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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Form 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 001-10932

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**WisdomTree Investments, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**245 Park Avenue, 35<sup>th</sup> Floor**  
**New York, New York**  
(Address of principal executive officers)

**13-3487784**  
(IRS Employer  
Identification No.)

**10167**  
(Zip Code)

**212-801-2080**  
(Registrant's Telephone Number, Including Area Code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2016, there were 136,580,647 shares of the registrant's Common Stock, \$0.01 par value per share, outstanding.

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**WISDOMTREE INVESTMENTS, INC.**  
**Form 10-Q**  
**For the Quarterly Period Ended June 30, 2016**  
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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in the section entitled "Risk Factors" included in this Report and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Report and the documents that we reference in this Report and have filed with the Securities and Exchange Commission ("SEC") as exhibits to this Report, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this Report may include statements about:

- anticipated trends, conditions and investor sentiment in the global markets and exchange traded products, or ETPs, which include exchange traded funds, or ETFs;
- anticipated levels of inflows into and outflows out of our ETPs;
- our ability to deliver favorable rates of return to investors;
- our ability to develop new products and services;
- our ability to maintain current vendors or find new vendors to provide services to us at favorable costs;
- our ability to successfully expand our business into non-U.S. markets;
- timing of payment of our cash income taxes;
- competition in our business; and
- the effect of laws and regulations that apply to our business.

The forward-looking statements in this Report represent our views as of the date of this Report. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this Report.

**PART I: FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****WisdomTree Investments, Inc. and Subsidiaries**

Consolidated Balance Sheets  
(In Thousands, Except Per Share Amounts)

	<u>June 30,</u> <u>2016</u> (Unaudited)	<u>December 31,</u> <u>2015</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 174,914	\$ 210,070
Investments	3,088	—
Accounts receivable	17,939	27,576
Other current assets	4,659	2,899
Total current assets	<u>200,600</u>	<u>240,545</u>
Fixed assets, net	12,062	11,974
Investments	15,615	23,689
Deferred tax asset, net	5,356	14,071
Goodwill	3,475	1,676
Intangible asset	9,953	—
Other noncurrent assets	763	738
Total assets	<u>\$ 247,824</u>	<u>\$ 292,693</u>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities:</b>		
Current liabilities:		
Fund management and administration payable	\$ 13,183	\$ 12,971
Compensation and benefits payable	7,531	28,060
Acquisition payable	7,194	—
Accounts payable and other liabilities	7,123	8,063
Total current liabilities:	35,031	49,094
Acquisition payable	—	3,942
Deferred rent payable	5,015	5,155
Total liabilities	<u>40,046</u>	<u>58,191</u>
<b>Stockholders' equity:</b>		
Preferred stock, par value \$0.01; 2,000 shares authorized:	—	—
Common stock, par value \$0.01; 250,000 shares authorized; issued: 136,578 and 138,415; outstanding: 134,146 and 136,794	1,366	1,384
Additional paid-in capital	236,444	257,960
Accumulated other comprehensive income/(loss)	794	(126)
Accumulated deficit	(30,826)	(24,716)
Total stockholders' equity	207,778	234,502
Total liabilities and stockholders' equity	<u>\$ 247,824</u>	<u>\$ 292,693</u>

*The accompanying notes are an integral part of these consolidated financial statements*

**WisdomTree Investments, Inc. and Subsidiaries**

Consolidated Statements of Operations  
(In Thousands, Except Per Share Amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Advisory fees	\$ 55,931	\$ 81,320	\$ 116,546	\$ 141,189
Other income	50	239	313	511
Total revenues	55,981	81,559	116,859	141,700
<b>Expenses:</b>				
Compensation and benefits	14,343	18,669	29,569	38,270
Fund management and administration	10,621	11,208	20,665	21,376
Marketing and advertising	4,566	3,628	8,398	6,704
Sales and business development	3,834	2,076	6,281	3,976
Professional and consulting fees	1,365	1,604	4,200	3,067
Occupancy, communications and equipment	1,241	943	2,463	1,861
Depreciation and amortization	330	223	646	443
Third-party sharing arrangements	709	497	1,616	780
Acquisition payment	5,993	264	6,738	521
Other	1,823	1,509	3,455	2,744
Total expenses	44,825	40,621	84,031	79,742
Income before taxes	11,156	40,938	32,828	61,958
Income tax expense	7,505	16,766	17,105	25,724
<b>Net income</b>	<b>\$ 3,651</b>	<b>\$ 24,172</b>	<b>\$ 15,723</b>	<b>\$ 36,234</b>
Net income per share—basic	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.27
Net income per share—diluted	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.26
Weighted-average common shares—basic	136,503	135,895	137,051	134,990
Weighted-average common shares—diluted	137,274	137,951	137,849	137,620
Cash dividends declared per common share	\$ 0.08	\$ 0.08	\$ 0.16	\$ 0.16

*The accompanying notes are an integral part of these consolidated financial statements*

**WisdomTree Investments, Inc. and Subsidiaries**

Consolidated Statements of Comprehensive Income  
(In Thousands)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Comprehensive income</b>				
Net income	\$ 3,651	\$ 24,172	\$ 15,723	\$ 36,234
<b>Other comprehensive income/(loss)</b>				
Foreign currency translation adjustment	547	(69)	920	(122)
<b>Comprehensive income</b>	<u>\$ 4,198</u>	<u>\$ 24,103</u>	<u>\$ 16,643</u>	<u>\$ 36,112</u>

*The accompanying notes are an integral part of these consolidated financial statements*

WisdomTree Investments, Inc. and Subsidiaries

Consolidated Statements of Cash Flows  
(In Thousands)  
(Unaudited)

	<b>Six Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 15,723	\$ 36,234
Non-cash items included in net income:		
Income tax expense	15,490	25,218
Depreciation and amortization	646	443
Stock-based compensation	7,270	4,952
Deferred rent	(115)	(70)
Accretion to interest income and other	(34)	6
Changes in operating assets and liabilities:		
Accounts receivable	9,561	(10,318)
Other assets	(1,889)	(2,279)
Acquisition payable	3,295	521
Fund management and administration payable	240	3,219
Compensation and benefits payable	(20,481)	7,290
Accounts payable and other liabilities	(710)	316
Net cash provided by operating activities	28,996	65,532
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(599)	(364)
Purchase of investments	—	(8,449)
Acquisition less cash acquired	(11,818)	—
Proceeds from the redemption of investments	5,025	1,187
Net cash used in investing activities	(7,392)	(7,626)
<b>Cash flows from financing activities:</b>		
Dividends paid	(21,833)	(21,794)
Shares repurchased	(35,654)	(15,264)
Proceeds from exercise of stock options	104	3,293
Net cash used in financing activities	(57,383)	(33,765)
Increase/(decrease) in cash flows due to changes in foreign exchange rate	623	(153)
Net (decrease)/increase in cash and cash equivalents	(35,156)	23,988
Cash and cash equivalents—beginning of period	210,070	165,284
Cash and cash equivalents—end of period	<u>\$ 174,914</u>	<u>\$ 189,272</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for taxes	<u>\$ 3,748</u>	<u>\$ 356</u>

*The accompanying notes are an integral part of these consolidated financial statements*

**WisdomTree Investments, Inc. and Subsidiaries**

Notes to Consolidated Financial Statements  
(In Thousands, Except Share and Per Share Amounts)

**1. Organization and Description of Business**

WisdomTree Investments, Inc., through its global subsidiaries (collectively, “WisdomTree” or the “Company”), is an exchange traded product (“ETP”) sponsor and asset manager headquartered in New York. WisdomTree offers ETPs covering equity, fixed income, currency, alternative and commodity asset classes. The Company has the following operating subsidiaries:

- *WisdomTree Asset Management, Inc.* (“WTAM”) is a New York based investment adviser registered with the SEC providing investment advisory and other management services to the WisdomTree Trust (“WTT”) and WisdomTree exchange traded funds (“ETFs”).
- *Boost Management Limited* (“BML” or “Boost”) is a Jersey based investment manager providing investment and other management services to Boost Issuer PLC (“BI”) and Boost ETPs.
- *WisdomTree Europe Limited* (“WisdomTree Europe”) is a U.K. based company registered with the Financial Conduct Authority providing management and other services to BML and WisdomTree Management Limited.
- *WisdomTree Management Limited* (“WTML”) is an Ireland based investment manager providing investment and other management services to WisdomTree Issuer plc (“WTI”) and WisdomTree UCITS ETFs.
- *WisdomTree Japan Inc.* (“WTJ”) is a Japan based company that is registered with Japan’s Ministry of Finance and serves the institutional market selling U.S. listed WisdomTree ETFs in Japan.
- *WisdomTree Commodity Services, LLC* (“WTCS”) is a New York based company that serves as the managing owner and commodity pool operator of the WisdomTree Continuous Commodity Index Fund. WTCS is registered with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”).
- *WisdomTree Coal Services, LLC* (“WTC”) is a New York based company that serves as the sponsor and commodity pool operator of the WisdomTree Coal Fund. WTC is registered with the CFTC and is a member of the NFA.
- *WisdomTree Asset Management Canada, Inc.* (“WTAMC”) is a Canada based investment fund manager registered with the Ontario Securities Commission providing fund management services to locally-listed WisdomTree ETFs.

The WisdomTree ETFs are issued in the U.S. by WTT. WTT, a non-consolidated third party, is a Delaware statutory trust registered with the SEC as an open-end management investment company. The Company has licensed to WTT the use of certain of its own indexes on an exclusive basis for the WisdomTree ETFs in the U.S. The Boost ETPs are issued by BI. BI, a non-consolidated third party, is a public limited company organized in Ireland. The WisdomTree UCITS ETFs are issued by WTI. WTI, a non-consolidated third party, is a public limited company organized in Ireland.

The Board of Trustees and Board of Directors of WTT, BI and WTI, respectively, are separate from the Board of Directors of the Company. The respective Trustees and Directors of WTT, BI and WTI, as applicable, are primarily responsible for overseeing the management and affairs of the WisdomTree ETFs, Boost ETPs and the WisdomTree UCITS ETFs for the benefit of the WisdomTree ETF, Boost ETP and the WisdomTree UCITS ETF shareholders, respectively, and have contracted with the Company to provide for general management and administration services. The Company, in turn, has contracted with third parties to provide the majority of these administration services. In addition, certain officers of the Company provide general management services for WTT, BI and WTI.

**2. Significant Accounting Policies**

***Basis of Presentation***

These consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) and in the opinion of management reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of financial condition, results of operations, and cash flows for the periods presented. The consolidated financial statements include the accounts of the Company’s wholly-owned subsidiaries.

All intercompany accounts and transactions have been eliminated in consolidation. Certain accounts in the prior years’ consolidated financial statements have been reclassified to conform to the current year’s consolidated financial statements presentation. These reclassifications had no effect on the previously reported operating results.



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### ***Consolidation***

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity. Factors considered in this analysis include whether it is a legal entity, a scope exception applies, a variable interest exists and stockholders have the power to direct the activities that most significantly impact the economic performance, as well as the equity ownership, and any related party implications of the Company's involvement with the entity.

### ***Foreign Currency Translation***

Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar are translated based on the end of period exchange rates from local currency to U.S. dollars. Results of operations are translated at the average exchange rates in effect during the period.

### ***Use of Estimates***

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet dates and the reported amounts of revenues and expenses for the periods presented. Actual results could differ materially from those estimates.

### ***Revenue Recognition***

The Company earns investment advisory fees from its ETPs, as well as licensing fees from third parties. ETP advisory fees are based on a percentage of the ETPs' average daily net assets and recognized over the period the related service is provided. Licensing fees are based on a percentage of the average monthly net assets and recognized over the period the related service is provided.

### ***Depreciation and Amortization***

Depreciation is provided for using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	5 years
Furniture and fixtures	15 years

Leasehold improvements are amortized over the term of their respective leases or service lives of the improvements, whichever is shorter. Fixed assets are stated at cost less accumulated depreciation and amortization.

### ***Marketing and Advertising***

Advertising costs, including media advertising and production costs, are expensed when incurred.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of 90 days or less at the time of purchase to be classified as cash equivalents. Cash and cash equivalents are held primarily with one large financial institution.

### ***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are customer and other obligations due under normal trade terms. An allowance for doubtful accounts is not provided since, in the opinion of management, all accounts receivable recorded are deemed collectible.

### ***Impairment of Long-Lived Assets***

On a periodic basis, the Company performs a review for the impairment of long-lived assets when events or changes in circumstances indicate that the estimated undiscounted future cash flows expected to be generated by the assets are less than their carrying amounts or when other events occur which may indicate that the carrying amount of an asset may not be recoverable.

### ***Earnings per Share***

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the reduction in earnings per share assuming options or other contracts to issue common stock were exercised or converted into common stock.

