



## **Interim Management Report of Fund Performance**

For the six-month period ended June 30, 2017

### **WisdomTree U.S. Quality Dividend Growth Index ETF (DGR/DGR.B)**

This interim management report of fund performance contains financial highlights, but does not contain the complete interim or annual financial statements of the ETF. You can obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-866-893-TREE (8733), by writing to us at 161 Bay Street, 27<sup>th</sup> floor, Toronto, ON M5J 2S1 or by visiting our website at [www.wisdomtree.com](http://www.wisdomtree.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

# WisdomTree U.S. Quality Dividend Growth Index ETF

## Interim Management Report of Fund Performance

For the six-month period ended June 30, 2017

### MANAGEMENT REPORT OF FUND PERFORMANCE

WisdomTree Asset Management Canada, Inc. (“WisdomTree”) is delighted to provide you with the Interim Management Report of Fund Performance (“MRFP”) for the WisdomTree U.S. Quality Dividend Growth Index ETF (the “ETF”) for the period ended June 30, 2017. The ETF trades on the Toronto Stock Exchange (the “TSX”) under the ticker symbols DGR (Hedged Units) and DGR.B (Non-Hedged Units).

WisdomTree is the trustee, manager and promoter of the WisdomTree ETFs. Mellon Capital Management Corporation (the “Investment Advisor”) is the investment advisor to the WisdomTree ETFs.

### Investment Objectives and Strategies

The investment objective of the ETF is to track, to the extent possible, the price and yield performance of the WisdomTree U.S. Quality Dividend Growth Index CAD (the “Index”), before fees and expenses. The Index is a fundamentally weighted index designed to provide exposure to dividend-paying U.S. companies with growth characteristics.

The investment strategy of the ETF is to invest in and hold a proportionate share of the constituent securities of the Index, or other securities, to track the price and yield performance of the Index. The ETF uses derivative instruments to hedge the U.S. dollar exposure of the securities attributable to the Hedged Units to the Canadian dollar. Any U.S. dollar exposure of the securities attributable to the Non-Hedged Units will not be hedged to the Canadian dollar.

### Risk

No material changes were made which affected the overall level of risk associated with an investment in the ETF for the period ended June 30, 2017. The overall level of risk associated with an investment in the ETF remains as disclosed in the most recent prospectus.

### Results of Operations

For the six months ended June 30, 2017, the Non-Hedged Units returned 7.49% versus the Index return of 7.80%. The Hedged Units returned 11.05% versus the 11.27% return of their benchmark index, WisdomTree U.S. Quality Dividend Growth Index CAD-Hedged. The difference in performance of the Non-Hedged Units and Hedged Units relative to their respective benchmark indexes is related to management fees and other miscellaneous factors.

The U.S. equity market, as measured by the S&P 500 Index, returned 9.34% in U.S. dollar terms and 5.57% in Canadian dollar terms for the six month period ended June 30, 2017. The period was characterized by its absence of significant market volatility in favor of generally steady gains, powered primarily by positive consumer and business survey data and corporate profit growth. In the aftermath of the U.S. Presidential election, equity markets rallied on expectations of fiscal stimulus and de-regulation. These expectations softened substantially over the first six months of 2017, dragging down the performance of small-caps and the U.S. dollar. Even though the Federal Reserve raised their target rate twice over the period, the 10 year treasury yield actually ended the period lower than where it started, which also put pressure on the highest yielding stocks within U.S. markets. Momentum in technology and health care powered the bulk of the gains in the U.S. market, returning 17% and 16% in local currency returns respectively. Conversely, the two worst performing sectors were energy and telecoms, down 11% and 13%, respectively. The ETF benefited from sector weight tailwinds as the portfolio had its biggest weight to technology at almost 20% and a health care overweight of about 5%, as well as underweight energy and telecoms by about 6% and 2%, respectively relative to the S&P 500 Index.

