

Emerging markets. Growing potential.

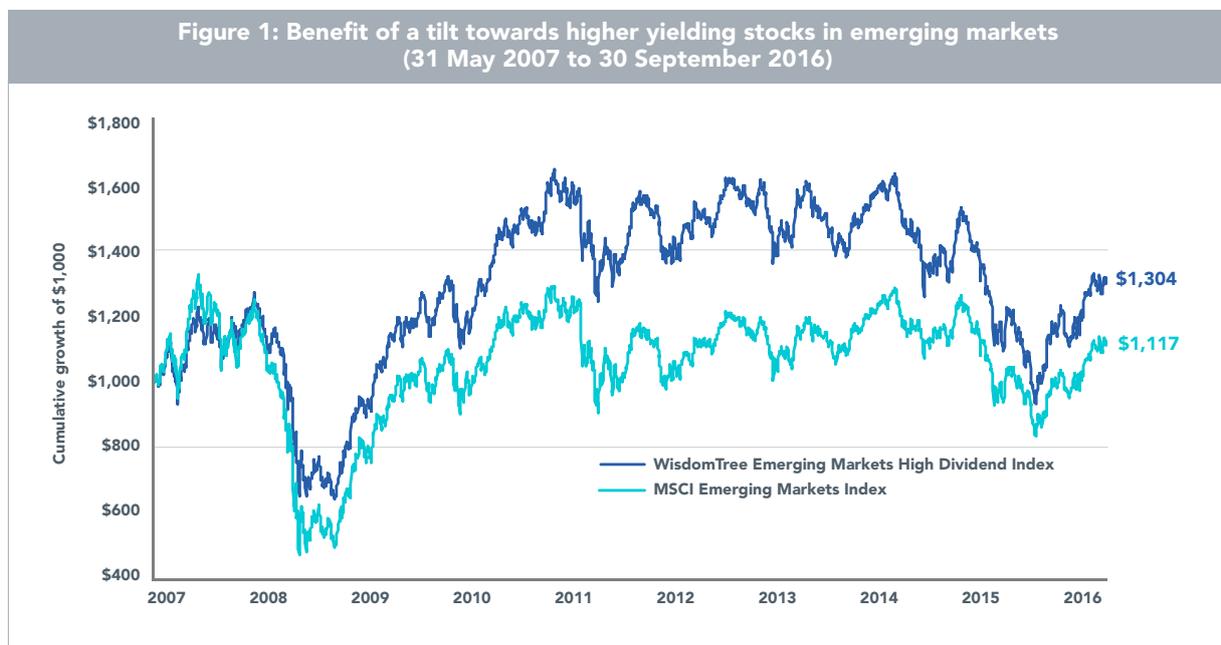
In our view, emerging markets represent one of the world's best long-term investment opportunities with over 85% of the world's population and huge economic growth potential. Having accounted for 54% of global growth since the turn of the millennium, the IMF forecasts emerging market economies to grow at an annual pace of 5.1% by 2020, far outstripping the 1.7% expected from developed markets.

As this trend develops, so too will equities in emerging markets. We believe that focusing on valuation will be key in order to avoid overpaying for growth in these quickly developing markets.

EMERGING MARKETS. ESTABLISHED PERFORMANCE.

Professor Jeremy Siegel proposed the concept of rebalancing back to higher-yielding equities as a strategy to capture value and achieve outperformance over time. As illustrated in Figure 1, we found that this is also applicable in emerging markets, with the cumulative growth of \$1,000 for the high-yielding emerging market equities basket, represented by the WisdomTree Emerging Markets High Dividend Index (WTEMHY), outperforming an equivalent investment in the market, represented by the market-cap weighted MSCI Emerging Markets Index, by nearly \$200 since 2007.

To understand why this has happened we need to take a deeper look at WisdomTree's approach to index construction.



Source: WisdomTree. Data from 31 May 2007 to 30 September 2016.

Past performance is not indicative of future results.

