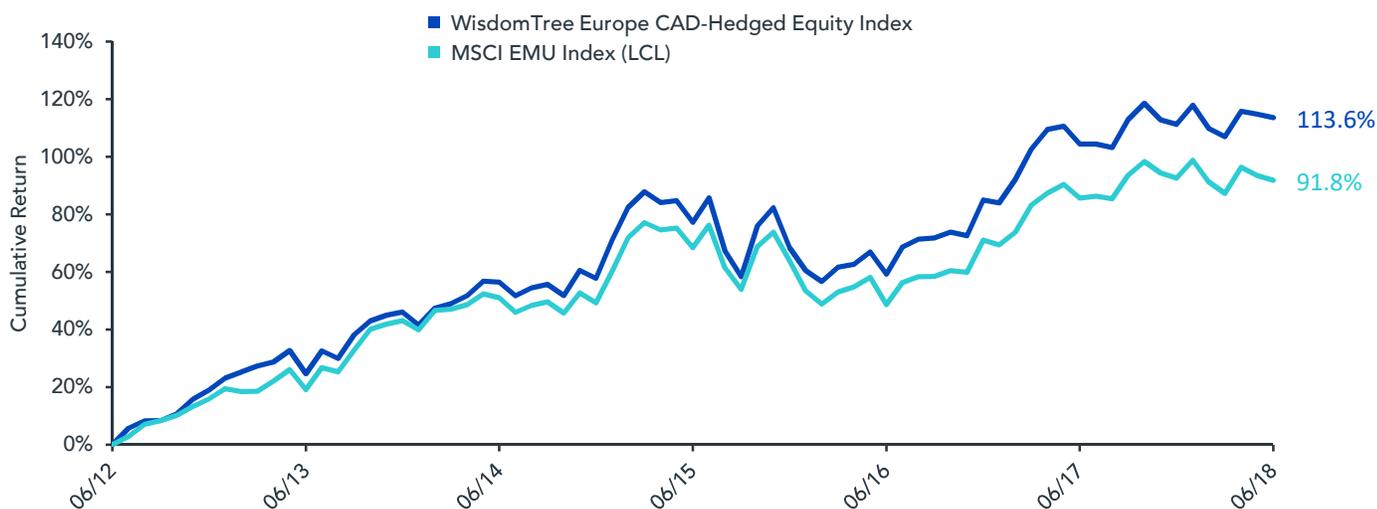


The biggest challenge with Europe may not be the equity markets as much as the euro. In fact, many of the world's leading companies are in Europe. In our opinion, these companies remain attractive investment opportunities. And EHE, the WisdomTree Europe Hedged Equity Index ETF, offers investors a way to capitalize on the growth potential of these tremendous exporters while hedging exposure to the euro.

Consider the following:

- + Many of the world's leading companies are headquartered in Europe.
- + These global leaders are largely export driven.
- + Currency translation can impact these companies, positively or negatively.
- + Hedging the euro is one way to lower risk to investing in European equities.

Cumulative Return (07/02/2012 - 6/30/2018)



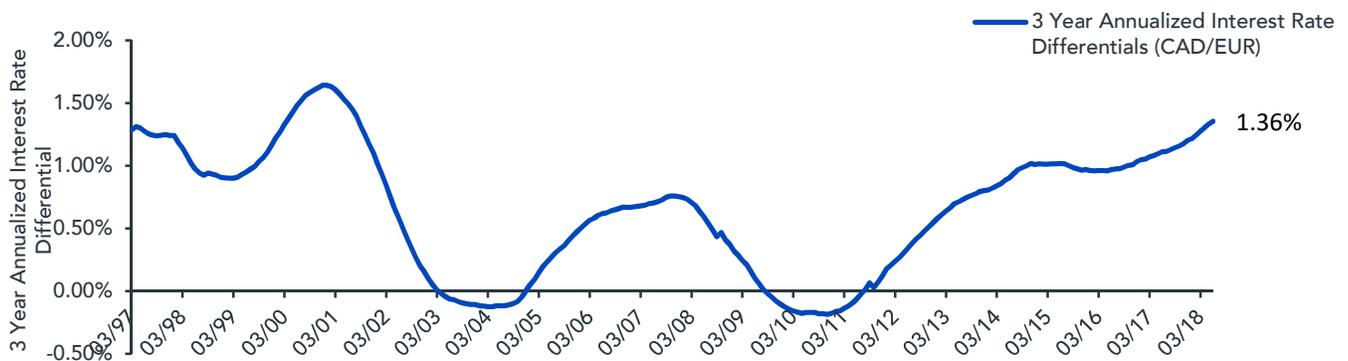
Index	Avg. Ann. Return	Avg. Ann. St. Dev.	Sharpe Ratio	Beta Vs. MSCI EMU (LCL)	Correlation Vs. MSCI EMU (LCL)
WisdomTree Europe CAD-Hedged Equity Index*	13.48%	13.28%	0.96	1.03	0.97
MSCI EMU Index (Local)	11.47%	12.51%	0.85	1.00	1.00