### ***Investments***

The Company accounts for all of its investments as held-to-maturity, which are recorded at amortized cost. For held-to-maturity investments, the Company has the intent and ability to hold investments to maturity and it is not more-likely-than-not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity. On a periodic basis, the Company reviews its portfolio of investments for impairment. If a decline in fair value is deemed to be other-than-temporary, the security is written down to its fair value through earnings.

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### ***Goodwill***

Goodwill is the excess of the fair value of the purchase price over the fair values of the identifiable net assets at the acquisition date. The Company tests its goodwill for impairment at least annually. An impairment loss is triggered if the estimated fair value of the operating reporting unit is less than the estimated net book value. Such loss is calculated as the difference between the estimated fair value of goodwill and its carrying value.

### ***Intangible Assets***

Intangible assets are tested for impairment at least annually and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. An impairment loss would be recognized when estimated undiscounted future cash flows generated from the assets are less than their carrying amount. Measurement of an impairment loss would be based on the excess of the carrying amount of the asset group over its fair value.

### ***Stock-Based Awards***

Accounting for stock-based compensation requires the measurement and recognition of compensation expense for all equity awards based on estimated fair values. Stock-based compensation is measured based on the grant-date fair value of the award and is amortized over the relevant service period.

### ***Income Taxes***

The Company accounts for income taxes using the liability method, which requires the determination of deferred tax assets and liabilities based on the differences between the financial and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which differences are expected to reverse. Deferred tax assets are adjusted by a valuation allowance if, based on the weight of available evidence, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

In order to recognize and measure any unrecognized tax benefits, management evaluates and determines whether any of its tax positions are more-likely-than-not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets this recognition threshold, the position is measured to determine the amount of benefit to be recognized in the consolidated financial statements. The Company records interest expense and penalties related to tax expenses as income tax expense.

### ***Related Party Transactions***

The Company's revenues are derived primarily from investment advisory agreements with WTT and WisdomTree ETFs. Under these agreements, the Company has licensed to WTT and WTI the use of certain of its own indexes on an exclusive basis for the WisdomTree ETFs in the U.S. and Europe. The Trustees are primarily responsible for overseeing the management and affairs of the WisdomTree ETFs and the Trust for the benefit of the WisdomTree ETF shareholders and WTT has contracted with the Company to provide for general management and administration of WTT and the WisdomTree ETFs. The Company is also responsible for certain expenses of WTT, including the cost of transfer agency, custody, fund administration and accounting, legal, audit, and other non-distribution services, excluding extraordinary expenses, taxes and certain other expenses, which is included in fund management and administration on the Company's Consolidated Statements of Operations. In exchange, the Company receives fees based on a percentage of the ETF average daily net assets. The advisory agreements may be terminated by WTT upon notice. Certain officers of the Company also provide general management oversight of WTT; however, these officers have no material decision making responsibilities and primarily implement the decisions of the Trustees. At June 30, 2016 and December 31, 2015, the balance of accounts receivable from WTT was approximately \$16,756 and \$24,560, respectively, which is included as a component of accounts receivable on the Company's Consolidated Balance Sheets. Revenues from advisory services provided to WTT for the three months ended June 30, 2016 and 2015 were approximately \$53,587 and \$80,409, respectively, and for the six months ended June 30, 2016 and 2015 were approximately \$112,229 and \$139,755, respectively.

At June 30, 2016 and December 31, 2015, the balance of accounts receivable from BI and WTI was approximately \$651 and \$487, respectively, which is included as a component of accounts receivable on the Company's Consolidated Balance Sheets. Revenues from advisory fee services provided to BI and WTI for the three months ended June 30, 2016 and 2015 were approximately \$1,870 and \$911, respectively, and for the six months ended June 30, 2016 and 2015 were approximately \$3,393 and \$1,434 respectively.

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At June 30, 2016, the balance of accounts receivable from WTCS and WTC was approximately \$162, which is included as a component of accounts receivable on the Company's Consolidated Balance Sheets. Revenues from advisory fee services provided to WTCS and WTC for the three and six months ended June 30, 2016 were approximately \$474 and \$924, respectively.

### ***Third-Party Sharing Arrangements***

The Company pays a percentage of its advisory fee revenues based on incremental growth in AUM, subject to caps or minimums, to marketing agents to sell WisdomTree ETFs and for including WisdomTree ETFs on third party customer platforms.

### ***Segment, Geographic and Customer Information***

The Company operates as a single business segment as an ETP sponsor and asset manager providing investment advisory services. Substantially all of the Company's revenues, pretax income and assets are derived or located in the U.S. The Company maintains operations in Europe, Japan and Canada.

### ***Recently Issued Accounting Pronouncements***

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). The standard is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. ASU 2016-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, and accounting for and early adoption is permitted. The Company is currently evaluating the impact that the standard will have on its consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASU 2016-02), which requires lessees to include most leases on the balance sheet. ASU 2016-02 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the impact that the standard will have on its consolidated financial statements.

In November 2015, the FASB issued Accounting Standards Update 2015-17, *Balance Sheet Classification of Deferred Taxes* (ASU 2015-17), which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. The Company early adopted ASU 2015-17 effective December 31, 2015, retrospectively. Adoption resulted in a reduction of \$9,279 in current assets on its Consolidated Balance Sheet at December 31, 2015.

In February 2015, the FASB issued Accounting Standards Update 2015-02, *Amendments to the Consolidation Analysis* (ASU 2015-02), which amends the consolidation guidance in ASC 810. The standard eliminates the deferral of FAS 167, per ASC 810-10-65-2(a), which has allowed certain investment funds to follow the previous consolidation guidance in FIN 46 (R). The standard changes whether (1) fees paid to a decision maker or service provider represent a variable interest, (2) a limited partnership or similar entity has the characteristics of a variable interest entity ("VIE") and (3) a reporting entity is the primary beneficiary of a VIE. The effective date of the standard is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015 for public companies, and early adoption was permitted. The Company adopted ASU 2015-02 effective January 1, 2016. Adoption had no impact on the Company's consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which is a new comprehensive revenue recognition standard on the financial reporting requirements for revenue from contracts entered into with customers. In July 2015, the FASB deferred this ASU's effective date by one year, to interim and annual periods beginning after December 15, 2017. The deferral allows early adoption at the original effective date. During 2016, the FASB issued ASU 2016-08, which clarifies principal versus agent considerations, ASU 2016-10, which clarifies identifying performance obligations and the licensing implementation guidance, and ASU 2016-12, which amends certain aspects of the new revenue recognition standard pursuant to ASU 2014-09. ASU 2014-09 allows for the use of either the retrospective or modified retrospective adoption method. The Company is currently evaluating the impact that the standard will have on its consolidated financial statements.

### ***Business Combinations***

The Company includes the results of operations of the businesses that it acquires from the respective dates of acquisition. The fair values of the purchase price of the acquisitions are allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill.

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### *Acquisitions*

The net assets of businesses purchased are recorded at their fair value at the acquisition date and the Company's consolidated financial statements include their results of operations from that date. Any excess of acquisition consideration over the fair value of identifiable net assets acquired is recorded as goodwill. The major classes of assets and liabilities that the Company generally allocates the purchase price to, excluding goodwill, include identifiable intangible assets. The estimated fair value of identifiable intangible assets is based on critical estimates, judgments and assumptions derived from: analysis of market conditions; discount rate; discounted cash flows; customer retention rates; and estimated useful lives.

### *Subsequent Events*

The Company has evaluated subsequent events after the date of the consolidated financial statements to consider whether or not the impact of such events needed to be reflected or disclosed in the consolidated financial statements. Such evaluation was performed through the issuance date of the consolidated financial statements.

## 3. Investments and Fair Value Measurements

The following table is a summary of the Company's investments:

	<u>June 30, 2016</u> <u>Held-to-</u> <u>Maturity</u>	<u>December 31, 2015</u> <u>Held-to-</u> <u>Maturity</u>
Federal agency debt instruments	<u>\$ 18,703</u>	<u>\$ 23,689</u>

The following table summarizes unrealized gains, losses and fair value of investments:

	<u>June 30, 2016</u> <u>Held-to-</u> <u>Maturity</u>	<u>December 31, 2015</u> <u>Held-to-</u> <u>Maturity</u>
Cost/amortized cost	\$ 18,703	\$ 23,689
Gross unrealized gains	110	82
Gross unrealized losses	(129)	(609)
Fair value	<u>\$ 18,684</u>	<u>\$ 23,162</u>

The following table sets forth the maturity profile of investments; however, these investments may be called prior to the maturity date:

	<u>June 30, 2016</u> <u>Held-to-</u> <u>Maturity</u>	<u>December 31, 2015</u> <u>Held-to-</u> <u>Maturity</u>
Due within one year	\$ 3,088	\$ —
Due one year through five years	5,280	8,369
Due five years through ten years	2,361	3,127
Due over ten years	7,974	12,193
Total	<u>\$ 18,703</u>	<u>\$ 23,689</u>

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### **Fair Value Measurement**

Under the accounting for fair value measurements and disclosures, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants at the measurement date. The accounting guidance establishes a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

These three types of inputs create the following fair value hierarchy:

**Level 1**—Quoted prices for identical instruments in active markets.

**Level 2**—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

**Level 3**—Instruments whose significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available. The Company's held-to-maturity securities are categorized as Level 1.

As of December 31, 2015, the Company estimated the fair value of the acquisition payable to be \$9,900. The fair value measurement of the acquisition payable was categorized as Level 3 and based on a predefined formula that included the following inputs: the contractual minimum payment obligation, European AUM, the Company's enterprise value over global AUM, and operating results of the European business. At each reporting period through May 2016 (See Note 10), the fair value of the acquisition payable was determined using a discounted cash flows analysis. The significant unobservable inputs used in the fair value measurement were the projected AUM of the European listed ETPs (ranging from \$1,000,000 to \$6,000,000), the projected operating results of the European business, and the discount rate (27.5%). Significant increases (decreases) to the projected AUM of the European listed ETPs or operating results of the European business in isolation would have resulted in a higher (lower) fair value measurement. Significant increases (decreases) to the discount rate in isolation resulted in a lower (higher) fair value measurement.

### **4. Fixed Assets**

The following table summarizes fixed assets:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Equipment	\$ 1,680	\$ 1,258
Furniture and fixtures	2,412	2,382
Leasehold improvements	10,616	10,312
Less accumulated depreciation and amortization	(2,646)	(1,978)
Total	<u>\$ 12,062</u>	<u>\$ 11,974</u>

### **5. Commitments and Contingencies**

#### **Contractual Obligations**

The Company has entered into obligations under operating leases with initial non-cancelable terms in excess of one year for office space, telephone and data services. Expenses recorded under these agreements for the three months ended June 30, 2016 and 2015 were approximately \$904 and \$829, and for the six months ended June 30, 2016 and 2015 were approximately \$1,768 and \$1,623.

Future minimum lease payments with respect to non-cancelable operating leases at June 30, 2016 were approximately as follows:

Remainder of 2016	\$ 2,073
2017	3,760
2018	3,235
2019	2,961
2020 and thereafter	26,952
Total	<u>\$38,981</u>

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### Letter of Credit

The Company collateralized its U.S. office lease through a standby letter of credit totaling \$1,384. The collateral is included in investments on the Company's Consolidated Balance Sheets.

### Contingencies

The Company is subject to various routine reviews and inspections by regulatory authorities as well as legal proceedings arising in the ordinary course of business. The Company is not currently party to any litigation or other legal proceedings that are expected to have a material impact on its business, financial position or results of operations.

## 6. Stock-Based Awards

The Company grants equity awards to employees and directors. Options may be issued for a term of ten years, may vest after at least one year and have an exercise price equal to the fair value of the Company on the date of grant. The Company estimates the fair value for options using the Black-Scholes option pricing model. All stock and option awards require future service as a condition of vesting with certain awards subject to acceleration under certain conditions.

On June 20, 2016, the Company's stockholders approved a new equity award plan under which the Company can issue up to 10,000,000 shares of common stock (less one share for every share granted under prior plans since March 31, 2016 and inclusive of shares available under the prior plans as of March 31, 2016) in the form of stock options and other stock-based awards. The Company also has issued from time to time stock-based awards outside a plan. Options outstanding at June 30, 2016 expire on dates ranging from January 1, 2017 to November 15, 2021.

