



Information Circular: WisdomTree Trust Exchange-Traded Funds

To: Head Traders, Technical Contacts, Compliance Officers, Head of ETF Trading, Structured Products Traders

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: February 9, 2007

The NASDAQ Stock Market LLC ("NASDAQ") will begin operating as a national securities exchange for trading non-NASDAQ listed securities on February 12, 2007. As a result, certain WisdomTree index funds listed on other exchanges that have previously traded over-the-counter will be traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis for the first time. See Appendix A for a complete listing of WisdomTree Funds ("Funds") that will commence trading on NASDAQ on an unlisted trading privileges (UTP) basis on February 12, 2007.

Background Information on the Funds

The investment objective of each Fund is to provide investment returns that closely correspond to the price, dividend, and yield performance of its respective underlying WisdomTree Index.

According to the Funds' Registration Statement, each of the WisdomTree High-Yielding Equity Fund, WisdomTree LargeCap Dividend Fund, WisdomTree Dividend Top 100 Fund, WisdomTree MidCap Dividend Fund, WisdomTree International LargeCap Dividend Fund and WisdomTree International Dividend Top 100 Fund, intends to invest in all or substantially all of the securities in its Index in approximately the same proportions as such securities are found in the Index. This investment strategy is sometimes known as "Replication." While each of these Funds generally will use a Replication strategy, each Fund may, in certain circumstances use a "Representative Sampling" strategy (described below).

Each of the other Funds intends to use a Representative Sampling strategy to invest in substantially all of the securities in its underlying Index. Representative Sampling means that the Fund selects from the underlying Index a sample of securities that closely resembles the underlying Index in terms of key performance and risk factors and other characteristics.

WisdomTree Asset Management, Inc. ("WTA" or "Advisor") is the investment advisor to the Funds. The Advisor is registered under the Investment Advisers Act of 1940. The Advisor's parent corporation is WisdomTree Investments, Inc. ("WTI") (formerly Index Development Partners, Inc.). Each Fund will be advised by WTA. WTA has

entered into a Subadvisory Agreement with BNY Investment Advisors, a separately identifiable division of The Bank of New York with respect to the Funds. ALPS Distributors, Inc., a broker-dealer registered under the Exchange Act, acts on an agency basis and is the distributor and principal underwriter of the Creation Units (as defined below) of Shares. Each Fund is part of Trust that is registered under the Investment Company Act of 1940, as amended ("1940 Act") as an open-end management investment company.

As described more fully in the prospectus and the Statement of Additional Information ("SAI") for a Fund, the Funds offer and issue Shares ("Shares") at their net asset value ("NAV") only in large blocks of Shares (each block called a "Creation Unit"), generally in exchange for a basket of equity securities included in the Index, together with the deposit of a specified cash payment. The Shares will trade on NASDAQ at market prices that may differ from their NAV. The NAV of each Fund's shares is calculated each day the national securities exchanges are open for trading as of the close of regular trading on the New York Stock Exchange (NYSE), generally 4:15 p.m. Eastern Standard Time. NAV per share is calculated by dividing a Fund's net assets by the number of Fund shares outstanding.

Purchases and redemptions of Creation Units will be made generally by means of an in-kind tender of specified securities ("Deposit Securities"). To redeem, an investor must accumulate enough Shares to constitute a Creation Unit. Redemption requests must be placed by or through an Authorized Participant. Redemption requests in good order will receive the NAV next determined after the request is received. Therefore, all redemption requests received by the Funds prior to the NAV Calculation Time (as described in the Registration Statement) will receive the NAV determined immediately thereafter, whereas all redemption requests received by the Funds after the NAV Calculation Time will receive the NAV calculated on the immediately following business day. Procedures for redemptions are analogous (in reverse) to those for purchase of Creation Units, except that redemption requests are made directly to the Fund and are not made through the Distributor. The size of a Creation Unit is 50,000 shares for the WisdomTree Domestic Equity Funds, 100,000 shares for the WisdomTree International Equity Funds, except for the Basic Materials Sector Fund, Communications Sector Fund, Consumer Cyclical Sector Fund, Consumer Non-Cyclical Sector Fund, Energy Sector Fund, Financial Sector Fund, Health Care Sector Fund, Industrial Sector Fund, Technology Sector Fund, and the Utilities Sector Fund, for which the Creation Unit size is 200,000 shares and the DIEFA Fund, for which the Creation Unit size is 250,000 shares.

