

Inside the WisdomTree Dreyfus Emerging Currency Fund (CEW)

What is the goal of the Emerging Currency Fund?

The Emerging Currency Fund (CEW) is an actively managed exchange-traded fund that seeks to provide the investor with a liquid, broad-based exposure to money market rates and currency movements within emerging market countries. Although the Fund invests in very short-term instruments, the Fund is not a money market fund, and it is not the objective to maintain a constant share price.

What investment attributes should this exposure to emerging money market rates and currency movements offer investors?

Small allocations to broad-based currency baskets generally have provided diversification benefits when incorporated into traditional core bond and equity portfolios. Strategically combining currencies into a basket tempers a substantial portion of the volatility inherent with investments in individual currencies, while offering low correlations with core holdings in U.S. bonds and stocks. Additionally, the investor has the potential to be rewarded for assuming emerging market risk through potentially higher yields than similar maturity instruments from developed markets.

What is the basic investment approach of the Fund?

The Fund invests in instruments designed to provide exposure to money market rates in emerging market countries. A basket of 8 to 12 currencies is selected for the Fund on an annual basis, and the Fund's assets are invested in equal portions to achieve exposure to these currencies. The currency exposures are then reset quarterly to maintain this equal weighting. The Fund utilizes investments in high-quality U.S. money market investments and forward currency contracts to achieve a risk-return exposure that is economically similar to money market instruments denominated in the specified emerging currencies. The Fund thus combines a relatively passive approach to currency selection and weighting with active investment selection of the underlying investments.

What currencies have been selected for the initial launch of the Fund?

Latin America	Europe, Middle East and Africa	Asia
+ Mexican Peso	+ South African Rand	+ Chinese Yuan
+ Brazilian Real	+ Polish Zloty	+ South Korean Won
+ Chilean Peso	+ Israeli Shekel	+ Taiwanese Dollar
	+ Turkish New Lira	+ Indian Rupee

How are the constituent currencies selected for the Emerging Currency Fund?

Developing a liquid and representative proxy for the emerging markets was the goal in selecting the countries for inclusion in the fund. The management team first assesses the foreign exchange market and separates tradable currencies into three categories: developed, developing/emerging and frontier. With a few exceptions, these classifications will resemble similar classifications in equity and fixed income markets.

Within the developing/emerging classification, currencies are analyzed in terms of liquidity and regional and economic diversification. Several sources are consulted to assess the liquidity of the currencies, and only those currencies deemed to have sufficient liquidity are eligible for inclusion in the basket.

WisdomTree Dreyfus Emerging Currency Fund

Ticker: CEW

Exchange: NYSEArca

Expense Ratio: 0.55%

Structure: Open-end exchange-traded fund. Registered under the Investment Company Act of 1940.

Objective: The Fund seeks to achieve total returns reflective of both money market rates in selected emerging market countries available to foreign investors and changes to the value of these currencies relative to the U.S. dollar.

Currency Exposure: Equal weighting among a basket of currencies; reset quarterly

Primary Portfolio: U.S. money market securities combined with local forward currency contract overlay. A forward currency contract is an agreement to buy or sell a specific currency at a future date at a price set at the time of the contract.

Credit Quality of Money Market Instruments: Securities rated in the upper two tiers of short-term ratings by at least two recognized rating agencies.*

Portfolio maturity: 90 days or less

Dividend Frequency: Annual

*If the securities are not rated, the investment managers deem them to be of similar quality.

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Eligible currencies are ranked in order of liquidity and segmented across geographical regions:

+ Latin America + Europe, Middle East and Africa + Asia

In order to ensure geographical diversity, no region will receive more than a 45% allocation at any reconstitution or rebalancing date. Efforts also are made to limit any redundancy created by highly correlated currencies.

In terms of currency selection, liquidity assessments are made on a periodic basis, but turnover is expected to be limited. The goal of the Fund is to provide a liquid tradable exposure to emerging market currencies.

Why are the currency exposures equally weighted?

The selected currencies are equally weighted in terms of dollar value at each currency assessment date and after each quarterly rebalancing. Investments in emerging market assets often expose the investor to a high degree of volatility. Diversifying the Fund across a number of currencies in equal portions reduces the shareholder exposure to isolated events in specific currencies that are not representative of the emerging markets at large.

We believe rebalancing quarterly as opposed to daily, monthly or annually effectively balances cost and performance while retaining the discipline of the investment approach.

What circumstances would prompt the Fund to drop a constituent currency from the basket and replace it with another?

Although the Fund expects to have a relatively stable portfolio, exposure to a selected currency could be minimized or removed from the Fund when the Fund managers interpret significant market events as fundamentally changing the character of that currency. For example, the investment managers could consider replacing a constituent currency if its government has enacted measures that will lead to a persistent deterioration in the liquidity of the currency or instruments that provide similar exposure. If such a change is advisable, the managers will work to eliminate exposure to the currency in a manner that the investment managers determine will best serve the shareholders of the Fund.

As part of the currency assessment process, several alternate currencies will be selected. The most appropriate of these alternates, in terms of liquidity and regional diversification, will then substitute for the removed currency.

How is the product likely to be taxed?

As a Fund registered under the Investment Company Act of 1940, gains on the sale of Fund shares, if any, will be taxed as capital gains in accordance with the length of time the shareholder held such shares. The Fund intends to distribute an annual distribution that will comprise two components:

- + Income generated for the investment in U.S. money market securities
- + Gains from the foreign currency contracts.

For most U.S. shareholders, the income from the money market securities will be taxed as ordinary income. Special rules will apply to the Fund's investment in foreign currency forward contracts which tax gains associated with such contracts as either ordinary income, or, if eligible for mark-to-market treatment, as 60% long-term capital gain and 40% short-term capital gain. This does not constitute tax advice. Potential investors should consult their tax advisors to ascertain the tax ramifications for their particular situation.

There are risks associated with investing, including possible loss of principal. In addition to the normal risks of investing, foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. The Fund focuses its investments in specific regions or countries, thereby increasing the impact of events and developments associated with the region or country, which can adversely affect performance. Investments in emerging markets are generally less liquid and less efficient than developed markets. Investments in currency involve additional special risks, such as credit risk, interest-rate fluctuations, derivative investment risk and the effect of varied economic conditions. As these Funds can have a high concentration in some issuers, the Fund can be adversely impacted by changes affecting issuers. Please read the Fund's prospectus for specific details regarding the Fund's risk profile. Unlike typical exchange-traded funds, there are no indexes that the Fund attempts to track or replicate. Thus, the ability of the Fund to achieve its objective will depend on the effectiveness of the portfolio manager. Diversification does not guarantee profit or protect against loss.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call 866.909.WISE (9473), or visit wisdomtree.com to view or download a prospectus. Read the prospectus carefully before you invest. Past performance does not guarantee future results.

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