A summary of options and restricted stock activity is as follows:

	Options	Weighted Average Exercise Price of Options	Restricted Stock Awards
Balance at January 1, 2016	1,544,597	\$ 2.62	1,620,726
Granted	—	\$ —	1,484,484
Exercised/vested	(96,850)	\$ 1.07	(670,294)
Forfeitures	—	\$ —	(2,850)
Balance at June 30, 2016	<u>1,447,747</u>	<u>\$ 2.73</u>	<u>2,432,066</u>

A summary of stock-based compensation expense is as follows:

Three Months Ended June 30,		Six Months Ended June 30,	
2016	2015	2016	2015
<u>\$ 3,767</u>	<u>\$ 2,608</u>	<u>\$ 7,270</u>	<u>\$ 4,952</u>

A summary of unrecognized stock-based compensation expense and average remaining vesting period is as follows:

	June 30, 2016	
	Unrecognized Stock-Based Compensation	Average Remaining Vesting Period
Employees and directors option awards	\$ 64	0.58
Employees and directors restricted stock awards	\$ 26,517	2.15

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### 7. Earnings Per Share

The following is a reconciliation of the basic and diluted earnings per share computation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016 (shares in thousands)	2015 (shares in thousands)	2016 (shares in thousands)	2015 (shares in thousands)
Net income	\$ 3,651	\$ 24,172	\$ 15,723	\$ 36,234
Shares of common stock and common stock equivalents:				
Weighted averages shares used in basic computation	136,503	135,895	137,051	134,990
Dilutive effect of common stock equivalents	771	2,056	798	2,630
Weighted averages shares used in dilutive computation	137,274	137,951	137,849	137,620
Basic earnings per share	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.27
Dilutive earnings per share	\$ 0.03	\$ 0.18	\$ 0.11	\$ 0.26

Diluted earnings per share reflects the reduction in earnings per share assuming options or other contracts to issue common stock were exercised or converted into common stock under the treasury stock method. The dilutive effect of common stock equivalents was included in the diluted earnings per share in the three and six months ended June 30, 2016 and 2015, respectively. There were no anti-dilutive common stock equivalents for the three and six months ended June 30, 2016. 84,215 and 548,000 common stock equivalents were determined to be anti-dilutive and were not included in the calculation of diluted earnings per share for the three and six months ended June 30, 2015.

### 8. Income Taxes

#### Net operating losses – U.S.

The Company has generated net operating losses for tax purposes (“NOLs”). The following table summarizes the activity for NOLs for the six months ended June 30, 2016:

December 31, 2015	\$ (26,070)
U.S. GAAP pretax income	37,534
State income taxes	(718)
Impact of 382 limit	(3,324)
Income tax differences:	
Temporary	(21,937)
Permanent	6,832
June 30, 2016	\$ (7,683)

During the quarter ended June 30, 2016, the remaining balance of \$17,863 of NOLs that were generated from stock-based compensation amounts recognized for tax purposes at the time options are exercised (at the intrinsic value) or restricted stock is vested (at fair value of the share price) in excess of amounts previously expensed at the date of grant for U.S. GAAP purposes were utilized to reduce the Company’s tax liability with a corresponding credit to additional paid-in capital.

A summary of the components of the gross and tax affected deferred tax asset as of June 30, 2016 is as follows:

Stock-based compensation	\$ 9,899
Deferred rent liability	5,366
NOLs	4,195
Accrued expenses	5,050
Incentive compensation	(5,330)
Fixed assets	(5,865)
Other	(104)
Total U.S. deferred components	13,211
U.S. income tax rate	38.74%
U.S. tax affected	5,118
Japan	238
Total tax affected	\$ 5,356

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### *Net operating losses – Non-U.S.*

The Company's foreign subsidiaries generated NOLs outside the U.S. The following table summarizes the activity for these NOLs for the six months ended June 30, 2016:

December 31, 2015	\$(10,746)
Foreign subsidiaries loss	<u>(4,994)</u>
June 30, 2016	<u><u>\$(15,740)</u></u>

At June 30, 2016 and December 31, 2015, a deferred tax asset related to these NOLs has been fully offset by a valuation allowance of \$2,983 and \$2,051, respectively.

### **9. Shares Repurchased**

On October 29, 2014, the Company's Board of Directors authorized a three-year share repurchase program of up to \$100,000. On April 27, 2016, the Board of Directors approved a \$60,000 increase to the Company's share repurchase program and extended the term through April 27, 2019. Purchases under this program will include purchases to offset future equity grants made under the Company's equity plans and will be made in open market or privately negotiated transactions. This authority may be exercised from time to time and in such amounts as market conditions warrant, and subject to regulatory considerations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The repurchase program may be suspended or terminated at any time without prior notice. Shares repurchased under this program will be returned to the status of authorized and unissued on the Company's books and records.

During the three months ended June 30, 2016, the Company repurchased 8,018 shares of its common stock under this program for an aggregate cost of \$99. During the three months ended June 30, 2015, the Company repurchased 62,470 shares of its common stock under this program for an aggregate cost of \$1,195.

During the six months ended June 30, 2016, the Company repurchased 3,415,323 shares of its common stock under this program for an aggregate cost of \$35,654. During the six months ended June 30, 2015, the Company repurchased 835,106 shares of its common stock under this program for an aggregate cost of \$15,264. As of June 30, 2016, \$100,230 remains under this program for future purchases.

### **10. Acquisitions, Goodwill and Intangible Asset**

#### *Acquisitions*

#### *GreenHaven*

Effective January 1, 2016, the Company completed the acquisition of 100% of the issued and outstanding membership interest in each of GreenHaven Commodity Services, LLC, the managing owner of the GreenHaven Continuous Commodity Index Fund, and GreenHaven Coal Services, LLC, the sponsor of the GreenHaven Coal Fund, from GreenHaven, LLC and GreenHaven Group LLC, respectively, for approximately \$11,800 in cash. As part of the acquisition, the Company recognized an intangible asset of approximately \$10,000 and goodwill of approximately \$1,800, which is deductible for tax purposes.

The following table summarizes the purchase price allocation:

<b>Fair value acquired:</b>	
Assets	\$ 205
Goodwill	1,799
Intangible asset	<u>9,953</u>
Less: Liabilities	<u>(132)</u>
Total	<u><u>\$11,825</u></u>



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### *Boost*

In April 2014, the Company expanded into Europe through a 75% majority investment in U.K. based ETP sponsor Boost, with an obligation to buy out the remaining minority investment in four years. In May 2016, the Company accelerated the buyout and completed the purchase of the remaining minority stake. As a result, the Company recognized \$5,993 of expense as an acquisition payment on the Company's Consolidated Statements of Operations to reflect the purchase and other related expenses.

### *Goodwill*

The following table summarizes the goodwill activity during the period:

Balance at December 31, 2015	1,676
Goodwill acquired during the period	<u>1,799</u>
Balance at June 30, 2016	<u><u>\$3,475</u></u>

### *Intangible Asset*

As part of its acquisition of GreenHaven, the Company identified an intangible asset related to its customary advisory agreement with the GreenHaven ETFs for \$9,953. This intangible asset was determined to have an indefinite useful life, which is deductible for tax purposes.

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**ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes and the other financial information included elsewhere in this Report. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below. For a more complete description of the risks noted above and other risks that could cause our actual results to materially differ from our current expectations, please see Item 1A “Risk Factors” in this Report and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. We assume no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

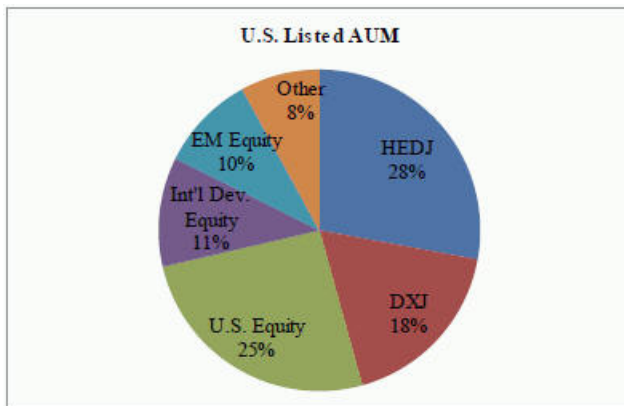
**Executive Summary**

**Introduction**

We were the ninth largest ETP sponsor in the world based on assets under management (“AUM”), with AUM of \$39.0 billion globally as of June 30, 2016. An ETP is a pooled investment vehicle that holds a basket of securities, financial instruments or other assets and generally seeks to track (index-based) or outperform (actively managed) the performance of a broad or specific equity, fixed income or alternatives market segment, commodity or currency (or an inverse or multiple thereof). ETPs are listed on an exchange with their shares traded in the secondary market at market prices, generally at approximately the same price as the net asset value of their underlying components. ETP is an umbrella term that includes ETFs, exchange-traded notes and exchange-traded commodities.

Through our operating subsidiaries in the U.S., Europe, Japan and Canada, we provide investment advisory and other management services, collectively offering ETPs covering equity, fixed income, currency, alternatives and commodity asset classes. In exchange for providing these services, we receive advisory fee revenues based on a percentage of the ETPs’ average daily AUM. Our expenses are predominantly related to selling, operating and marketing our ETPs. We have contracted with third parties to provide certain operational services for the ETPs. We distribute our ETPs through all major channels within the asset management industry, including brokerage firms, registered investment advisers, institutional investors, private wealth managers and discount brokers primarily through our sales force. Our sales efforts are not directed towards the retail segment but rather are directed towards financial or investment advisers that act as intermediaries between the end-client and us.

\$38.0 billion of our AUM are from our U.S. listed WisdomTree ETFs. As of June 30, 2016, we were the sixth largest sponsor of ETFs in the U.S. based on AUM. As the pie chart below reflects, 46% of our U.S. AUM is concentrated in European and Japanese equity exposures which hedge the Euro (trading under the symbol HEDJ) or Yen (trading under the symbol DXJ) against the U.S. dollar. The weakening of the U.S. dollar against the Euro or Yen or negative sentiment towards these two equity markets is likely to have an adverse effect on our results.



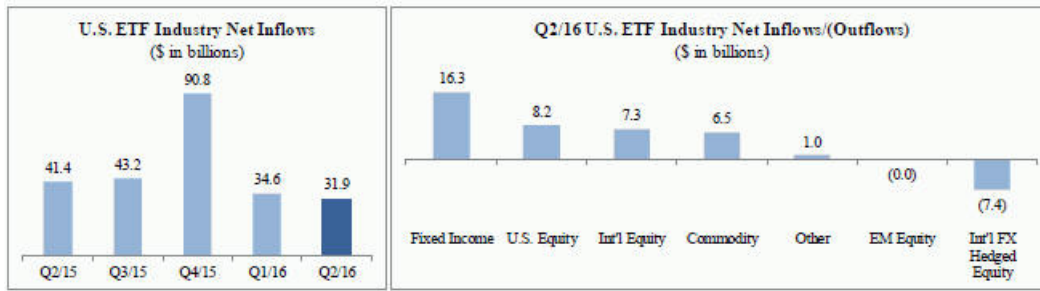
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**Market Environment**

The challenging markets faced in the first quarter of 2016 carried into the second quarter. Global stocks rose modestly in a volatile quarter marked by concerns about worldwide economic growth. An expectation of continued easy monetary policy by central banks continued a bond rally. Rising oil and gold prices fueled gains in the commodity sector. Stocks initially dropped after the U.K. vote to leave the European Union but a strong rally erased most of the losses. We expect volatility in the markets will likely continue.

The S&P 500 rose 2.5%, MSCI EAFE (local currency) fell 0.7% and MSCI Emerging Markets Index (U.S. dollar) rose 0.7% in the second quarter. In addition, Europe and Japan equity markets were significantly out of favor with MSCI EMU Index falling 2.9% and MSCI Japan Index falling 7.8% in local currency terms. The U.S. dollar also weakened 8.7% versus the Yen and strengthened 2.6% versus the Euro during the second quarter.

ETF industry flows were muted and slightly down from the first quarter. The following charts reflect the U.S. ETF industry net flows in total and net inflows/(outflows) by broad category:

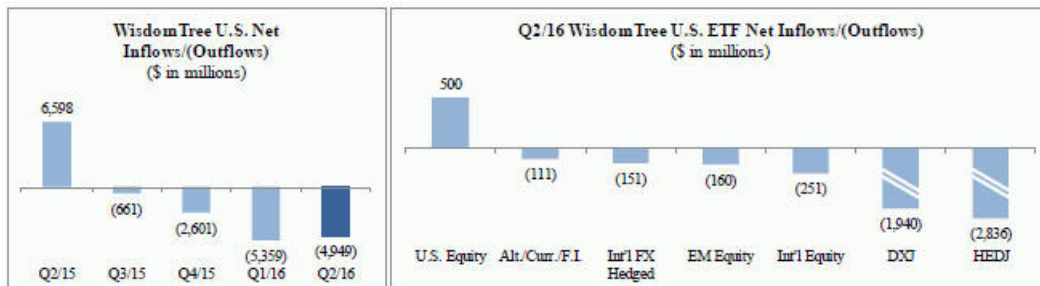


Source: Investment Company Institute, WisdomTree

As the charts above reflect, industry flows for the second quarter of 2016 were \$31.9 billion. Fixed income, U.S. equities and developed world unhedged equities along with gold ETFs gathered the majority of the flows in the quarter in line with market sentiment.