Sources: WisdomTree, Bloomberg, 07/02/2012–6/30/2018. * WisdomTree Europe CAD-Hedged Equity Index was launched on 5/26/2016. Performance of the Index prior to the launch date represents hypothetical back-tested data. This hypothetical back-tested data has been calculated by an independent calculation agent and WisdomTree and has been included for illustrative purposes only. Index performance does not represent actual fund performance. Index returns assume reinvestment of distributions received but do not reflect fees, transaction costs or expenses. You cannot invest directly in an index. The chart shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future performance of the Index.

EUROPEAN AND EURO CURRENCY EXPOSURE

In most cases, when investors think about international equities, they consider the fact that they are gaining exposure to the performance of the underlying firms' shares. However, over the last 20 years, we think there has been a compelling case to be made for the potential of interest rate differentials. Due to the way international forward currency contracts are priced, if the CAD short-term interest rate is higher than that of the targeted currencies, hedging those currencies against the CAD offers the potential to collect a net benefit.

20 YEARS ENDING 6/30/2018: 3 YEAR ANNUALIZED INTEREST RATE DIFFERENTIALS (CAD/EUR)



Sources: WisdomTree, FactSet.

NOT JUST A TACTICAL BET

While many Canadian investors may have a short term view about currency directions, particularly the euro vs. CAD, WisdomTree believes there are also important long run, strategic reasons to consider hedging. The chart above shows the potential net benefit which investors may have experienced when hedging euro exposure back to the Canadian dollar. One must consider two key factors which are shown in the data above:

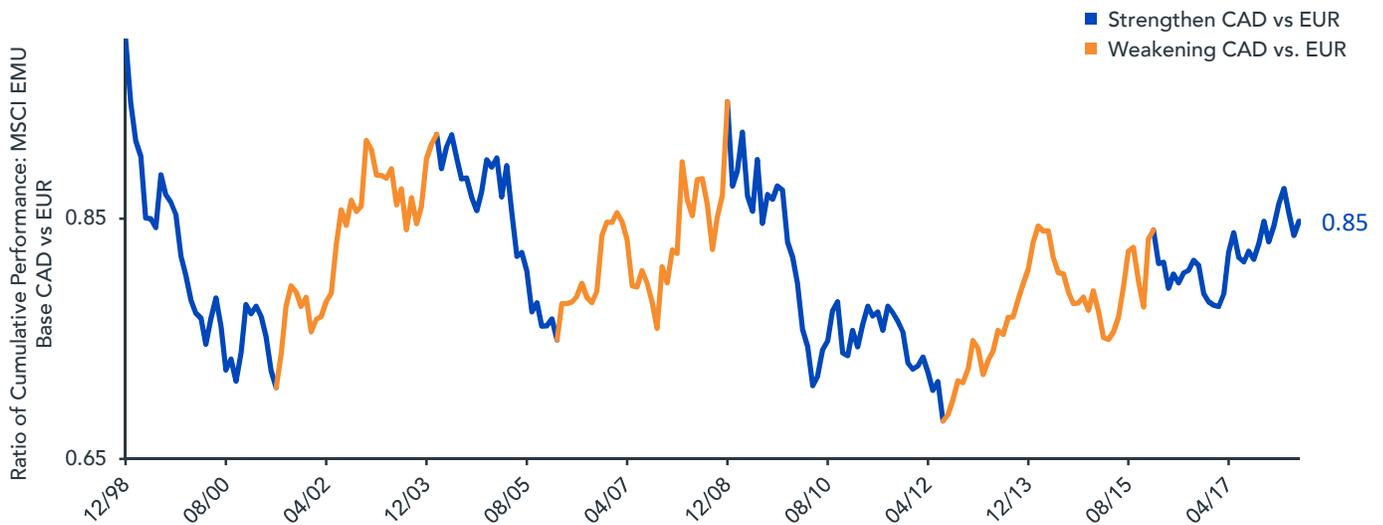
- + For the majority of the analysis period, hedging the euro back to the Canadian dollar would have resulted in positive interest rate differentials. This was true with the exception of the periods following both the technology bubble and 2008 financial crisis.
- + Secondly, the magnitude of these differentials is clearly skewed to the positive side reaching above 1.50% in the early 2000s. Conversely, for the periods when there were net negative interest rate differentials, the dips were shallow and short lived never creating more than a 20bps detraction.