The U.S. dollar strengthened following the election driven by higher U.S. sovereign debt yields, but that strengthening was reversed as expectations of fiscal stimulus moderated, and the dollar lost approximately 3% to the Canadian dollar over the period. The performance of the Hedged Units and Non-Hedged Units diverged as the weakening U.S. dollar acted as a headwind to the returns of the Non-Hedged Units.

### RECENT DEVELOPMENTS

There have not been any material changes to the management of the ETF. As required by National Instrument 81-107- *Independent Review Committee for Investment Funds* (“NI 81-107”), WisdomTree has established an independent review committee (the “IRC”) to

# WisdomTree U.S. Quality Dividend Growth Index ETF

(continued)

review all conflict of interest matters identified and referred to the IRC by WisdomTree and to give its approval or recommendation, depending on the nature of the conflict of interest matters. The current members of the IRC for WisdomTree ETFs are as follows:

Name	Municipality of Residence
Karen Fisher <sup>1</sup>	Newcastle, Ontario
Gerry O' Connor	Woodbridge, Ontario
Steven Rostowsky	Thornhill, Ontario

<sup>1</sup> Chair of the IRC

## RELATED PARTY TRANSACTIONS

WisdomTree is the trustee, manager and promoter of the WisdomTree ETFs and is responsible for the administration of the WisdomTree ETFs. Each WisdomTree ETF pays the manager a management fee (see "Management Fees" below).

### Management Fees

The ETF pays WisdomTree a management fee as set forth in the table below based on the average daily net assets value of the ETF. The management fee, plus applicable taxes, is accrued daily and paid monthly in arrears. WisdomTree may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

	Management Fee Rate
WisdomTree U.S. Quality Dividend Growth Index ETF	
Hedged Units	0.38%
Non-Hedged Units	0.35%

# WisdomTree U.S. Quality Dividend Growth Index ETF

(continued)

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about each class of the ETF and is intended to help you understand its financial performance for the periods indicated.

	For the Six Months Ended June 30, 2017 (unaudited)	For the Period July 12, 2016* through December 31, 2016
<b>Hedged Units</b>		
<b>NET ASSETS PER UNIT<sup>1</sup></b>		
Net assets, beginning of period	\$20.59	\$ 20.00
Increase (decrease) from operations		
Total revenue	0.26	0.28
Total expenses	(0.09)	(0.08)
Realized gains (losses) for the period	0.07	(0.33)
Unrealized gains (losses) for the period	2.10	0.75
Total increase (decrease) from operations <sup>2</sup>	2.34	0.62
Distributions		
From income (excluding dividends)	(0.15)	(0.13)
From dividends	—	—
From capital gains	—	—
Return of capital	—	(0.00) <sup>3</sup>
Total annual distributions <sup>4</sup>	(0.15)	(0.13)
Net assets at end of period	\$22.71	\$ 20.59
<b>RATIOS AND SUPPLEMENTAL DATA</b>		
Total net asset value (000's) <sup>5</sup>	\$9,086	\$10,297
Number of units outstanding (000's) <sup>5</sup>	400	500
Management expense ratio <sup>6</sup>	0.43%	0.47%
Management expense ratio before waivers or absorptions <sup>6</sup>	0.46%	0.47%
Trading expense ratio <sup>7</sup>	0.00% <sup>8</sup>	0.01%
Portfolio turnover rate <sup>9</sup>	2%	26%
Net asset value per unit	\$22.71	\$ 20.59
Closing market price	\$22.79	\$ 20.80

\* Commencement of operations.

<sup>1</sup> This information is derived from the ETF's unaudited and audited financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

<sup>3</sup> Amount represents less than \$0.005.

<sup>4</sup> Distributions were either paid in cash or reinvested in additional units of the ETF, or both. Reinvested units were consolidated.

<sup>5</sup> This information is provided as at June 30, 2017 and December 31, 2016.