**Our Operating and Financial Results**

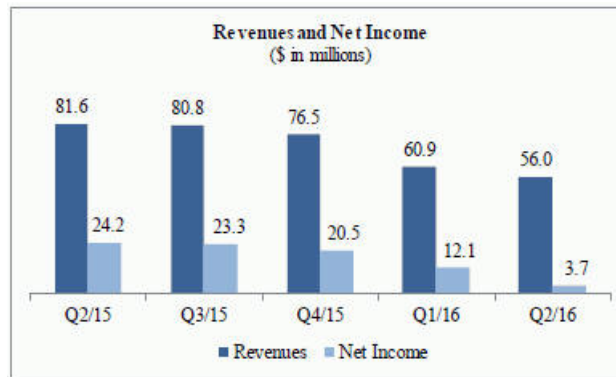
The following charts reflect the net flows into and from our U.S. listed ETFs:



We had outflows of \$4.9 billion in the second quarter of 2016 primarily due to the negative sentiment to our two largest exposures due to the factors described above. This negative sentiment led to outflows in Europe and Japan focused ETFs for both us and our competitors' currency hedged and unhedged products. However, we generated \$500.0 million of net inflows into our U.S. equity ETFs. Our dividend focused U.S. equity ETFs recently achieved a ten-year track record which we believe could provide momentum for us for further flows into these ETFs. Our U.S. listed AUM declined from \$44.3 billion as of March 31, 2016 to \$37.5 billion as of June 30, 2016 primarily due to the outflows and \$1.8 billion of negative market movement.

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Despite these challenges, we generated solid financial results as reflected in the chart below:



- *Revenues* – We recorded revenues of \$56.0 million in the second quarter of 2016, down 31.4% from the second quarter of last year primarily due to outflows in our two largest ETFs and negative market movement.
- *Expenses* – Total expenses increased 10.3% to \$44.8 million. Included in the quarter was a charge of \$6.0 million related to the accelerated buyout of the minority shareholders of our European business discussed below.
- *Net income* – Net income declined 84.9% due to the decline in revenues and the accelerated buyout charge.

### **European Buyout**

In April 2014, we expanded into Europe through a 75% majority investment in U.K. based ETP sponsor Boost, with an obligation to buy out the remaining minority investment in four years. In May 2016, we accelerated the buyout and completed the purchase of the remaining minority stake. As a result, we recognized \$6.0 million of expense as an acquisition payment on our Consolidated Statements of Operations to reflect the purchase and other related expenses.

### **Industry Developments**

On July 22, 2016, the New York Stock Exchange, part of the Intercontinental Exchange, and BATS Global Markets, Inc. announced receipt of SEC approval to streamline the listing process for certain actively managed ETFs. Many actively managed ETFs will be able to list under generic listing standards without a separate filing with the SEC under SEC Rule 19b-4. This change will align the launch process for index-based and many actively managed ETFs. We believe this is a positive development for the ETF industry and for WisdomTree in particular.

### **Non-GAAP Financial Measurements**

In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this Report are gross margin and gross margin percentage. We disclose gross margin, which we define as total revenues less fund management and administration expenses and third-party sharing arrangements, and gross margin percentage as non-GAAP financial measurements because we believe they provide investors with a consistent way to analyze the amount we retain after paying third party service providers to operate our ETPs and third party marketing agents whose fees are associated with our AUM level. Management tracks gross margin and gross margin percentage to analyze the profitability of operating our products.

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The following table reflects the calculation of our gross margin and gross margin percentage:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>GAAP total revenue</b>	\$ 55,981	\$ 81,559	\$ 116,859	\$ 141,700
Fund management and administration	(10,621)	(11,208)	(20,665)	(21,376)
Third-party sharing arrangements	(709)	(497)	(1,616)	(780)
<b>Gross margin</b>	<u>\$ 44,651</u>	<u>\$ 69,854</u>	<u>\$ 94,578</u>	<u>\$ 119,544</u>
<b>Gross margin percentage</b>	<u>79.8%</u>	<u>85.6%</u>	<u>80.9%</u>	<u>84.4%</u>

## Key Operating Statistics

The following table presents key operating statistics that serve as indicators for the performance of our business:

	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016 2015	
<b>U.S. Listed ETFs</b>					
<b>Total ETFs (in millions)</b>					
Beginning of period assets	\$44,256	\$ 51,639	\$55,758	\$ 51,639	\$39,281
Assets acquired	—	225	—	225	—
Inflows/(outflows)	(4,949)	(5,359)	6,598	(10,308)	20,118
Market appreciation/(depreciation)	(1,261)	(2,249)	(1,057)	(3,510)	1,900
End of period assets	<u>\$38,046</u>	<u>\$ 44,256</u>	<u>\$61,299</u>	<u>\$ 38,046</u>	<u>\$61,299</u>
Average assets during the period	\$41,830	\$ 45,475	\$61,153	\$ 43,652	\$53,772
<b>ETF Industry and Market Share (in billions)</b>					
ETF industry net inflows	\$ 31.9	\$ 34.6	\$ 41.4	\$ 66.5	\$ 96.9
WisdomTree market share of industry inflows	n/a	n/a	15.9%	n/a	20.8%
<b>International Hedged Equity ETFs (in millions)</b>					
Beginning of period assets	\$25,140	\$ 33,311	\$33,925	\$ 33,311	\$17,760
Inflows/(outflows)	(4,927)	(5,396)	6,083	(10,323)	19,523
Market appreciation/(depreciation)	(1,415)	(2,775)	(786)	(4,190)	1,939
End of period assets	<u>\$18,798</u>	<u>\$ 25,140</u>	<u>\$39,222</u>	<u>\$ 18,798</u>	<u>\$39,222</u>
Average assets during the period	\$22,633	\$ 27,846	\$38,548	\$ 25,239	\$31,553
<b>U.S. Equity ETFs (in millions)</b>					
Beginning of period assets	\$ 8,966	\$ 8,603	\$ 9,748	\$ 8,603	\$ 9,390
Inflows/(outflows)	500	(8)	(320)	492	(26)
Market appreciation/(depreciation)	300	371	(183)	671	(119)
End of period assets	<u>\$ 9,766</u>	<u>\$ 8,966</u>	<u>\$ 9,245</u>	<u>\$ 9,766</u>	<u>\$ 9,245</u>
Average assets during the period	\$ 9,252	\$ 8,225	\$ 9,664	\$ 8,738	\$ 9,717
<b>International Developed Equity ETFs (in millions)</b>					
Beginning of period assets	\$ 4,653	\$ 4,525	\$ 4,323	\$ 4,525	\$ 3,988
Inflows/(outflows)	(251)	160	497	(91)	685
Market appreciation/(depreciation)	(218)	(32)	9	(250)	156
End of period assets	<u>\$ 4,184</u>	<u>\$ 4,653</u>	<u>\$ 4,829</u>	<u>\$ 4,184</u>	<u>\$ 4,829</u>
Average assets during the period	\$ 4,633	\$ 4,304	\$ 4,790	\$ 4,469	\$ 4,450
<b>Emerging Markets Equity ETFs (in millions)</b>					
Beginning of period assets	\$ 3,803	\$ 3,825	\$ 6,068	\$ 3,825	\$ 6,187
Inflows/(outflows)	(160)	(171)	250	(331)	85
Market appreciation/(depreciation)	40	149	(74)	189	(28)
End of period assets	<u>\$ 3,683</u>	<u>\$ 3,803</u>	<u>\$ 6,244</u>	<u>\$ 3,683</u>	<u>\$ 6,244</u>
Average assets during the period	\$ 3,703	\$ 3,476	\$ 6,336	\$ 3,590	\$ 6,242

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	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016 2015	
<b>Fixed Income ETFs (in millions)</b>					
Beginning of period assets	\$ 828	\$ 799	\$ 904	\$ 799	\$ 1,152
Inflows/(outflows)	(47)	(14)	67	(61)	(143)
Market appreciation/(depreciation)	9	43	(15)	52	(53)
End of period assets	<u>\$ 790</u>	<u>\$ 828</u>	<u>\$ 956</u>	<u>\$ 790</u>	<u>\$ 956</u>
Average assets during the period	\$ 811	\$ 788	\$ 929	\$ 799	\$ 974
<b>Alternative Strategy ETFs (in millions)</b>					
Beginning of period assets	\$ 440	\$ 208	\$ 225	\$ 208	\$ 205
Assets acquired	—	225	—	225	—
Inflows/(outflows)	(10)	5	14	(5)	31
Market appreciation/(depreciation)	22	2	(9)	24	(6)
End of period assets	<u>\$ 452</u>	<u>\$ 440</u>	<u>\$ 230</u>	<u>\$ 452</u>	<u>\$ 230</u>
Average assets during the period	\$ 448	\$ 432	\$ 235	\$ 440	\$ 225
<b>Currency ETFs (in millions)</b>					
Beginning of period assets	\$ 426	\$ 368	\$ 565	\$ 368	\$ 599
Inflows/(outflows)	(54)	65	7	11	(37)
Market appreciation/(depreciation)	1	(7)	1	(6)	11
End of period assets	<u>\$ 373</u>	<u>\$ 426</u>	<u>\$ 573</u>	<u>\$ 373</u>	<u>\$ 573</u>
Average assets during the period	\$ 350	\$ 404	\$ 651	\$ 377	\$ 611
<b>Average ETF assets during the period</b>					
International hedged equity ETFs	54%	61%	63%	58%	59%
U.S. equity ETFs	22%	18%	16%	20%	18%
International developed equity ETFs	11%	9%	8%	10%	8%
Emerging markets equity ETFs	9%	8%	10%	8%	12%
Fixed income ETFs	2%	2%	2%	2%	2%
Currency ETFs	1%	1%	1%	1%	1%
Alternative strategy ETFs	1%	1%	0%	1%	0%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<b>Average ETF advisory fee during the period</b>					
Alternative strategy ETFs	0.87%	0.88%	0.95%	0.87%	0.95%
Emerging markets equity ETFs	0.71%	0.71%	0.71%	0.71%	0.71%
International developed equity ETFs	0.56%	0.56%	0.56%	0.56%	0.56%
International hedged equity ETFs	0.54%	0.54%	0.54%	0.54%	0.53%
Currency ETFs	0.50%	0.50%	0.50%	0.50%	0.50%
Fixed income ETFs	0.48%	0.49%	0.52%	0.49%	0.52%
U.S. equity ETFs	0.35%	0.35%	0.35%	0.35%	0.35%
Blended total	<u>0.52%</u>	<u>0.52%</u>	<u>0.53%</u>	<u>0.52%</u>	<u>0.52%</u>
<b>Number of ETFs—end of the period</b>					
International hedged equity ETFs	23	23	16	23	16
International developed equity ETFs	21	20	18	21	18
U.S. equity ETFs	15	15	13	15	13
Fixed income ETFs	17	13	12	17	12
Emerging markets equity ETFs	10	9	8	10	8
Alternative strategy ETFs	7	7	2	7	2
Currency ETFs	6	6	6	6	6
Total	<u>99</u>	<u>93</u>	<u>75</u>	<u>99</u>	<u>75</u>
<b>European Listed ETPs</b>					
<b>Total ETPs (in thousands)</b>					
Beginning of period assets	\$488,069	\$437,934	\$288,801	\$437,934	\$165,018
Inflows	20,578	123,461	50,331	144,039	195,712
Market appreciation/(depreciation)	51,416	(73,326)	44,957	(21,910)	23,359
End of period assets	<u>\$560,063</u>	<u>\$488,069</u>	<u>\$384,089</u>	<u>\$560,063</u>	<u>\$384,089</u>
Average assets during the period	544,676	428,230	336,588	486,453	278,534
Average ETP advisory fee during the period	0.84%	0.84%	0.82%	0.84%	0.82%
Number of ETPs – end of period	67	67	57	67	57

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	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
<b>Total UCITS ETFs (in thousands)</b>					
Beginning of period assets	\$396,901	\$335,938	\$ 45,846	\$335,938	\$ 16,179
Inflows	37,272	69,878	144,234	107,150	173,085
Market appreciation/(depreciation)	(42,273)	(8,915)	38,508	(51,188)	39,324
End of period assets	<u>\$391,900</u>	<u>\$396,901</u>	<u>\$228,588</u>	<u>\$391,900</u>	<u>\$228,588</u>
Average assets during the period	400,047	356,814	204,568	378,431	117,138
Average ETP advisory fee during the period	0.46%	0.47%	0.44%	0.46%	0.42%
Number of ETPs – end of period	27	22	10	27	10
<b>U.S. headcount</b>	149	146	117	149	117
<b>Non-U.S. headcount</b>	55	45	28	55	28

Note: Previously issued statistics may be restated due to trade adjustments.