WHAT ABOUT CURRENCY EXPOSURE?

When it comes to international equity exposure, Canadian investors are no stranger to the considerations associated with international currency risks. WisdomTree has pioneered three important categories of indexes and ETFs—dividend-weighted and factor-based investment strategies covering global markets, currency-hedged equities and, most recently, applying a variable approach to currency hedging.

THE TRICKY THING ABOUT CURRENCY EXPOSURE

WisdomTree believes a strong case can be made that currency-hedged solutions provide a more-attractive strategic baseline exposure for investors focused on longer-term horizons. Currency risk can have positive or negative effects on international equity performance depending on the depreciation or appreciation of the Canadian dollar against the base currency of the equity exposure. While some investors fear missing out on the periods of outperformance, WisdomTree firmly believes that timing these moves can be extremely difficult without a systematic approach.



Sources: WisdomTree, Bloomberg, 12/31/1998–6/30/2018.

THE 50/50 PARADIGM

When it comes to a currency such as the euro, there will be cycles of both appreciation and depreciation against the Canadian dollar. Given the difficulty in predicting exactly when these cycles will turn, WisdomTree would ask why typical allocations should always fully assume this currency risk. Depending on one's investment goals and risk tolerance, an allocation that is 50% hedged and 50% unhedged—especially for someone without a strong view regarding a currency's future performance—may be a better baseline from which to dial up or down, depending on one's conviction regarding the direction of any future currency trend.

TAKING THE EURO OUT OF EUROPE

The **WisdomTree Europe Hedged Equity Index ETF** seeks to track, to the extent possible, the price and yield performance of the WisdomTree Europe CAD-Hedged Equity Index. The Index uses a rules-based process for selecting and weighting securities, while managing the euro risk. The Fund has issued non-hedged units (TSX: EHE.B) and 100% passively hedged units (TSX:EHE) so that investors might be empowered to take control of their international currency exposure.

Index Selection:

- + Universe comprises of the largest dividend-paying companies from the WisdomTree International Equity Index (broad developed world excluding the U.S.) that are traded in euros, with a minimum market capitalization of \$1 billion and at least 50% of revenues derived from outside Europe. Ultimately, this focuses the Index on some very widely recognized firms, seen in the top 10 exposures below.

TOP 10 WISDOMTREE EUROPE HEDGED EQUITY INDEX HOLDINGS, AS OF 6/30/2018

Company Name	Country	Weight in Index
Anheuser-Busch InBev SA/NV	Belgium	5.6%
Banco Santander SA	Spain	5.1%
Daimler AG	Germany	4.4%
Telefónica SA	Spain	4.1%
Banco Bilbao Vizcaya Argentaria SA	Spain	4.0%
Unilever NV	Netherlands	3.9%
Sanofi	France	3.7%
LVMH Moët Hennessy Louis Vuitton SE	France	3.3%
BASF SE	Germany	3.2%
Siemens AG	Germany	3.0%

Index Weighting: Modified *Dividend Stream*®

- + Companies weighted by *Dividend Stream* are subject to the following caps:
- + 5% cap to weight in any single company
- + 25% cap to weight in any sector
- + 25% cap to weight in any country

Mechanics of the Currency Hedge:

- Local Markets Europe Equity Return
- + Euro Return
- Hedged Euro Return
- Hedged Equity Return**

The fund implements the currency hedging strategy by entering into one-month forward contracts each month and rebalancing at month-end.

Dividend Stream is defined as dividends per share times the number of shares outstanding.

Quick Facts: EHE

Ticker: EHE
Class: Hedged Units
Exchange: TSX
Management fee: 0.58%
Management Expense Ratio: 0.65%
Exposure: Dividend-paying European equities

Quick Facts: EHE.B

Ticker: EHE.B
Class: Non-Hedged Units
Exchange: TSX
Management fee: 0.55%
Management Expense Ratio: 0.58%
Exposure: Dividend-paying European equities

Management Expense Ratio (MER) - As reported on the Fund's most recent Management Report of Fund Performance. MER is the total of the Fund's management fee and operating expenses, including all waivers and absorptions, and is expressed as an annualized percentage of the average daily net asset value.

The WisdomTree ETFs listed on the Toronto Stock Exchange are managed by WisdomTree Asset Management Canada, Inc. Commissions, management fees and expenses all may be associated with investing in WisdomTree ETFs. Please read the relevant prospectus before investing, which is available at www.wisdomtree.com. WisdomTree ETFs are not guaranteed, their values change frequently and past performance may not be repeated. Nothing in any commentary should be considered a recommendation to buy or sell a particular security. Tax, investment and all other decisions should be made, as appropriate, only with guidance from a qualified professional.

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