WISDOMTREE EMERGING MARKETS HIGH DIVIDEND INDEX WEIGHTS BY DIVIDENDS

The majority of ETFs track market cap weighted benchmarks—meaning they give more weight to companies selling at higher prices rather than those potentially offering stronger fundamentals. But at WisdomTree, we believe fundamentals such as dividends offer more objective measures of a company’s health, value and profitability than stock price alone. Consider that:

- + Stock prices can—and do—deviate from their underlying value for many reasons
- + Dividends have theoretical and empirical importance in determining stock values
- + The payment of dividends indicates that management is focused on increasing shareholder value
- + Dividend stocks offer the potential for income, income growth and capital appreciation
- + Dividends can provide benefits regardless of the market direction.

The WisdomTree Emerging Markets High Dividend Index was constructed with these points in mind, seeking to capture high-dividend-yielding stocks in emerging markets in order to provide income and manage valuation risk. Figure 2 decomposes WisdomTree’s unique methodology, homing in on the stock selection and weighting process.

Figure 2: WisdomTree’s Emerging Markets High Dividend Index Methodology	
Eligible universes	Component companies must be incorporated in one of the following emerging markets: Brazil, Chile, China, Czech Republic, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Poland, Russia, South Africa, Taiwan, Thailand or Turkey. In the case of China, securities domiciled in China may also be eligible.
Selection	Securities ranking in the highest 30% by dividend yield in the WisdomTree Emerging Markets Dividend Index are selected for inclusion. Component companies must also meet minimum market capitalisation and liquidity screens to be eligible. An additional calculated volume factor is also applied to help improve liquidity.
Selection methodology	The initial weight in the Index is based on each component’s Dividend Stream (derived by multiplying the US dollar value of the company’s annual gross dividend per share by the number of common shares outstanding for that company) divided by the Dividend Stream of the Index.

It is important to note that the WisdomTree Emerging Markets High Dividend Index is not “yield weighted,” despite dividend yield of constituents being a key facet of the stock selection process:

DIVIDEND YIELD SELECTION + DIVIDEND STREAM® WEIGHTING = EXPOSURE TO HIGH DIVIDEND PAYERS

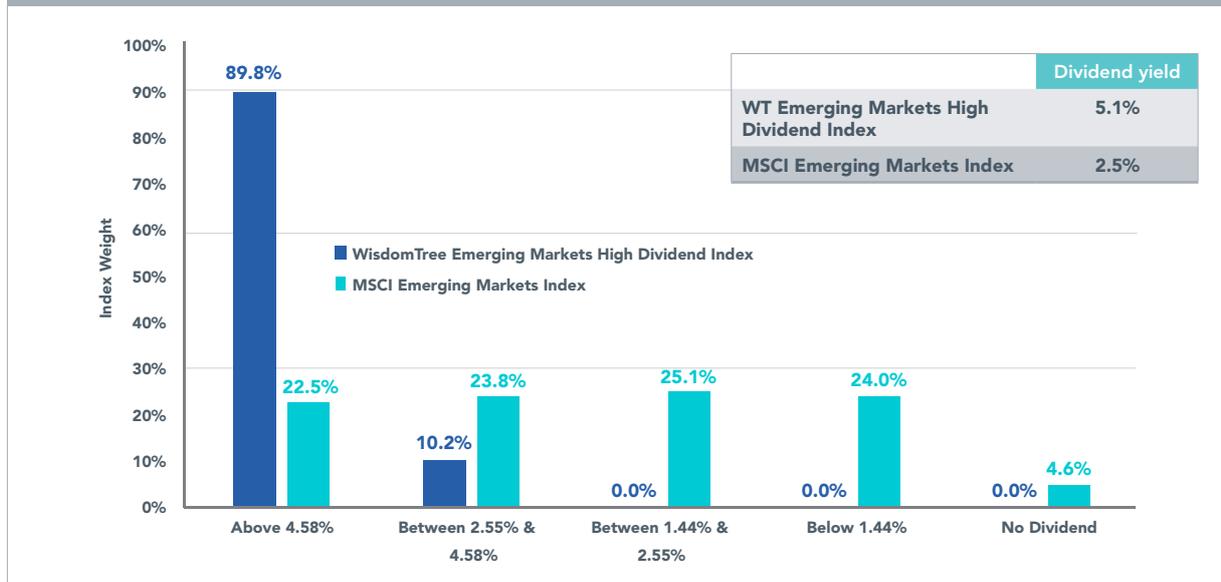
Instead, weighting is by WisdomTree’s Dividend Stream approach:

- + Dividend per share x number of shares outstanding = Dividend Stream

The results of this weighting approach are shown in Figure 3 with:

- + ~90% of stocks with dividend yield above 4.58%: 89.8% of WTEMHY’s weight is in stocks with dividend yields above 4.58%, while the MSCI EM Index holds 78% in stocks with dividends below this threshold with 4.6% having not paid a dividend at all in the prior 12 months.
- + More than double the yield: Perhaps not surprisingly, WTEMHY had a trailing 12-month dividend yield of 5.1%, compared to 2.5% for the MSCI EM Index.
- + A bias toward large-cap stocks: Despite the high dividend yield, WTEMHY still has over 50% exposure to large cap stocks, showing that you don’t need to be overexposed to mid/small caps in the search for yield.

Figure 3: Tilting towards higher dividend yields with more than 50% of market capitalisation above \$10 billion (as of 30 September 2016)



	Dividend yield
WT Emerging Markets High Dividend Index	5.1%
MSCI Emerging Markets Index	2.5%

Market Cap	WT Emerging Markets High Dividend Index	MSCI Emerging Markets Index
Above \$10 Billion	51.9%	66.1%
Between \$2 Billion & \$10 Billion	30.6%	31.7%
Below \$2 Billion	17.5%	2.2%

Source: Bloomberg. Data as of 30 September 2016.

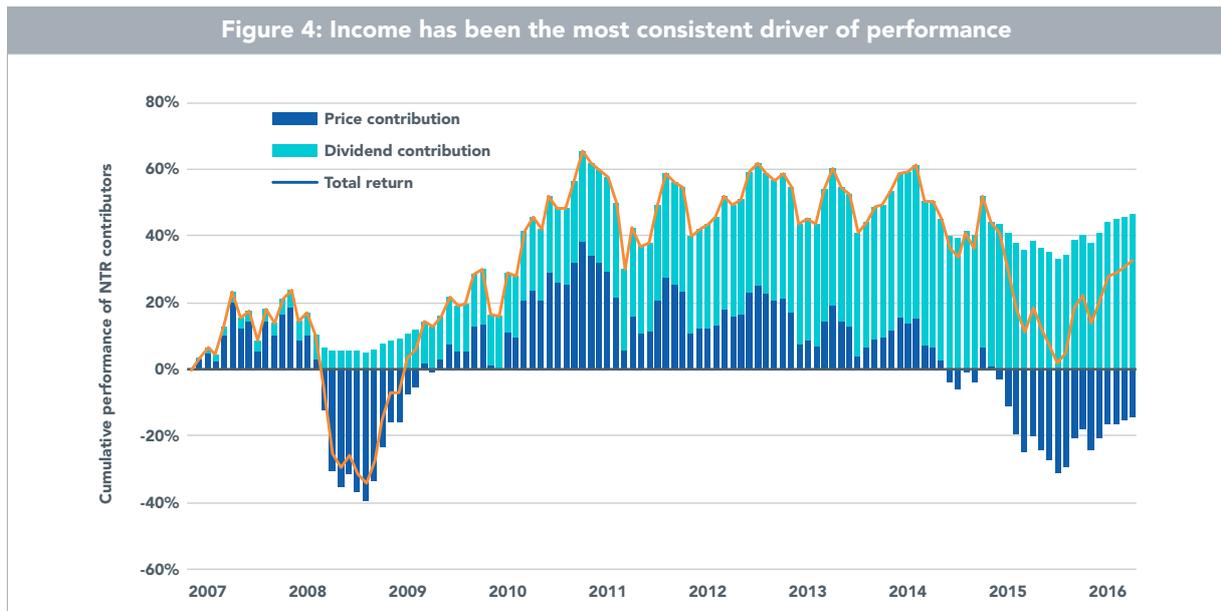
MANAGING VALUATION RISK THROUGH ANNUAL REBALANCING

Alongside the selection and weighting methodology, the annual rebalance also plays a critical role in enhancing size and value premiums. Each October, the WTEMHY Index is rebalanced based on relative value and the constituents and weights can change depending upon:

- + Share price performance: Since dividend yield is calculated as dividends paid over the prior 12 months divided by share price, the behaviour of the share price does have an impact on the dividend yield. If we assume the dividend is constant, a rising share price would mean a lower dividend yield. Conversely, a falling share price can lead to a less expensive stock and a higher dividend yield.
- + Dividend growth (or reduction): Rising dividends are another way to see a dividend yield potentially rise, just as falling dividends are another way to see a dividend yield potentially fall.