Source: Investment Company Institute, Bloomberg, WisdomTree

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**Three Months Ended June 30, 2016 Compared to Three Months Ended June 30, 2015**

*Revenues*

	Three Months Ended June 30,		Change	Percent Change
	2016	2015		
U.S. listed-Average assets under management (in millions)	\$41,830	\$61,153	\$(19,323)	(31.6)%
U.S. listed-Average ETF advisory fee	0.52%	0.53%	(0.01)	
Advisory fees (in thousands)	\$55,931	\$81,320	\$(25,389)	(31.2)%
Other income (in thousands)	50	239	(189)	(79.1)%
<b>Total revenues (in thousands)</b>	<b>\$55,981</b>	<b>\$81,559</b>	<b>\$(25,578)</b>	<b>(31.4)%</b>

*Advisory fees*

Advisory fees revenues decreased 31.2% from \$81.3 million in the three months ended June 30, 2015 to \$55.9 million in the comparable period in 2016 primarily due to lower average AUM in our U.S. listed ETFs from outflows in our two largest ETFs and negative market movement. Our average advisory fee for our U.S. listed ETFs declined from 0.53% in the three months ended June 30, 2015 to 0.52% in the comparable period in 2016 due to the change in AUM mix.

*Other income*

Other income decreased 79.1% from \$0.2 million in the three months ended June 30, 2015 to \$0.05 million in the comparable period in 2016 due to unrealized currency losses on our cash balances for our European business.

*Expenses*

<i>(in thousands)</i>	Three Months Ended June 30,		Change	Percent Change
	2016	2015		
Compensation and benefits	\$14,343	\$18,669	\$(4,326)	(23.2)%
Fund management and administration	10,621	11,208	(587)	(5.2)%
Marketing and advertising	4,566	3,628	938	25.9%
Sales and business development	3,834	2,076	1,758	84.7%
Professional and consulting fees	1,365	1,604	(239)	(14.9)%
Occupancy, communications and equipment	1,241	943	298	31.6%
Depreciation and amortization	330	223	107	48.0%
Third-party sharing arrangements	709	497	212	42.7%
Acquisition payment	5,993	264	5,729	n/a
Other	1,823	1,509	314	20.8%
<b>Total expenses</b>	<b>\$44,825</b>	<b>\$40,621</b>	<b>\$ 4,204</b>	<b>10.3%</b>

<b>As a Percent of Revenues:</b>	Three Months Ended June 30,	
	2016	2015
Compensation and benefits	25.6%	22.9%
Fund management and administration	19.0%	13.7%
Marketing and advertising	8.2%	4.4%
Sales and business development	6.8%	2.5%
Professional and consulting fees	2.4%	2.0%
Occupancy, communications and equipment	2.2%	1.2%
Depreciation and amortization	0.6%	0.3%
Third-party sharing arrangements	1.3%	0.6%
Acquisition payment	10.7%	0.3%
Other	3.3%	1.9%
<b>Total expenses</b>	<b>80.1%</b>	<b>49.8%</b>



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### *Compensation and benefits*

Compensation and benefits expense decreased 23.2% from \$18.7 million in the three months ended June 30, 2015 to \$14.3 million in the comparable period in 2016. Lower accrued incentive compensation relating to outflows we experienced in the first half of 2016 was partly offset by higher headcount related expenses to support our growth, and higher stock-based compensation due to equity awards we granted as part of 2015 incentive compensation. Our global headcount was 145 at June 30, 2015 compared to a global headcount of 204 at June 30, 2016.

### *Fund management and administration*

Fund management and administration expense decreased 5.2% from \$11.2 million in the three months ended June 30, 2015 to \$10.6 million in the comparable period in 2016 primarily due to lower costs for our U.S. listed ETFs because of lower average AUM partially offset by additional European listed fund launches. We had 75 U.S. listed ETFs and 67 European listed products at June 30, 2015 compared to 99 U.S. listed ETFs and 94 European listed products at June 30, 2016.

### *Marketing and advertising*

Marketing and advertising expense increased 25.9% from \$3.6 million in the three months ended June 30, 2015 to \$4.6 million in the comparable period in 2016 primarily due to planned higher levels of advertising related activities to support our growth.

### *Sales and business development*

Sales and business development expense increased 84.7% from \$2.1 million in the three months ended June 30, 2015 to \$3.8 million in the comparable period in 2016 primarily due to planned higher spending for sales related activities.

### *Professional and consulting fees*

Professional and consulting fees decreased 14.9% from \$1.6 million in the three months ended June 30, 2015 to \$1.4 million in the comparable period in 2016 primarily due to lower corporate consulting related services and fees associated with our acquisition of the GreenHaven family of commodity ETFs, which was completed in January 2016.

### *Occupancy, communications and equipment*

Occupancy, communications and equipment expense increased 31.6% from \$0.9 million in the three months ended June 30, 2015 to \$1.2 million in the comparable period in 2016 primarily due to technology initiatives and higher occupancy costs for our London office.

### *Depreciation and amortization*

Depreciation and amortization expense increased 48.0% from \$0.2 million in the three months ended June 30, 2015 to \$0.3 million in the comparable period in 2016 primarily due to higher amortization for leasehold improvements to our office space.

### *Third-party sharing arrangements*

Third-party sharing arrangements increased 42.7% from \$0.5 million in the three months ended June 30, 2015 to \$0.7 million for the comparable period in 2016 primarily due to higher fees to our third party marketing agent in Latin America.

### *Other*

Other expense increased 20.8% from \$1.5 million in the three months ended June 30, 2015 to \$1.8 million in the comparable period in 2016 primarily due to higher general and administrative expenses.

### *Income tax*

Income tax expense was \$7.5 million in the three months ended June 30, 2016. Our effective tax rate was 67.3% in the three months ended June 30, 2016 as compared to 41.0% in the three months ended June 30, 2015 due to the non-deductibility of the European buyout charge.

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### Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015

#### Revenues

	Six Months Ended June 30,		Change	Percent Change
	2016	2015		
U.S. listed-Average assets under management (in millions)	\$ 43,652	\$ 53,772	\$(10,120)	(18.8)%
U.S. listed-Average ETF advisory fee	0.52%	0.52%	—	—
Advisory fees (in thousands)	\$116,546	\$141,189	\$(24,643)	(17.5)%
Other income (in thousands)	313	511	(198)	(38.7)%
<b>Total revenues (in thousands)</b>	<b>\$116,859</b>	<b>\$141,700</b>	<b>\$(24,841)</b>	<b>(17.5)%</b>

#### Advisory fees

Advisory fees revenues decreased 17.5% from \$141.2 million in the six months ended June 30, 2015 to \$116.5 million in the comparable period in 2016 primarily due to lower average AUM in our U.S. listed ETFs from outflows in our largest exposures and negative market movement partly offset by higher revenues from our European listed products. Our average advisory fee for our U.S. listed ETFs remained at 0.52%.

#### Other income

Other income decreased 38.7% from \$0.5 million in the six months ended June 30, 2015 to \$0.3 million in the comparable period in 2016 due to unrealized currency losses on our cash balances for our European business.

#### Expenses

(in thousands)	Six Months Ended June 30,		Change	Percent Change
	2016	2015		
Compensation and benefits	\$29,569	\$38,270	\$(8,701)	(22.7)%
Fund management and administration	20,665	21,376	(711)	(3.3)%
Marketing and advertising	8,398	6,704	1,694	25.3%
Sales and business development	6,281	3,976	2,305	58.0%
Professional and consulting fees	4,200	3,067	1,133	36.9%
Occupancy, communications and equipment	2,463	1,861	602	32.3%
Depreciation and amortization	646	443	203	45.8%
Third-party sharing arrangements	1,616	780	836	107.2%
Acquisition payment	6,738	521	6,217	n/a
Other	3,455	2,744	711	25.9%
<b>Total expenses</b>	<b>\$84,031</b>	<b>\$79,742</b>	<b>\$ 4,289</b>	<b>5.4%</b>

As a Percent of Revenues:	Six Months Ended June 30,	
	2016	2015
Compensation and benefits	25.3%	27.0%
Fund management and administration	17.7%	15.1%
Marketing and advertising	7.2%	4.7%
Sales and business development	5.4%	2.8%
Professional and consulting fees	3.6%	2.2%
Occupancy, communications and equipment	2.1%	1.3%
Depreciation and amortization	0.6%	0.3%
Third-party sharing arrangements	1.4%	0.6%
Acquisition payment	5.8%	0.4%
Other	3.0%	1.9%
<b>Total expenses</b>	<b>71.9%</b>	<b>56.3%</b>

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### *Compensation and benefits*

Compensation and benefits expense decreased 22.7% from \$38.3 million in the six months ended June 30, 2015 to \$29.6 million in the comparable period in 2016. Lower accrued incentive compensation relating to outflows we experienced in the first half of 2016 was partly offset by higher headcount related expenses to support our growth, higher stock-based compensation due to equity awards we granted as part of 2015 incentive compensation and seasonally higher payroll taxes due to bonus payments in the first quarter.

### *Fund management and administration*

Fund management and administration expense decreased 3.3% from \$21.4 million in the six months ended June 30, 2015 to \$20.7 million in the comparable period in 2016 primarily due to lower costs for our U.S. listed ETFs because of lower average AUM partially offset by expenses incurred due to additional European listed fund launches.

### *Marketing and advertising*

Marketing and advertising expense increased 25.3% from \$6.7 million in the six months ended June 30, 2015 to \$8.4 million in the comparable period in 2016 primarily due to planned higher levels of advertising related activities to support our growth.

### *Sales and business development*

Sales and business development expense increased 58.0% from \$4.0 million in the six months ended June 30, 2015 to \$6.3 million in the comparable period in 2016 primarily due to planned higher spending for sales related activities.

### *Professional and consulting fees*

Professional and consulting fees increased 36.9% from \$3.1 million in the six months ended June 30, 2015 to \$4.2 million in the comparable period in 2016 primarily due to higher corporate services and technology related expenses.

### *Occupancy, communications and equipment*

Occupancy, communications and equipment expense increased 32.3% from \$1.9 million in the six months ended June 30, 2015 to \$2.5 million in the comparable period in 2016 primarily due to technology related spending initiatives.

### *Depreciation and amortization*

Depreciation and amortization expense increased 45.8% from \$0.4 million in the six months ended June 30, 2015 to \$0.6 million in the comparable period in 2016 primarily due to higher amortization for leasehold improvements to our office space.

### *Third-party sharing arrangements*

Third-party sharing arrangements increased 107.2% from \$0.8 million in the six months ended June 30, 2015 to \$1.6 million for the comparable period in 2016 primarily due to higher fees to our third party marketing agent in Latin America.

### *Other*

Other expense increased 25.9% from \$2.7 million in the six months ended June 30, 2015 to \$3.5 million in the comparable period in 2016 primarily due to higher general and administrative expenses as well as fees for our independent directors.

### *Income tax*

Income tax expense was \$17.1 million in the six months ended June 30, 2016. Our effective tax rate was 52.1% in the six months ended June 30, 2016 as compared to 41.5% in the six months ended June 30, 2015 primarily due to the non-deductibility of the European buyout charge.

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### Liquidity and Capital Resources

The following table summarizes key data regarding our liquidity, capital resources and use of capital to fund our operations:

	June 30, 2016	December 31, 2015
<b>Balance Sheet Data (in thousands):</b>		
Cash and cash equivalents	\$ 174,914	\$ 210,070
Investments	\$ 18,703	\$ 23,689
Accounts receivable	\$ 17,939	\$ 27,576
Total liabilities	\$ 40,046	\$ 58,191
	<b>Six Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash Flow Data (in thousands):</b>		
Operating cash flows	\$ 28,996	\$ 65,532
Investing cash flows	(7,392)	(7,626)
Financing cash flows	(57,383)	(33,765)
Foreign exchange rate effect	623	(153)
(Decrease)/Increase in cash and cash equivalents	<u>\$ (35,156)</u>	<u>\$ 23,988</u>

#### *Liquidity*

We consider our available liquidity to be our liquid assets less our liabilities. Liquid assets consist of cash and cash equivalents, accounts receivable and investments. We account for investments as held-to-maturity securities and have the intention and ability to hold to maturity. However, if needed, such investments could be redeemed for liquidity. Cash and cash equivalents include cash on hand and non-interest-bearing and interest-bearing deposits with financial institutions. Accounts receivable primarily represents receivables from advisory fees we earn from our ETPs. Investments represent debt instruments of U.S. government and agency securities. Our liabilities consist primarily of payments owed to vendors and third parties in the normal course of business as well as accrued year end incentive compensation for employees.