The registration statement for a Fund describes the various fees and expenses for the Fund's shares.

For a more complete description of the Funds and the underlying indexes, visit www.wisdomtree.com.

Purchases and Redemptions in Creation Unit Size

NASDAQ members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the prospectus and SAI for a Fund, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

Interested persons are referred to discussion in the prospectus for a Fund of the principal risks of an investment in that Fund. These include tracking error risk (factors causing a Fund's performance to not match the performance of the underlying index), market trading risk (for example, trading halts, trading above or below net asset value), stock market risk, investment style risk, interest rate risk, investment approach risk, concentration risk, non-diversification risk, issuer-specific risk, management risk, lack of market liquidity, lack of governmental insurance or guarantee, and fiscal policy risk.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on NASDAQ is subject to [NASDAQ equity trading rules](#).

Trading Hours

The values of the index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. Eastern Time, unless otherwise indicated in **Appendix B**.

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with [NASDAQ Rule 4120](#). The grounds for a halt under NASDAQ Rule 4120 include a halt by the primary market because the intraday indicative value of the Fund and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ will also stop trading the Shares of a Fund if the primary market delists the Fund.

Delivery of a Prospectus

NASDAQ members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds. Prospectuses may be obtained through the Fund's website at www.wisdomtree.com. The prospectus for a Fund does not contain all of the information set forth in the Fund's registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). For further information about a Fund, please refer to its registration statement.

In the event that the Funds rely upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, [NASDAQ Rule 4420\(j\)\(2\)](#) requires that NASDAQ members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, NASDAQ members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a NASDAQ member to customers or the public making specific reference to the ETF Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of the Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

A NASDAQ member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to NASDAQ member under this rule.

Upon request of a customer, NASDAQ members also shall provide a copy of the Prospectus.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "ACT") regarding trading in the above mentioned exchange-traded funds.

Short Sale Rules

Transactions in ETFs will not be subject to "tick" requirements of the SEC short sale rule (SEC Rule 10a-1) or the "bid" requirements of the NASDAQ short sale rule ([NASDAQ Rule 3350](#)). Short orders must be marked SHORT or SHORT EXEMPT. (See paragraph below regarding Rule 200(g) of Regulation SHO.)

Rule 200(g) of Regulation SHO

The SEC Division of Market Regulation has stated that the Division will not recommend enforcement action under Rule 200(g) of Regulation SHO if a broker-dealer marks "short" rather than "short exempt" a short sale effected in the Funds, subject to specified conditions, including that a broker-dealer executing exempt short sales will mark such sales as "short" and in no event will such sales be marked "long". ([See](#) letter from James A. Brigagliano, Assistant Director, Division of Market Regulation, SEC, to Ira Hammerman, Senior Vice President and General Counsel, Securities Industry Association, dated January 3, 2005.)

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and to (ii) tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Funds for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing Creation Unit Aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- (1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- (2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- (3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Funds to (1) redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- (1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or

- (2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- (3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of the Funds in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Shares of the Funds to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(I)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of the Funds, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. NASDAQ members should consult the WisdomTree prospectuses and the Funds website at www.wisdomtree.com for relevant information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Director, NASDAQ Listing Qualifications, at 301.978.8088
- NASDAQ Office of General Counsel at 301.978.8400
- NASDAQ Market Sales at 800.846.0477

