ticker</th>
<th>Expense Ratio</th>
<th>YTD</th>
<th>1 year</th>
<th>5 years</th>
<th>10 year</th>
<th>Since WCLD Inception (9/6/2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WisdomTree Cloud Computing Fund (NAV)</td>
<td>WCLD</td>
<td>0.45%</td>
<td>-6.96%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>-5.11%</td>
</tr>
<tr>
<td>WisdomTree Cloud Computing Fund (Market Price)</td>
<td>WCLD</td>
<td>0.45%</td>
<td>-7.08%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>-5.19%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>SPX</td>
<td>NA</td>
<td>-19.60%</td>
<td>-6.99%</td>
<td>6.71%</td>
<td>10.51%</td>
<td>-12.28%</td>
</tr>
<tr>
<td>Nasdaq 100 Index</td>
<td>NDX</td>
<td>NA</td>
<td>-10.29%</td>
<td>7.02%</td>
<td>13.79%</td>
<td>16.14%</td>
<td>0.08%</td>
</tr>
<tr>
<td>S&amp;P 500 Information Technology Index</td>
<td>SSINFT</td>
<td>NA</td>
<td>-11.93%</td>
<td>10.43%</td>
<td>17.03%</td>
<td>15.78%</td>
<td>-0.13%</td>
</tr>
<tr>
<td>S&amp;P 500 Growth Index</td>
<td>SGX</td>
<td>NA</td>
<td>-14.51%</td>
<td>-2.48%</td>
<td>9.46%</td>
<td>12.56%</td>
<td>-8.62%</td>
</tr>
</tbody>
</table>

S&P 500, Nasdaq 100, S&P 500 Information Technology, and S&P 500 Growth Indexes chosen to provide comparison to broad U.S. equities and technology companies.

**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 for WisdomTree Funds.

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.

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.

The purpose of some of the information in this material is to provide Investors with a means to evaluate investment strategies of the WCLD as compared to various Cloud Computing ETFs. It is the opinion of WisdomTree, the Fund’s investment adviser, that all funds are managed differently and do not react the same to economic or market events. The investment objectives, strategies, policies or restrictions of other funds may differ and more information can be found in their respective prospectuses.

Source: Bessemer Venture Partners, WisdomTree, Bloomberg

You cannot invest directly in an index. A fund or portfolio may differ significantly from the securities included in the index.
Glossary

**BVP Nasdaq Emerging Cloud Index**: An equally weighted Index designed to measure the performance of emerging public companies focused on delivering cloud-based software to customers.

**Cloud computing**: computing capabilities deployed via internet connection in form of applications, platform services, or infrastructure.

**Efficiency Score**: Annual revenue growth rate plus free cash flow margin.

**Free Cash Flow Margin**: The ratio of free cash flow to revenue.

**Gross Margin**: The ratio of gross income (revenue less cost of goods sold) to revenue.

**Initial public offering (IPO)**: The first sale of stock by a private company to the public.

**Revenue**: Income that a company receives from its normal business activities, usually from the sale of goods and services to customers.

**Mergers and acquisitions (M&A)**: aspects of management dealing with the buying, selling, dividing and combining entities that can potentially help create value down the road.

**Nasdaq 100 Index**: Includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies, including investment companies.

**Net present value (NPV)**: the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

**S&P 500 Index**: Market capitalization-weighted benchmark of 500 stocks selected by the Standard and Poor’s Index Committee designed to represent the performance of the leading industries in the United States economy.

**S&P 500 Growth Index**: A market capitalization-weighted benchmark designed to measure the growth segment of the S&P 500 Index.

**S&P 500 Information Technology Index**: a market capitalization weighted index that is designed to measure the performance of the Information Technology sector, as defined by the Global Industry Classification Standard.

**S&P 500 Software & Services**: a market capitalization weighted index that is designed to measure the performance of the Software & Services industry, as defined by the Global Industry Classification Standard.

**Mega Cap**: companies with a market capitalization over $100 billion

**Mid Cap**: companies with a market capitalization between $2 and $10 billion

**Small Cap**: new or relatively young companies that typically have a market capitalization between $200 million to $2 billion
Important Information

The WisdomTree Cloud Computing inception date is September 6, 2019. The fund is new and data availability is limited.

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. The Fund invests in cloud computing companies, which are heavily dependent on the Internet and utilizing a distributed network of servers over the Internet. Cloud computing companies may have limited product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress, and government regulation. These companies typically face intense competition and potentially rapid product obsolescence. Additionally, many cloud computing companies store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies and the Fund. Securities of cloud computing companies tend to be more volatile than securities of companies that rely less heavily on technology and, specifically, on the Internet. Cloud computing companies can typically engage in significant amounts of spending on research and development, and rapid changes to the field could have a material adverse effect on a company’s operating results. The composition of the Index is heavily dependent on quantitative and qualitative information and data from one or more third parties and the Index may not perform as intended. Please read the Fund’s prospectus for specific details regarding the Fund’s risk profile.

Statements concerning financial market trends are based on current market conditions, which will fluctuate. References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities.

Under normal circumstances, at least 80% of the Fund’s total assets (exclusive of collateral held from securities lending) will be invested in component securities of the Index and investments that have economic characteristics that are substantially identical to the economic characteristics of such component securities. The Index is reconstituted and rebalanced semi-annually. Securities are equal-dollar weighted in the Index.
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