Cash and cash equivalents decreased by \$35.2 million in the first six months of 2016 to \$174.9 million at June 30, 2016 primarily due to \$35.7 million used to repurchase shares of our common stock, \$21.8 million used for our quarterly dividends, and \$11.8 million for our acquisition of GreenHaven partly offset by \$29.0 million of cash generated by our operations.

Cash and cash equivalents increased by \$24.0 million in the first six months of 2015 to \$189.3 million at June 30, 2015 primarily due to \$65.5 million of cash flow from operations due to our business results, partly offset by \$15.3 million used to repurchase shares of our common stock, \$21.8 million used for our quarterly dividends and net payments of \$7.3 million used to purchase investments.

#### *Capital Resources*

Our principal source of financing is our operating cash flows. We believe that current cash flows generated by our operating activities should be sufficient for us to fund our operations for at least the next 12 months.

#### *Use of Capital*

Our business does not require us to maintain a significant cash position. As a result, we expect that our main uses of cash will be to fund the ongoing operations of our business, invest in strategic growth initiatives, expand our business through strategic acquisitions and fund our capital return program. As part of our capital management, we maintain a capital return program which includes a \$0.08 per share quarterly cash dividend and authority to purchase up to \$100.3 million of our common stock over three years, including purchases to offset future equity grants made under our equity plans. During the first half of 2016, we repurchased 3.4 million shares of our common stock under the repurchase program for an aggregate cost of \$35.7 million.

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### Contractual Obligations

The following table summarizes our future cash payments associated with contractual obligations as of June 30, 2016:

		Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Operating leases	\$38,981	\$ 2,073	\$ 6,995	\$ 8,612	\$ 21,301
Acquisition payable	7,194	7,194	—	—	—
Total	\$46,175	\$ 9,267	\$ 6,995	\$ 8,612	\$ 21,301

### Off-Balance Sheet Arrangements

Other than operating leases, which are included in the table above, we do not have any off-balance sheet financing or other arrangements. We have neither created nor are party to any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business.

### Critical Accounting Policies

#### *Stock-Based Compensation*

Stock-based compensation expense reflects the fair value of stock-based awards measured at grant date and is recognized over the relevant service period. The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model includes the input of certain variables that are dependent on future expectations, including the expected lives of our options from grant date to exercise date, the volatility of our underlying common shares in the market over that time period, the rate of dividends that we may pay during that time and an appropriate risk-free interest rate. Many of these assumptions require management's judgment. If actual experience differs significantly from these estimates, stock-based compensation expense and our results of operations could be materially affected.

#### *Revenue Recognition*

We earn investment advisory fees from ETPs, as well as licensing fees from third parties. ETP advisory fees are based on a percentage of the ETPs' average daily net assets and recognized over the period the related service is provided. Licensing fees are based on a percentage of the average monthly net assets and recognized over the period the related service is provided.

#### *Recently Issued Accounting Pronouncements*

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). The standard is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. ASU 2016-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, and accounting for and early adoption is permitted. We are currently evaluating the impact that the standard will have on our consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASU 2016-02), which requires lessees to include most leases on the balance sheet. ASU 2016-02 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2018 and early adoption is permitted. We are currently evaluating the impact that the standard will have on our consolidated financial statements.

In November 2015, the FASB issued Accounting Standards Update 2015-17, *Balance Sheet Classification of Deferred Taxes* (ASU 2015-17), which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. The Company early adopted ASU 2015-17 effective December 31, 2015, retrospectively. Adoption resulted in a reduction of \$9,279 in current assets on our Consolidated Balance Sheet at December 31, 2015.

In February 2015, the FASB issued Accounting Standards Update 2015-02, *Amendments to the Consolidation Analysis* (ASU 2015-02), which amends the consolidation guidance in ASC 810. The standard eliminates the deferral of FAS 167, per ASC 810-10-65-2(a), which has allowed certain investment funds to follow the previous consolidation guidance in FIN 46 (R). The standard changes whether (1) fees paid to a decision maker or service provider represent a variable interest, (2) a limited partnership or similar entity has the characteristics of a variable interest entity ("VIE") and (3) a reporting entity is the primary beneficiary of a VIE. The effective date of the standard is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015 for public companies, and early adoption was permitted. The Company adopted ASU 2015-02 effective January 1, 2016. Adoption had no impact on our consolidated financial statements.

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In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which is a new comprehensive revenue recognition standard on the financial reporting requirements for revenue from contracts entered into with customers. In July 2015, the FASB deferred this ASU's effective date by one year, to interim and annual periods beginning after December 15, 2017. The deferral allows early adoption at the original effective date. During 2016, the FASB issued ASU 2016-08, which clarifies principal versus agent considerations, ASU 2016-10, which clarifies identifying performance obligations and the licensing implementation guidance, and ASU 2016-12, which amends certain aspects of the new revenue recognition standard pursuant to ASU 2014-09. ASU 2014-09 allows for the use of either the retrospective or modified retrospective adoption method. We are currently evaluating the impact that the standard will have on our consolidated financial statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The following information, together with information included in other parts of this Management's Discussion and Analysis of Financial Condition and Results of Operations, describes key aspects of the market risk to the Company.

#### ***Market Risk***

Market risk to us generally represents the risk of changes in the value of financial instruments held in the portfolios of the WisdomTree ETPs that generally result from fluctuations in securities prices, foreign currency exchange rates against the U.S. dollar, and interest rates. Nearly all of our revenues are derived from advisory agreements for the WisdomTree ETFs. Under these agreements, the advisory fee we receive is based on the average market value of the assets in the WisdomTree ETF portfolios we manage.

Fluctuations in the value of these securities are common and are generated by numerous factors such as market volatility, the overall economy, inflation, changes in investor strategies and sentiment, availability of alternative investment vehicles, government regulations and others. Accordingly, changes in any one or a combination of these factors may reduce the value of investment securities and, in turn, the underlying AUM on which our revenues are earned. These declines may cause investors to withdraw funds from our ETPs in favor of investments that they perceive as offering greater opportunity or lower risk, thereby compounding the impact on our revenues. We believe challenging and volatile market conditions will continue to be present in the foreseeable future.

#### ***Interest Rate Risk***

In order to maximize yields, we invest our corporate cash in short-term interest earning assets, primarily money market instruments at a commercial bank and U.S. government and agency debt instruments which totaled \$193.6 million and \$233.8 million as of June 30, 2016 and December 31, 2015, respectively. We do not anticipate that changes in interest rates will have a material impact on our financial condition, operating results or cash flows.

#### ***Exchange Rate Risk***

As a result of our operations in Europe, Japan and Canada, we now operate globally and are subject to currency translation exposure on the results of our non-U.S. operations. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of earnings and balance sheets from functional currency to our reporting currency (the U.S. Dollar) for consolidation purposes. We generate the vast majority of our revenues and expenses in the U.S. dollar and expect to do so for some time. We do not anticipate that changes in exchange rates, predominantly the British pound or Euro, as they relate to translating functional currency to our reporting currency, will have a material impact on our financial condition, operating results or cash flows. Currently, we do not enter into derivative financial instruments aimed at offsetting certain exposures in the statement of operations or the balance sheet but may look to do so in the future.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

As of June 30, 2016, our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended, or the "Exchange Act." Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of June 30, 2016, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules, regulations and forms of the SEC, including ensuring that such material information is accumulated by and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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### Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2016, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II: OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None.

### ITEM 1A. RISK FACTORS

In addition to the risk factors and other information set forth below and elsewhere in this Report, you should carefully consider the information set forth in Part 1, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

#### *The uncertainty regarding the potential U.K. exit from the European Union could adversely affect our business.*

The referendum held in the U.K. on June 23, 2016 resulted in a determination that the U.K. should exit the European Union, referred to as the "Brexit." Such an exit from the European Union would be unprecedented and it is unclear how the U.K.'s access to the EU Single Market, and the wider trading, legal and regulatory environment in which we operate, would be impacted and how this would affect our business and the global macroeconomic environment. The uncertainty surrounding the terms of the Brexit and its consequences could adversely impact the manner in which we conduct our operations in Europe, investor confidence and result in additional market volatility. It also could adversely affect our business, including our revenues, from either a decrease in the value of our AUM, which would result in lower advisory fees, or from investors in the WisdomTree ETFs selling their shares in favor of investments they perceive as less exposed to the Brexit risks, thus triggering redemptions that would also result in decreased AUM and lower fees.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Recent sales of Unregistered Securities

None.

#### Use of Proceeds

Not applicable.

#### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases made by or on behalf of the Company or any "affiliated purchaser" of shares of the Company's common stock.

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs<sup>(1)</sup></u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)</u>
April 1, 2016 to April 30, 2016	7,968	\$ 12.39	7,968	
May 1, 2016 to May 31, 2016	50	\$ 10.89	50	
June 1, 2016 to June 30, 2016	—	\$ —	—	
Total	<u>8,018</u>	\$ 12.38	<u>8,018</u>	<u>\$ 100,230</u>

- (1) On October 29, 2014, our Board of Directors authorized a three-year share repurchase program of up to \$100.0 million. On April 27, 2016, the Board approved a \$60.0 million increase to this program and extended the term through April 27, 2019, increasing the total authorized repurchase amount to \$100.3 million. During the three months ended June 30, 2016, we repurchased 8,018 shares of our common stock under this program for an aggregate cost of \$0.1 million. As of June 30, 2016, \$100.2 million remained under this program for future purchases.

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**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<u>Exhibit No.</u>	<u>Description</u>	<u>Reference Exhibit No.</u>
3.1 (1)	Amended and Restated Certificate of Incorporation	3.1
3.2 (1)	Amended and Restated Bylaws	3.2
4.1 (1)	Specimen Common Stock Certificate	4.1
4.2 (1)	Amended and Restated Stockholders Agreement among Registrant and certain investors dated December 21, 2006	4.2
4.3 (1)	Securities Purchase Agreement among Registrant and certain investors dated December 21, 2006	4.3
4.4 (1)	Securities Purchase Agreement among Registrant and certain investors dated October 15, 2009	4.4
4.5 (1)	Third Amended and Restated Registration Rights Agreement dated October 15, 2009	4.5
10.1 (2)	WisdomTree Investments, Inc. 2016 Equity Plan	
31.1 (2)	Certification of Chief Executive Officer and Principal Executive Officer pursuant to Rule 13a-14 of the Exchange Act	
31.2 (2)	Certification of Chief Financial Officer and Principal Accounting Officer pursuant to Rule 13a-14 of the Exchange Act	
32 (2)	Section 1350 Certification	
101 (2)	Financial Statements from the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2016, formatted in XBRL: (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations and Comprehensive Income (Unaudited); (iii) Consolidated Statements of Cash Flows (Unaudited); and (iv) Notes to Consolidated Financial Statements, as blocks of text and in detail.	
101.INS (2)	XBRL Instance Document	
101.SCH (2)	XBRL Taxonomy Extension Schema Document	
101.CAL (2)	XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF (2)	XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB (2)	XBRL Taxonomy Extension Label Linkbase Document	
101.PRE (2)	XBRL Taxonomy Extension Presentation Linkbase Document	

(1) Incorporated by reference from the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011.

(2) Filed herewith.



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized on this 9<sup>th</sup> day of August 2016.

WISDOMTREE INVESTMENTS, INC.

By: /s/ Jonathan Steinberg  
Jonathan Steinberg  
*Chief Executive Officer and President (Authorized Officer and Principal Executive Officer)*

WISDOMTREE INVESTMENTS, INC.

By: /s/ Amit Muni  
Amit Muni  
*Executive Vice President—Finance and Chief Financial Officer (Authorized Officer and Principal Financial and Accounting Officer)*

## WISDOMTREE INVESTMENTS, INC.

## 2016 EQUITY PLAN

## SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the WisdomTree Investments, Inc. 2016 Equity Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of WisdomTree Investments, Inc. (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its businesses to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-Based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Cause*" means the termination of employment of a grantee of an Award by the Company for a reason defined by the Administrator as being for cause for purposes of this Plan. Notwithstanding the forgoing, if a grantee of an Award is a party to a written agreement embodying the material terms of his or her employment by the Company and "cause" has been defined thereunder, the definition of "cause" contained in such written agreement shall control.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

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“*Covered Employee*” means an employee who is a “Covered Employee” within the meaning of Section 162(m) of the Code.

“*Disability*” means physical or mental impairment as determined under procedures established by the Administrator for purposes of the Plan. Notwithstanding the forgoing, if a grantee of an Award is a party to a written agreement embodying the material terms of his or her employment by the Company and “disability” has been defined thereunder, the definition of “disability” contained in such written agreement shall control.