Over time, the effect of multiple rebalance cycles produces some interesting observations with regards to the performance for the WisdomTree Emerging Markets High Dividend Index.

Figure 4 decomposes the index returns (in black) into two components: the price returns (in orange)—reflecting changes in the share prices of the underlying constituents—and the dividend returns (in blue)—the result of dividend payments. Since the strategy inception in 2007, the cumulative price returns for emerging market equities has actually been negative, falling by 14%. By contrast, dividends show a different story with a cumulative return of 47% across the same time frame. As a result, not only were dividends the main driver of performance, compensating for equity price depreciation, but they were also remarkably consistent in providing added value to investors, irrespective of underlying market conditions.



Sources: WisdomTree, Bloomberg, with data over full calendar years from 31 July 2007 to 30 September 2016. Past performance is not indicative of future results.

WisdomTree’s robust index construction methodology has also helped deliver strong performance against the market over multiple timeframes as seen in Figure 5 with:

- + Higher returns since-inception, 1 year and YTD
- + Notable lowering of risk since-inception
- + Higher Sharpe ratio since-inception and YTD.

		Figure 5: The proof is in the performance			
Period	Index	Avg. Ann. Return	Std. Dev.	Sharpe Ratio	Beta ¹
YTD (30 Sep 16)	WisdomTree EM High Dividend Index	21.20%	20.60%	1.33	1
	MSCI Emerging Markets Index	16.00%	19.40%	1.1	1
1-year	WisdomTree EM High Dividend Index	17.30%	20.70%	0.86	1.04
	MSCI Emerging Markets Index	16.80%	18.90%	0.9	1
3-year	WisdomTree EM High Dividend Index	-5.40%	18.70%	-0.21	1.09
	MSCI Emerging Markets Index	-0.60%	16.40%	0.04	1
5-year	WisdomTree EM High Dividend Index	0.10%	17.60%	0.08	0.96
	MSCI Emerging Markets Index	3.00%	17.40%	0.25	1
01 Jun 07 to 30 Sep 16	WisdomTree EM High Dividend Index	2.90%	21.40%	0.22	0.85
	MSCI Emerging Markets Index	1.20%	24.10%	0.15	1

¹Beta: Measured relative to the MSCI Emerging Markets Index.

Source: Morningstar. Data from 01 June 2007 refers to the inception date of the WisdomTree Emerging Markets High Dividend Index.

Past performance is not indicative on future results.

THE WISDOMTREE EMERGING MARKETS EQUITY INCOME UCITS ETF

The WisdomTree Emerging Markets Equity Income UCITS ETF (DEM) tracks the WisdomTree Emerging Markets Equity Income Index. The Fund can be a smart way to access high-yielding emerging market stocks, as it:

- + Focuses on the highest-yielding stocks in the emerging markets
- + Enhances the value premium through dividend weighting
- + Provides the potential for additional income
- + Manages risk through single stock (5%), country (25%) and sector (25%) exposure capping.