<sup>6</sup> The management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average daily net asset value during the period. MER includes the waiver or absorption of certain operating expenses by WisdomTree, while the MER before waivers or absorptions shows the MER prior to operating expenses being waived or absorbed by WisdomTree.

<sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

<sup>8</sup> Amount represents less than 0.005%.

<sup>9</sup> The ETF's portfolio turnover rate indicates how actively the ETF's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio's turnover rate in a period, the greater the trading costs payable by the ETF in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

# WisdomTree U.S. Quality Dividend Growth Index ETF

(continued)

## FINANCIAL HIGHLIGHTS (concluded)

Non-Hedged Units	For the Six Months Ended June 30, 2017 (unaudited)	For the Period July 12, 2016* through December 31, 2016
<b>NET ASSETS PER UNIT<sup>1</sup></b>		
Net assets, beginning of period	\$ 21.12	\$ 20.00
Increase (decrease) from operations		
Total revenue	0.27	0.28
Total expenses	(0.08)	(0.08)
Realized gains (losses) for the period	0.27	0.31
Unrealized gains (losses) for the period	1.00	0.76
Total increase (decrease) from operations <sup>2</sup>	1.46	1.27
Distributions		
From income (excluding dividends)	(0.15)	(0.13)
From dividends	–	–
From capital gains	–	(0.02)
Return of capital	–	(0.00) <sup>3</sup>
Total annual distributions <sup>4</sup>	(0.15)	(0.15)
Net assets at end of period	\$ 22.55	\$ 21.12
<b>RATIOS AND SUPPLEMENTAL DATA</b>		
Total net asset value (000's) <sup>5</sup>	\$14,660	\$10,559
Number of units outstanding (000's) <sup>5</sup>	650	500
Management expense ratio <sup>6</sup>	0.40%	0.44%
Management expense ratio before waivers or absorptions <sup>6</sup>	0.42%	0.44%
Trading expense ratio <sup>7</sup>	0.00% <sup>8</sup>	0.01%
Portfolio turnover rate <sup>9</sup>	2%	26%
Net asset value per unit	\$ 22.55	\$ 21.12
Closing market price	\$ 22.58	\$ 21.20

\* Commencement of operations.

<sup>1</sup> This information is derived from the ETF's unaudited and audited financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

<sup>3</sup> Amount represents less than \$0.005.

<sup>4</sup> Distributions were either paid in cash or reinvested in additional units of the ETF, or both. Reinvested units were consolidated.

<sup>5</sup> This information is provided as at June 30, 2017 and December 31, 2016.

<sup>6</sup> The management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average daily net asset value during the period. MER includes the waiver or absorption of certain operating expenses by WisdomTree, while the MER before waivers or absorptions shows the MER prior to operating expenses being waived or absorbed by WisdomTree.

<sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

<sup>8</sup> Amount represents less than 0.005%.

<sup>9</sup> The ETF's portfolio turnover rate indicates how actively the ETF's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio's turnover rate in a period, the greater the trading costs payable by the ETF in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

# WisdomTree U.S. Quality Dividend Growth Index ETF

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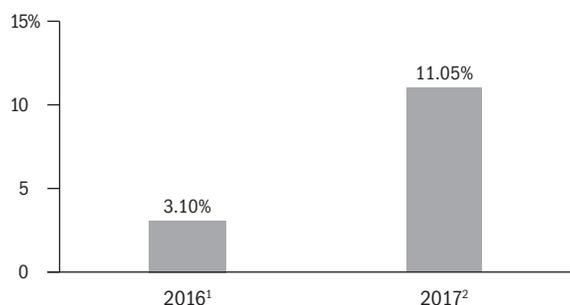
## PAST PERFORMANCE

The ETF's performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. These returns do not indicate how each class of the ETF will perform in the future.

## Year-by-Year Returns

The following bar chart shows the performance of the ETF for each of the financial years shown and for the six-month period ended June 30, 2017. The chart shows in percentage terms how much an investment made on the first day of the period would have increased or decreased by the last day of the period.