“*Dividend Equivalent Right*” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“*Effective Date*” means the date on which the Plan becomes effective as set forth in Section 21.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“*Incentive Stock Option*” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Non-Employee Director*” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

“*Normal Retirement*” means retirement from active employment with the Company on or after such age which may be designated by the Administrator as “retirement age” for any particular grantee of an Award. If no age is designated, it shall be 62.

“*Option*” or “*Stock Option*” means any option to purchase shares of Stock granted pursuant to Section 5.

“*Performance-Based Award*” means any Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award granted to a Covered Employee that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code and the regulations promulgated thereunder.

“*Performance Criteria*” means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to the following: net sales; net inflows of assets

under management; assets under management; revenue; revenue growth or product revenue growth; operating income (before or after taxes); pre- or after-tax income or loss (before or after allocation or accrual of corporate overhead and bonus); earnings or loss per share; net income or loss (before or after taxes); return on equity; total stockholder return; return on assets or net assets; appreciation in and/or maintenance of the price of the Stock or any other publicly-traded securities of the Company; gross profits; earnings or losses (including earnings or losses before taxes, before interest and taxes, or before interest, taxes, depreciation and amortization); economic value-added models or equivalent metrics; comparisons with various stock market indices; reductions in costs; cash flow or cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; operating margin; gross margin; pre-tax margin; year-end cash; cash margin; debt reduction; stockholders equity; operating efficiencies; market share, market share of net inflows of asset under management; customer satisfaction; customer growth; employee satisfaction; regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents); strategic partnerships or transactions; financial ratios, including those measuring liquidity, activity, profitability or leverage; cost of capital or assets under management; financing and other capital raising transactions (including sales of the Company's equity or debt securities); factoring transactions; sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally, or through partnering transactions; implementation, completion or attainment of measurable objectives with respect to research, development, manufacturing, commercialization, products or projects, production volume levels; opening of new markets for Company products, whether in a particular jurisdiction or territory or globally; implementation, completion or attainment of measurable objectives with respect to Company operations in different geographical markets; acquisitions and divestitures; factoring transactions; and recruiting and maintaining personnel, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. Any Performance Criteria that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles ("GAAP") or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP. The Committee may appropriately adjust any evaluation performance under a Performance Criterion to include or exclude any of the following events that occurs during a Performance Cycle: (i) asset write-downs or impairments, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reporting results, (iv) accruals for reorganizations and restructuring programs, and (v) any item of an unusual nature or of a type that indicates infrequency of occurrence, or both, including those described in the Financial Accounting Standards Board's authoritative guidance, footnotes to the Company's financial statements and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's reports on Form 10-K, 10-Q or 8-K for the applicable year.

*"Performance Cycle"* means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee's right to and the payment of a Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award, the vesting and/or payment of which is subject to the attainment of one or more Performance Goals. Each such period shall not be less than 12 months.

*"Performance Goals"* means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

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*“Performance Share Award”* means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified performance goals.

*“Prior Plans”* shall mean, collectively, the Company’s 2001 Performance Equity Plan and 2005 Performance Equity Plan, each as amended from time to time.

*“Restricted Shares”* means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture.

*“Restricted Stock Award”* means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

*“Restricted Stock Units”* means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

*“Sale Event”* shall mean the consummation of (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

*“Sale Price”* means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

*“Section 409A”* means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

*“Stock”* means the Common Stock, par value \$0.01 per share, of the Company, subject to adjustments pursuant to Section 3.

*“Stock Appreciation Right”* means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

*“Subsidiary”* means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

*“Substitute Awards”* shall mean Awards granted or Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"Unrestricted Stock Award" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award, including in circumstances involving the grantee's death, Disability, Normal Retirement or termination of employment, or, as provided in Section 3(g), a change in control (including a Sale Event);

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

(g) Minimum Vesting Condition. Participants who are granted Stock Options and Stock Appreciation Rights, will be required to continue to provide services to the Company (or an affiliate) for not less than one year following the date of grant in order for any such Stock Options and Stock Appreciation Rights to fully or partially vest or be exercisable (other than in case of death, Disability or a change in control (including a Sale Event)). Notwithstanding the foregoing, up to five percent (5%) of the available shares of Stock authorized for issuance under the Plan pursuant to Section 3(a) may provide for vesting of Stock Options and Stock Appreciation Rights, partially or in full, in less than one-year.

### SECTION 3. STOCK ISSUABLE UNDER THE PLAN: MERGERS; SUBSTITUTION

(a) Stock Issuable. Subject to adjustment as provided in this Section 3, the maximum number of shares of Stock reserved and available for issuance under the Plan shall be 10,000,000 shares less one (1) share for every one (1) share subject to an award granted under any Prior Plan after March 31, 2016. After the Effective Date of the Plan, no awards may be granted under any Prior Plan.

(b) For purposes of the foregoing limitation, the shares of Stock underlying any Awards, or any Prior Plan awards that are outstanding after March 31, 2016, that are forfeited, canceled, cash-settled or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for

issuance under the Plan. In the event that withholding tax liabilities arising from an Award other than a Stock Option or Stock Appreciation Right or, after March 31, 2016, an award other than a stock option or stock appreciation right under any Prior Plan, are satisfied by the tendering of Stock (either actually or by attestation) or by the withholding of Stock by the Company, the Stock so tendered or withheld shall be added to the shares of Stock available for Awards under the Plan. Notwithstanding anything to the contrary, the following shares shall not be added to the shares authorized for grant under the Plan: (i) shares tendered or withheld upon exercise of an Option or Stock Appreciation Right to cover the exercise price or tax withholding, and (ii) shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right upon exercise thereof. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 2,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period, and no more than 10,000,000 shares of the Stock may be issued in the form of Incentive Stock Options. The shares available for issuance under the Plan may be authorized but unissued shares of Stock, treasury Stock or shares of Stock reacquired by the Company.

(c) Substitute Awards shall not reduce the shares of Stock authorized for grant under the Plan, nor shall shares subject to a Substitute Award be added to the shares of Stock available for Awards under the Plan as provided in Section 3 (b) above. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the shares authorized for grant under the Plan (and shares subject to such Awards shall not be added to the shares available for Awards under the Plan as provided in Section 3 (b) above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees or directors prior to such acquisition or combination.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards granted under this Plan and all other cash fees paid by the Company to any Non-Employee Director in any calendar year shall not exceed \$750,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision.

(e) Effect of Awards. The grant of any full value Award, an Option or a Stock Appreciation Right shall be deemed, for purposes of determining the number of shares of Stock available for issuance under Section 3(a), as an Award of one share of Stock for each such share of Stock actually subject to the Award. Any permitted addbacks under Section 3(b) for (i) forfeitures, cancellations, cash-settlement or other terminations (other than by exercise) of such Awards and Prior Plan awards and (ii) shares of Stock tendered or withheld for taxes on Awards (other than Options and Stock Appreciation Rights) and Prior Plan awards (other than options and stock appreciation rights) shall be returned to the reserved pool of shares of Stock under the Plan in the same manner.



(f) Changes in Stock. Subject to Section 3(g) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-Based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(g) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. Notwithstanding the foregoing and except as may be otherwise provided in the relevant Award Certificate, the Administrator, in its discretion, (i) may determine to accelerate the vesting of all outstanding Awards with time-based vesting, conditions or restrictions immediately prior to their termination as of the effective time of the Sale Event; (ii) may determine to accelerate the vesting of all Awards with conditions and restrictions relating to the attainment of performance goals immediately prior to their termination upon the effective time of the Sale Event or to the extent specified in the relevant Award Certificate; and/or (iii) make or provide for a payment, in cash or in kind, to the grantees holding Awards in an amount equal to value of the Awards (as determined in the sole discretion of the Administrator).

#### SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

## SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. Other than in connection with Substitute Awards, the exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant. Notwithstanding the foregoing, in the event that on the last business day of the term of a Stock Option (other than an Incentive Stock Option) (i) the exercise of the Option is prohibited by applicable law or (ii) Stock may not be purchased or sold by certain employees or directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Stock Option shall be extended for a period of thirty (30) days following the end of the legal prohibition, black-out period or lock-up agreement (unless doing so would be impermissible under Section 409A).

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

- (i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(g) Termination by Reason of Death. If an optionee's employment by the Company terminates by reason of death, any Stock Option held by such optionee, unless otherwise determined by the Administrator and set forth in the Agreement, shall thereupon automatically terminate, except that the portion of such Stock Option that has vested on the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the optionee under the will of the optionee, for a period of one year (or such other greater or lesser period as the Administrator may specify in the Option Award Certificate) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(h) Termination by Reason of Disability. If an optionee's employment by the Company terminates by reason of Disability, any Stock Option held by such optionee, unless otherwise determined by the Administrator and set forth in the Option Award Certificate, shall thereupon automatically

terminate, except that the portion of such Stock Option that has vested on the date of termination may thereafter be exercised by the optionee for a period of one year (or such other greater or lesser period as the Administrator may specify in the Option Award Certificate) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(i) Other Termination. Unless otherwise determined by the Administrator and set forth in the Option Award Certificate, if an optionee's employment or retention by, or association with, the Company terminates for any reason other than death or Disability, the Stock Option shall thereupon automatically terminate, except that if the Holder's employment is terminated by the Company without Cause or due to Normal Retirement, then the portion of such Stock Option that has vested on the date of termination of employment may be exercised for the lesser of three months after termination of employment or the balance of such Stock Option's term.

#### SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. Other than in connection with Substitute Awards, the exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. Notwithstanding the preceding sentence, in the event that on the last business day of the term of a Stock Appreciation Right (x) the exercise of the Stock Appreciation Right is prohibited by applicable law or (y) Stock may not be purchased or sold by certain employees or directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term shall be extended for a period of thirty (30) days following the end of the legal prohibition, black-out period or lock-up agreement (unless doing so would be impermissible under Section 409A). The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

#### SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of all regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute on such Restricted Shares and to exercise all other rights, powers and privileges of a holder of Stock with respect to such Restricted Shares; provided that, other than regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute, the Company will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Stock Award (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the Restricted Stock Award) until such time, if ever, as the Restricted Stock Award with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested (or, if the Restricted Stock Award is tied to the attainment of performance goals, such performance goals have been met) and with respect to which the applicable restriction period shall have expired. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been forfeited.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

#### SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

#### SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards only may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

#### SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified Performance Goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

## SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may grant Performance Share Awards under the Plan. A Performance Share Award is an Award entitling the grantee to receive shares of Stock upon the attainment of performance goals. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the performance goals, the periods during which performance is to be measured, which may not be less than one year except in the case of a Sale Event, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares of Stock actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award Certificate (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

## SECTION 12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-Based Awards. The Administrator may grant one or more Performance-Based Awards in the form of a Restricted Stock Award, Restricted Stock Units, Performance Share Awards or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall comply with the provisions set forth below.

(b) Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award.

(d) Maximum Award. The maximum Performance-Based Award that may be granted in a calendar year to any one Covered Employee under the Plan is 2,000,000 shares of Stock (subject to adjustment as provided in Section 3(f) hereof) or \$20,000,000 in the case of a Performance-Based Award that is a Cash-Based Award.

#### SECTION 13. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units or Performance Share Award shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. Notwithstanding anything to the contrary, no Dividend Equivalent Rights shall be granted with respect to any Stock Options or Stock Appreciation Rights.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

#### SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.



(c) Family Member. For purposes of Section 14(b), “family member” shall mean a grantee’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee’s household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee’s death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee’s estate.

#### SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company’s obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the minimum required tax withholding (or, if permitted by the Company, such higher tax withholding as will not result in liability classification of the Awards under ASC 718 or a successor provision and is permitted under applicable IRS withholding rules) obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includable in income of the Participants.

#### SECTION 16. SECTION 409A AWARDS

To the extent that any Award is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A (a “409A Award”), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a “separation from service” (within the meaning of Section 409A) to a grantee who is then considered a “specified employee” (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee’s separation from service, or (ii) the grantee’s death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 17. TERMINATION OF EMPLOYMENT, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Employment. If the grantee's employer ceases to be a Subsidiary, the grantee shall be deemed to have terminated employment for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of employment:

(i) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(f) or 3(g), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights, cancel underwater Stock Options or Stock Appreciation Rights (i.e., when the exercise price exceeds the Fair Market Value) in exchange for cash or other Awards or take any other action with respect to a Stock Option or Stock Appreciation Right that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Stock is listed. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(f) or 3(g).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 20. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Except as otherwise provided in this Plan or an Award Certificate, until Stock is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

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SECTION 21. TERM OF PLAN

(a) Effective Date. This Plan was approved by the Board on March 31, 2016 and will become effective upon approval by the Company's stockholders (the "Effective Date"). No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan was approved by the Board.

