

WisdomTree Trust  
Form 485APOS  
June 05, 2009  
Table of Contents

As filed with the Securities and Exchange Commission on June 5, 2009

Securities Act File No. 333-132380

Investment Company Act File No. 811-21864

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM N-1A

### REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

Pre-Effective Amendment No.     

Post-Effective Amendment No. 23

and/or

x

..

x

### REGISTRATION STATEMENT

*UNDER*

*THE INVESTMENT COMPANY ACT OF 1940*

Amendment No. 25

(Check appropriate box or boxes.)

x

x

## WISDOMTREE TRUST

(Exact Name of Registrant as Specified in Charter)

380 Madison Avenue

Edgar Filing: WisdomTree Trust - Form 485APOS

21st Floor

New York, NY 10017

(Address of Principal Executive Offices) (Zip Code)

(Registrant's Telephone Number, including Area Code): 1-866-909-9973

**JONATHAN STEINBERG**

**WISDOMTREE TRUST**

**380 Madison Avenue**

**21st Floor**

**New York, NY 10017**

(Name and Address of Agent for Service)

**Counsel for the Trust:**  
**Morgan, Lewis & Bockius, LLP**  
**1111 Pennsylvania Avenue, NW**  
**Washington, DC 20004**  
**Attention: W. John McGuire, Esq.**

**Richard Morris, Esq.**  
**WisdomTree Asset Management, Inc.**  
**380 Madison Avenue, 21st Floor**  
**New York, NY 10017**

It is proposed that this filing will become effective (check appropriate box):

- Immediately upon filing pursuant to paragraph (b)
- On (date) pursuant to paragraph (b)
- 60 days after filing pursuant to paragraph (a)(1)
- On (date) pursuant to paragraph (a)(1)
- 75 days after filing pursuant to paragraph (a)(2)
- On (date) pursuant to paragraph (a)(2) of Rule 485.

If appropriate, check the following box:

- This post-effective amendment designates a new effective date for a previously filed post-effective amendment.



Table of Contents

# PROSPECTUS

Month \_\_, 2009

## WisdomTree<sup>®</sup> Trust

### WisdomTree Real Return Fund

**THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THIS SECURITY UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE SECURITY AND IT IS NOT SOLICITING AN OFFER TO BUY THE SECURITY IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**THE SECURITIES AND EXCHANGE COMMISSION ( SEC ) HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**Table of Contents**

# WisdomTree Trust

WisdomTree Trust (the Trust) is a registered investment company that consists of separate investment portfolios. This prospectus describes the **WisdomTree Real Return Fund** (the Fund).

The Fund is an exchange traded fund. This means that shares of the Fund are listed on a national securities exchange, such as NYSE Arca, and trade at market prices. The market price for the Fund's shares may be different from its net asset value per share (NAV). The Fund has its own CUSIP number and exchange trading symbol.

The Fund issues and redeems shares at NAV only in large blocks of shares, typically 50,000 shares or more (Creation Units). These transactions are usually in exchange for a basket of securities and an amount of cash. As a practical matter, only institutions or large investors purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the Fund are not redeemable securities.

## **A NOTE TO RETAIL INVESTORS**

Shares can be purchased directly from the Fund only in exchange for a basket of securities that is expected to be worth several million dollars. Most individual investors, therefore, will not be able to purchase shares directly from the Fund. Instead, these investors will purchase shares in the secondary market through a brokerage account or with the assistance of a broker. Thus, some of the information contained in this Prospectus such as information about purchasing and redeeming shares from the Fund and references to transaction fees imposed on purchases and redemptions is not relevant to most individual investors. Shares purchased or sold through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges.

INVESTMENT PRODUCTS: ◻ ARE NOT FDIC INSURED ◻ MAY LOSE VALUE ◻ ARE NOT BANK GUARANTEED

**Table of Contents**

# WisdomTree Trust

## Table of Contents

<b><u>Overview</u></b>	<b>2</b>
<u>Investment Objective</u>	2
<u>Principal Investment Strategies</u>	2
<u>Principal Risk Factors</u>	3
<b><u>Management</u></b>	<b>9</b>
<u>Investment Adviser</u>	9
<u>Sub-Adviser</u>	9
<u>Portfolio Managers</u>	10
<u>Portfolio Holdings Information</u>	10
<u>Buying and Selling Shares</u>	11
<u>Share Trading Prices</u>	11
<u>Determination of Net Asset Value</u>	11
<u>Dividends and Distributions</u>	12
<u>Book Entry</u>	12
<u>Delivery of Shareholder Documents</u> <u>Householding</u>	12
<u>Frequent Purchases and Redemptions of Fund Shares</u>	12
<u>Investments by Registered Investment Companies</u>	12
<u>Taxes</u>	13
<u>Taxes on Distributions</u>	13
<u>Taxes When Fund Shares are Sold</u>	14
<u>Taxes on Creation and Redemption of Creation Units</u>	14
<u>Creation and Redemption</u>	15
<u>Authorized Participants and the Continuous Offering of Shares</u>	15
<u>Creation and Redemption Transaction Fees for Creation Units</u>	15
<u>Distribution</u>	16
<u>Additional Notices</u>	16

