

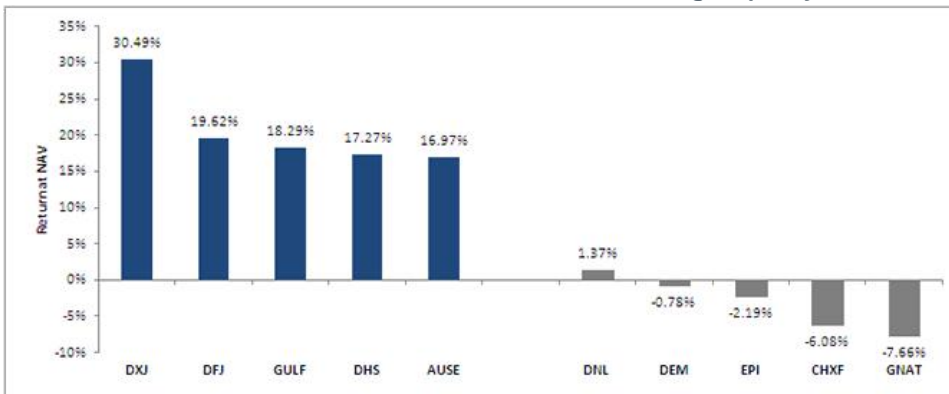
WISDOMTREE'S BEST AND WORST PERFORMING EQUITY FUNDS IN 2013

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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. equities**² 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



Sources: Zephyr StyleADVISOR, Morningstar; Time period: 12/31/2012–4/30/2013.
Past performance is not indicative of future results.

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%	12.53%	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	GNIAT	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%

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 www.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.

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 underweight 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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For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

view the online version of this article [here](#).

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DEFINITIONS

Monetary easing policies: Actions undertaken by a central bank with the ultimate desired effect of lowering interest rates and stimulating the economy.

Relative value: The relationship between a particular attribute, e.g., a dividend, and the firm's share price compared to that of another firm.

Contrarian: Practice of seeing what the majority of market participants are focused on and attempting to look in the complete opposite direction.

MSCI EAFE Growth Index: Market capitalization-weighted subset of stocks within the MSCI EAFE Index that have higher share prices relative to their earnings or dividends per share.

MSCI Japan Local Currency Index: A market cap-weighted index that measures the performance of the Japanese equity market in the local currency (yen).

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 Consumer Staples Index: Market capitalization weighted measure of the performance of companies within the S&P 500 Index that are in the consumer staples sector.

S&P 500 Health Care Index: Market capitalization weighted measure of the performance of companies within the S&P 500 Index that are in the health care sector.

S&P 500 Telecommunication Services Index: Market capitalization weighted measure of the performance of companies within the S&P 500 Index that are in the telecommunication services sector.

S&P 500 Utilities Index: Market capitalization weighted measure of the performance of companies within the S&P 500 Index that are in the Utilities sector.

WisdomTree Middle East Dividend Index: A fundamentally weighted index that measures the performance of companies in the Middle East that pay regular cash dividends on shares of common stock and meet specified requirements as of the Index measurement date. The Index is dividend weighted and updated to reflect market prices and exchange rates.

WisdomTree Australia Dividend Index: Index designed to measure the performance of dividend-paying companies in Australia. At maximum the 10-largest Australian dividend-paying companies are selected from each of the 10 sectors on the basis of their market capitalizations. Weighting is by dividend yield.