(b) Termination Date. Unless terminated by the Board, this Plan shall continue to remain effective until such time as no further awards may be granted and all awards granted under the Plan are no longer outstanding.

SECTION 22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of New York, applied without regard to conflict of law principles; provided, however, that all matters relating to or involving corporate law shall be governed by the laws of the State of Delaware.

DATE APPROVED BY BOARD OF DIRECTORS: March 31, 2016

DATE APPROVED BY STOCKHOLDERS: June 20, 2016

## THE WISDOMTREE INVESTMENTS, INC. 2016 EQUITY PLAN

## UK SUB-PLAN FOR EMPLOYEES RESIDENT IN THE UNITED KINGDOM

**1 PRELIMINARY**

- 1.1 The provisions of the WisdomTree Investments, Inc. 2016 Equity Plan (the “Plan”), as amended from time to time, including all defined terms, will apply to Awards made under this UK Sub-Plan (the “UK Sub-Plan”) unless specifically stated otherwise. References to Sections shall be to Sections of the Plan unless specifically stated otherwise.
- 1.2 At the date of adoption of this Sub-Plan it is envisaged that, unless the Board or the Administrator determines otherwise, only Awards of Non-Qualified Stock Options and Restricted Stock may be made under this UK Sub-Plan to employees of the Company or any other Group Company who are resident in the United Kingdom. However, if the Board or the Administrator determine at any time that other forms of Award shall be made to employees of the Company or any Group Company who are resident in the United Kingdom, this UK Sub-Plan shall apply to those Awards as specified below.

**2 GENERAL PURPOSE OF THE PLAN; DEFINITIONS**

- 2.1 The definition of “Cause” in Section 1 shall be amended by:
- (a) adding the words “or with grounds for summary dismissal” after the word “cause” in the second line; and
  - (b) adding the words “or grounds for summary dismissal” after the word “cause” twice in the fourth line.
- 2.2 The definition of “*Incentive Stock Option*” and all references to Incentive Stock Options shall not apply for the purposes of this UK Sub-Plan.
- 2.3 The definition of “*Normal Retirement*” in Section 1 shall be deleted and the word “retirement” shall be substituted for all subsequent references to “Normal Retirement”.
- 2.4 The following additional definitions shall be included within Section 1 except where expressly stated otherwise:
- (a) “*Employee NICs*” means primary (employees’) class 1 national insurance contributions;
  - (b) “*Employer NICs*” means secondary (employers’) class 1 national insurance contributions;
  - (c) “*Grantee*” means a person who has received an Award under the Plan and, where the context permits, shall include uncapitalised references to a “grantee”;
  - (d) “*Group*” shall mean the Company and its Subsidiaries and “*Group Company*” will be construed accordingly;
  - (e) “*HMRC*” means Her Majesty’s Revenue & Customs;
  - (f) “*ITEPA 2003*” means the UK Income Tax (Earnings and Pensions) Act 2003;
  - (g) “*Payroll Taxes*” means income tax and Employee NICs (in all cases) and Employer NICs (to the extent that the Grantee is bearing such cost under the provisions of this UK Sub-Plan) or their equivalent in any other jurisdiction.
- 2.5 In the case of events which occur on the termination of a Grantee’s employment in accordance with the Plan, the date of the termination shall be the date the notice is given by or to the relevant Grantee or such other date before the expiry of their contractual notice period as the Administrator shall determine.

### 3 ELIGIBILITY FOR AWARDS

- 3.1 References in Section 1 (*General Purpose of the Plan: Definitions*) and Section 4 (*Eligibility*) to officers, Non-Employee Directors, directors and Consultants as potential recipients of awards shall be ignored, with the effect that the only individuals eligible for the grant of awards under the UK Sub-Plan shall be employees, and prospective employees, of the Company and/or any Group Company, and the provisions relating to Non-Employee Directors and Consultants shall not apply.
- 3.2 Throughout the Plan, where the context permits, references to “individuals” shall be construed as if they were references to “employees”.

### 4 STOCK OPTIONS

- 4.1 Section 5 shall be read and construed so that the only Stock Options which may be granted in accordance with it shall be Non-Qualified Stock Options.
- 4.2 The following Sections 5(j) and 5(k) shall be added:

“(j) Employer NICs. If any Group Company is liable to account for Employer NICs by virtue of the grant, vesting or exercise of a Stock Option the Administrator may make it a condition of the exercise of that Option that the Grantee either: (i) meets such Group Company’s liability to pay Employer NICs; or (ii) enters into an election to transfer the liability for Employer NICs to the Grantee in a form approved by HMRC, and enters into such arrangements as may be approved by HMRC in order to ensure that the Employer NICs liability can be met.

(k) Section 431 Elections. The Administrator may make it a condition of the exercise of a Stock Option that the Grantee shall enter into a joint election with the Group Company by which he or she is employed under section 431(1) of ITEPA 2003 to disapply the provisions of Chapter 2 of Part 7 of ITEPA 2003 or make or enter into any tax election in any other jurisdiction.

### 5 STOCK APPRECIATION RIGHTS

In Section 6 (*Stock Appreciation Rights*) the following Sections 6(e) and 6(f) shall be added:

“(e) Employer NICs. If any Group Company is liable to account for Employer NICs by virtue of the grant, vesting or exercise of a Stock Appreciation Right, to the extent those Employer NICs may lawfully be borne by the relevant Grantee, the Administrator may make it a condition of the exercise of that Stock Appreciation Right that the Grantee either: (i) meets such Group Company’s liability to pay Employer NICs; or (ii) enters into an election to transfer the liability for Employer NICs to the Grantee in a form approved by HMRC, and enters into such arrangements as may be approved by HMRC in order to ensure that the Employer NICs liability can be met.

(f) Section 431 Elections. The Administrator may make it a condition of the exercise of a Stock Appreciation Right that the Grantee shall enter into a joint election with the Group Company by which he or she is employed under section 431(1) of ITEPA 2003 to disapply the provisions of Chapter 2 of Part 7 of ITEPA 2003 or make or enter into any tax election in any other jurisdiction.

### 6 RESTRICTED STOCK AWARDS

- 6.1 In Section 7 (*Restricted Stock Awards*) the words “(or other service relationship)” shall not apply.

6.2 The following Sections 7(e) and 7(f) shall be added:

“(e) Employer NICs. If any Group Company is liable to account for Employer NICs by virtue of the vesting of a Restricted Stock Award, to the extent the Employer’s NICs may lawfully be borne by the relevant Grantee, the Administrator may make it a condition of the vesting of that Award that the Grantee either: (i) meets such Group Company’s liability to pay Employer NICs; or (ii) enters into an election to transfer the liability for Employer NICs to the Grantee in a form approved by HMRC, and enters into such arrangements as may be approved by HMRC in order to ensure that the Employer NICs liability can be met.

(f) Section 431 Elections. The Administrator may make it a condition of the grant or vesting of a Restricted Stock Award that the Grantee shall enter into a joint election with the Group Company by which he or she is employed under section 431(1) of ITEPA 2003 to disapply the provisions of Chapter 2 of Part 7 of ITEPA 2003 or make or enter into any tax election in any other jurisdiction.

## 7 RESTRICTED STOCK UNITS

7.1 In Section 8 (*Restricted Stock Units*) the words “(or other service relationship)” and “(or cessation of service relationship)” shall not apply.

7.2 In Section 8(a), the words “if applicable” shall be inserted after the words “Section 409A” in the penultimate sentence and the words “If any Restricted Stock Units granted under this UK Sub-Plan are subject to Section 409A, they” shall be substituted for the words “Restricted Stock Units with deferred settlement dates are subject to Section 409A and” at the beginning of the final sentence.

7.3 In Section 8(b) the words “if applicable” shall be inserted after the words “Section 409A” in the second sentence.

7.4 The following Sections 8(e) and 8(f) shall be added:

“(e) Employer NICs. If any Group Company is liable to account for Employer NICs by virtue of the settlement of Restricted Stock Units in the form of shares of Stock, to the extent the Employer’s NICs may lawfully be borne by the relevant Grantee, the Administrator may make it a condition of the settlement of the Restricted Stock Units that the Grantee either: (i) meets such Group Company’s liability to pay Employer NICs; or (ii) enters into an election to transfer the liability for Employer NICs to the Grantee in a form approved by HMRC, and enters into such arrangements as may be approved by HMRC in order to ensure that the Employer NICs liability can be met.

(f) Section 431 Elections. The Administrator may make it a condition of the settlement of Restricted Stock Units that the Grantee shall enter into a joint election with the Group Company by which he or she is employed under section 431(1) of ITEPA 2003 to disapply the provisions of Chapter 2 of Part 7 of ITEPA 2003 or make or enter into any tax election in any other jurisdiction.

## 8 UNRESTRICTED STOCK AWARDS

In Section 9 (*Unrestricted Stock Awards*), the single paragraph shall be renumbered as paragraph (a) and the following paragraph (b) shall be added:

(b) Section 431 Elections. The Administrator may make it a condition of the grant of an Unrestricted Stock Award that the Grantee shall enter into a joint election with the Group Company by which he or she is employed under section 431(1) of ITEPA 2003 to disapply the provisions of Chapter 2 of Part 7 of ITEPA 2003 or make or enter into any tax election in any other jurisdiction.”

## 9 PERFORMANCE SHARE AWARDS

In Section 11 (*Performance Share Awards*) the words “(or cessation of service relationship)” shall not apply.

## 10 DIVIDEND EQUIVALENT RIGHTS.

In Section 13 (*Dividend Equivalent Rights*) the words “(or cessation of service relationship)” shall not apply.

## 11 TAX WITHHOLDING

Section 15 shall be deleted and replaced by the following:

“If any Group Company or any other person (other than a Grantee) is liable to account for any Payroll Taxes in any jurisdiction for which a Grantee is liable by virtue of the grant, vesting or exercise of an Award, unless the Grantee pays, or make arrangements satisfactory to the relevant Group Company or other person to pay, such amounts to the relevant Group Company or other relevant person:

- (a) the relevant Group Company or other person may withhold an amount equal to the Payroll Taxes from the Grantee’s remuneration; or
- (b) subject to the agreement of the Administrator, the Grantee may authorise the Company to withhold shares of Stock with an aggregate Fair Market Value (as of the date the withholding is effected) equal to the amount of the Payroll Taxes.”

## 12 GENERAL PROVISIONS

The paragraph after the heading in Section 20(d) (*Other Compensation Arrangements; No Employment Rights*) shall be deleted and replaced by the following:

- “(i) Nothing in this Plan or in any Grantee’s contract of employment shall be construed as giving any employee a right to be granted an Award under the UK Sub-Plan;
- (ii) the adoption of the Plan and the UK Sub-Plan and the grant of Awards do not confer upon any Grantee a right to continued employment with the Company or any other Group Company;
- (iii) a Grantee shall not be entitled, and by accepting an Award granted under this UK Sub-Plan he or she shall be deemed to have waived any possible entitlement, to any compensation or loss he or she may suffer as a result of the exercise by the Board or the Administrator of any discretion given to them in accordance with the Plan or this UK Sub-Plan, or the failure by the Board or the Administrator to exercise any such discretion, even if such exercise or failure to exercise constitutes a breach of contract by the Group Company which employs the Grantee or a breach of any other duty owed by the relevant Group Company or gives rise to any other claim whatsoever; and
- (iv) if a Grantee shall cease to be employed by within the Group for any reason whatsoever, including as a result of being wrongfully or unfairly dismissed, he or she shall not be entitled, and by accepting an Award he or she shall be deemed to have waived any possible entitlement, to any sum or benefit to compensate him for any loss or curtailment of any right or benefit accrued or in prospect under the UK Sub-Plan, and no such loss or curtailment shall form part of any claim for damages for breach of any contract of employment of any Grantee.”



## CERTIFICATION

I, Jonathan Steinberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree Investments, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Jonathan Steinberg  
Jonathan Steinberg  
Chief Executive Officer  
(Principal Executive Officer)

Date: August 9, 2016

## CERTIFICATION

I, Amit Muni, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree Investments, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Amit Muni

Amit Muni

*Chief Financial Officer (Principal Financial Officer)*

Date: August 9, 2016

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of WisdomTree Investments, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), we, Jonathan Steinberg, Chief Executive Officer of the Company, and Amit Muni, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished and not filed, and shall not be incorporated into any documents for any purpose, under the Exchange Act of 1934, as amended. A signed original of this written statement require by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

By: /s/ Jonathan Steinberg  
Jonathan Steinberg  
*Chief Executive Officer*  
*(Principal Executive Officer)*

By: /s/ Amit Muni  
Amit Muni  
*Chief Financial Officer*  
*(Principal Financial Officer)*

Date: August 9, 2016