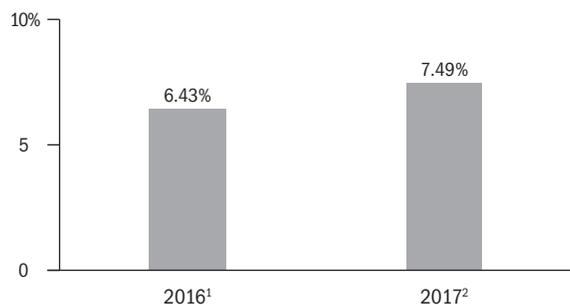
### Hedged Units



1 For the period July 12, 2016 (commencement of operations) through December 31, 2016.

2 For the six-month period January 1, 2017 through June 30, 2017.

### Non-Hedged Units



1 For the period July 12, 2016 (commencement of operations) through December 31, 2016.

2 For the six-month period January 1, 2017 through June 30, 2017.

# WisdomTree U.S. Quality Dividend Growth Index ETF

(concluded)

## SUMMARY OF INVESTMENT PORTFOLIO

### Sector Breakdown† as at 6/30/17

Sector	% of Net Asset Value
Information Technology	19.8%
Health Care	19.6%
Industrials	18.8%
Consumer Discretionary	17.3%
Consumer Staples	14.9%
Financials	4.9%
Materials	4.0%
Energy	0.3%
Real Estate	0.1%
Other Assets less Liabilities‡	0.3%
<b>Total</b>	<b>100.0%</b>

† The ETF's sector breakdown is expressed as a percentage of net asset value and may change over time. In addition, a sector may be comprised of several industries. It does not include derivatives (if any).

‡ Other assets include investment of cash collateral for securities on loan (if any).

### Top 25 Holdings\* as at 6/30/17

Description	% of Net Asset Value
Johnson & Johnson	6.1%
Apple, Inc.	3.9%
Microsoft Corp.	3.5%
Altria Group, Inc.	3.2%
AbbVie, Inc.	2.9%
PepsiCo, Inc.	2.9%
McDonald's Corp.	2.3%
Home Depot, Inc. (The)	2.3%
Amgen, Inc.	2.1%
Boeing Co. (The)	2.0%
Cisco Systems, Inc.	2.0%
3M Co.	1.9%
Reynolds American, Inc.	1.8%
International Business Machines Corp.	1.8%
Comcast Corp., Class A	1.8%
Intel Corp.	1.7%
UnitedHealth Group, Inc.	1.6%
Eli Lilly & Co.	1.6%
Walt Disney Co. (The)	1.5%
Bristol-Myers Squibb Co.	1.5%
United Technologies Corp.	1.4%
Honeywell International, Inc.	1.4%
Lockheed Martin Corp.	1.4%
Abbott Laboratories	1.2%
Union Pacific Corp.	1.2%
<b>Top holdings as a percentage of net asset value</b>	<b>55.0%</b>

\* Excludes derivatives and investment of cash collateral for securities on loan (if any).

**Total Net Asset Value: \$23,745,383**

The Summary of Investment Portfolio may change because of the ETF's ongoing portfolio transactions. Updates are available quarterly.



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**For more information, please contact us:**

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**Forward-Looking Statement**

This report may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent certain beliefs regarding future events. By their nature, forward-looking statements involve assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on any forward-looking statements contained in this report as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the ETF may invest and the risks detailed from time to time in the ETF's prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the ETF, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Because of the potential impact of these factors, WisdomTree Asset Management Canada, Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

"WisdomTree" is a marketing name used by WisdomTree Investments, Inc. and its affiliates globally. WisdomTree Asset Management Canada, Inc., a wholly-owned subsidiary of WisdomTree Investments, Inc., is the manager and trustee of the WisdomTree ETFs listed for trading on the Toronto Stock Exchange.