Fund info: WisdomTree Europe Emerging Markets Equity Income UCITS ETF							
Ticker	Exchange	ISIN	BBG code	Reuters code	Listing currency	Base currency	TER%
DEM	LSE	IE00BQQ3Q067	DEM LN	DEM.L	GBx	USD	0.46%
DEMD	LSE	IE00BQQ3Q067	DEMD LN	DEMD.L	USD	USD	0.46%
DEM	Borsa Italiana	IE00BQQ3Q067	DEM IM	DEM.MI	EUR	USD	0.46%
DEM	SIX	IE00BQQ3Q067	DEM SW	DEM.S	CHF	USD	0.46%
WTEI	XETRA	DE000A14NDZ0	WTEI GY	WTEI.DE	EUR	USD	0.46%
DEMR**	LSE	IE00BDF12W49	DEMR LN	DEMR.L	USD	USD	0.46%
DEMS**	LSE	IE00BDF12W49	DEMS LN	DEMS.L	GBx	USD	0.46%
DEMR**	Borsa Italiana	IE00BDF12W49	DEMR IM	DEMR.MI	EUR	USD	0.46%
DEMR**	SIX	IE00BDF12W49	DEMR SW	DEMR.S	USD	USD	0.46%
WTD8**	XETRA	DE000A2ARXF9	WTD8 GY	WTD8.DE	EUR	USD	0.46%

* The underlying Index for all above is WisdomTree Emerging Markets High Dividend Index

** Accumulating version of WisdomTree Europe Emerging Markets Equity Income UCITS ETF.

DISCLAIMER

The content on this document is issued by WisdomTree Europe Ltd ("WTE") an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority ("FCA"). View our Conflicts of Interest Policy and Inventory at www.wisdomtree.eu/cofi. For professional clients only. Past performance is not a reliable indicator of future performance. Any historical performance included on this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided on this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of the Shares may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the WT Prospectus or Boost Prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content on this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy Shares. An investment in ETPs is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained on this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the Issuer or the Shares are authorised or registered for distribution and where no prospectus of the Issuer has been filed with any securities commission or regulatory authority. No document or information on this document should be taken, transmitted or distributed (directly or indirectly) into the United States. Neither the Issuer nor any securities issued by it have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. The products discussed on this document are issued by either WisdomTree Issuer PLC ("WT Issuer") or Boost Issuer (each of them separately, the "Issuer").

WisdomTree Issuer PLC: WisdomTree Issuer PLC is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as a public limited company and authorised by the Central Bank of Ireland ("CBI"). WT Issuer is organised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the laws of Ireland and shall issue a separate class of shares ("Shares") representing each fund. Investors should read the prospectus of WT Issuer ("WT Prospectus") before investing and should refer to the section of the WT Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the Shares.

Boost Issuer PLC: Boost Issuer on the other hand issues products under a Prospectus ("Boost Prospectus") approved by the Central Bank of Ireland, drawn up in accordance with the Directive 2003/71/EC. The Boost Prospectus has been passported to various European jurisdictions including the UK, Italy and Germany and is available on this document. Boost Exchange Traded Products ("ETPs") are suitable for financially sophisticated investors who wish to take a short term view on the underlying indices and can understand the risks of investing in products offering daily leveraged or daily short exposures. ETPs offering daily leveraged or daily short exposures ("Leveraged ETPs") are products which feature specific risks that prospective investors should understand before investing in them. Higher volatility of the underlying indices and holding periods longer than a day may have an adverse impact on the performance of Leveraged ETPs. As such, Leveraged ETPs are intended for financially sophisticated investors who wish to take a short term view on the underlying indices and understand such risks. As a consequence, WisdomTree Europe Ltd is not promoting or marketing Boost ETPs to retail clients. Investors should refer to the section entitled "Risk Factors" and "Economic Overview of the ETP Securities" in the Boost Prospectus for further details of these and other risks associated with an investment in Leveraged ETPs and consult their financial advisors as needed. Neither WisdomTree Europe Ltd. nor the Issuer has assessed the suitability of any Leveraged ETPs for investors other than the relevant Authorised Participants.

For Investors in Switzerland – Regulated Qualified Investors: The distribution of shares of WisdomTree Issuer Plc sub-funds (the "Funds") in Switzerland which have been registered with the Swiss Financial Market Supervisory Authority (FINMA) will be made to, and directed at, qualified investors. The Funds which have not been registered with the FINMA will be marketed exclusively to regulated qualified investors as defined in Article 10 (3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("CISA"). The Representative and Paying Agent in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, KIID, the Articles and the annual and semi-annual reports are available free of charge from the office of the Swiss Representative and Paying Agent.

For Investors in Malta: This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

For Investors in France: The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. The Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Authority Financial Markets (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, boulevard Haussmann – 75009 Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.