Appendix A

Exchange-Traded Fund	Symbol	Cusip Number
<u>WisdomTree Domestic Equity Funds</u>		
WisdomTree Total Dividend Fund	DTD	97717W 10 9
WisdomTree High-Yielding Equity SM Fund	DHS	97717W 20 8
WisdomTree LargeCap Dividend Fund	DLN	97717W 30 7
WisdomTree Dividend Top 100 SM Fund	DTN	97717W 40 6
WisdomTree MidCap Dividend Fund	DON	97717W 50 5
WisdomTree SmallCap Dividend Fund	DES	97717W 60 4
<u>WisdomTree International Equity Funds</u>		
WisdomTree DIEFA SM Fund	DWM	97717W 70 3
WisdomTree DIEFA High-Yielding Equity Fund	DTH	97717W 80 2
WisdomTree Europe Total Dividend Fund	DEB	97717W 88 5
WisdomTree Europe High-Yielding Equity Fund	DEW	97717W 87 7
WisdomTree Europe SmallCap Dividend Fund	DFE	97717W 86 9
WisdomTree Japan Total Dividend Fund	DXJ	97717W 85 1
WisdomTree Japan High-Yielding Equity Fund	DNL	97717W 84 4
WisdomTree Japan SmallCap Dividend Fund	DFJ	97717W 83 6
WisdomTree Pacific ex-Japan Total Dividend Index SM Fund	DND	97717W 82 8
WisdomTree Pacific ex-Japan High-Yielding Equity Fund	DNH	97717W 81 0
WisdomTree International LargeCap Dividend Fund	DOL	97717W 79 4
WisdomTree International Dividend Top 100 SM Fund	DOO	97717W 78 6
WisdomTree International MidCap Dividend Fund	DIM	97717W 77 8
WisdomTree International SmallCap Dividend Fund	DLS	97717W 76 0
WisdomTree International Basic Materials Sector Fund	DBN	97717W 75 2
WisdomTree International Communications Sector Fund	DGG	97717W 74 5
WisdomTree International Consumer Cyclical Sector Fund	DPC	97717W 73 7
WisdomTree International Consumer Non-Cyclical Sector Fund	DPN	97717W 72 9
WisdomTree International Energy Sector Fund	DKA	97717W 71 1
WisdomTree International Financial Sector Fund	DRF	97717W 69 5
WisdomTree International Health Care		

Sector Fund WisdomTree International Industrial Sector Fund	DBR	97717W 68 7
Sector Fund WisdomTree International Technology	DDI	97717W 67 9
Sector Fund WisdomTree International Utilities	DBT	97717W 66 1
Sector Fund	DBU	97717W 65 3

Appendix B – Trading Hours

Exchange-Traded Fund	7:00a.m. – 9:30 a.m.	9:30 a.m. – 4:15 p.m.	4:15 p.m. – 8:00 p.m.
WisdomTree DIEFA Fund Core		X	X
WisdomTree DIEFA High-Yielding Equity Fund		X	X
WisdomTree Europe High-Yielding Equity Fund		X	X
WisdomTree Europe SmallCap Dividend Fund		X	X
WisdomTree Europe Total Dividend Fund		X	X
WisdomTree Japan High-Yielding Equity Fund		X	X
WisdomTree Japan SmallCap Dividend Fund		X	X
WisdomTree Japan Total Dividend Fund		X	X
WisdomTree Pacific ex-Japan High-Yielding Equity Fund		X	X
WisdomTree Pacific ex-Japan Total Dividend Fund		X	X
WisdomTree International Basic Materials Sector Fund		X	X
WisdomTree International Communications Sector Fund		X	X
WisdomTree International Consumer Cyclical Sector Fund		X	X
WisdomTree International		X	X

Consumer Non-Cyclical Sector Fund			
WisdomTree International Dividend Top 100 Fund		X	X
WisdomTree International Energy Sector Fund		X	X
WisdomTree International Financial Sector Fund		X	X
WisdomTree International Health Care Sector Fund		X	X
WisdomTree International Industrial Sector Fund		X	X
WisdomTree International LargeCap Dividend Fund		X	X
WisdomTree International MidCap Dividend Fund		X	X
WisdomTree International SmallCap Dividend Fund		X	X
WisdomTree International Technology Sector Fund		X	X
WisdomTree International Utilities Sector Fund		X	X