---

**Table of Contents**

## **WisdomTree Real Return Fund**

### **Ticker symbol:**

### **Cusip:**

### **Overview**

This Prospectus provides the information you need to make an informed decision about investing in the Fund. It contains important facts about the Trust as a whole and the Fund in particular. The Fund is an exchange-traded fund ( ETF ). ETFs are funds whose shares are listed on a stock exchange and traded like equity securities at market prices. ETFs, such as the Fund, allow you to buy or sell shares that represent the collective performance of a selected group of securities. ETFs are designed to add the flexibility, ease and liquidity of stock-trading to the benefits of traditional index-fund investing.

WisdomTree Asset Management, Inc. ( WisdomTree Asset Management ) is the investment adviser to the Fund. WisdomTree Investments, Inc. ( WisdomTree Investments ) is the parent company of WisdomTree Asset Management.\*

### **Investment Objective**

The **WisdomTree Real Return Fund** seeks to provide investors with total returns that exceed the rate of inflation over long-term investment horizons. The Fund's investment objective is non-fundamental and may be changed without shareholder approval.

### **Primary Investment Strategies**

To achieve its objective, the Fund intends to invest in a portfolio of inflation-linked securities, such as U.S. Treasury Inflation Protected Securities ( TIPS ) and other investment grade fixed income securities, and will have targeted exposures to commodities and commodity strategies.

While the inflation-linked portion of the Fund's portfolio generally will be invested primarily in TIPS, the Fund may invest in other types of inflation-linked fixed income securities. For example, the Fund may invest in investment grade, floating-rate fixed income securities linked to U.S. inflation rates that are issued by the U.S. government, government agencies or corporations. The Fund may invest in inflation-linked swaps. An inflation-linked swap is an agreement between two parties to exchange payments at a future date based on the difference between a fixed payment and a payment linked to the inflation rate at future date. The Fund also may invest in securities linked to inflation rates outside the U.S., including securities or instruments linked to rates in emerging market countries. The Fund also may invest a sizable portion of its assets in inflation-linked and/or floating-rate securities denominated in non-US currencies. The Fund may hedge some or all of its exposure non-US currency in order to reduce the risk of loss due to fluctuations in exchange rates between the U.S. dollar and non-U.S. currencies. The Fund may invest a portion of its assets in fixed-income securities that are not linked to inflation. While the Fund intends to invest primarily in investment grade securities, the Fund may invest up to 10% of its net assets in fixed income securities rated B or higher by at least two nationally recognized statistical rating organizations ( NSROs ) or if unrated, deemed to be of equivalent quality.

The Fund will have targeted exposure to commodities and commodity strategies in order to hedge against inflation or to attempt to earn additional returns. The Fund intends to achieve this exposure through investments in exchange-traded products, commodity-linked notes, and swaps on commodities or commodity indexes. Exchange-traded funds and products include funds and trusts that invest in commodities or provide exposure to commodities whose units or shares are traded on major securities exchanges in the U.S. or throughout the world. Commodity-linked notes are notes, typically issued by a bank, that are designed to provide cash flows linked to the value of commodities, commodity indexes or the value of commodity futures and options contracts. They may be listed and traded on a securities exchange or traded over-the-counter. A swap is an agreement between two parties to exchange one cash flow or a stream of cash flows for another according to defined terms. The Fund may engage in commodity swaps or commodities index swaps in which fixed- or variable-rate payments on commodity returns or commodity index returns are exchanged. The Fund may invest in forward currency contracts and, specifically, forward contracts based on currencies of countries whose economies are heavily tied to commodities. 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. Non-deliverable forward currency contracts are contracts where there is no physical settlement of two currencies at maturity. Rather, based on the movement of the currencies, a net cash settlement will be made by one party to the other. A currency swap is an agreement between two parties to exchange one currency for another at a future rate. The Fund may also invest in other types of derivatives, such as commodity futures and options on futures contracts. A commodity futures contract is a contract

## Edgar Filing: WisdomTree Trust - Form 485APOS

for future delivery or receipt of a commodity or payment based on commodity prices. Options give the holder the right to buy or sell a specified amount of an asset at a specific strike price and within a specified timeframe. An option on a futures contract is gives the holder the right to buy or sell a futures contract.

\* WisdomTree is a registered mark of WisdomTree Investments, Inc. and has been licensed for use by the Trust.

**2** WisdomTree Trust Prospectus



## **Table of Contents**

The Fund may invest in securities with effective or final maturities of any length. The Fund seeks to keep the average effective duration of its portfolio between two and ten years. Effective duration is an indication of an investment's interest rate risk or how sensitive an investment or a fund is to changes in interest rates. Generally, a fund or instrument with a longer effective duration is more sensitive to interest rate fluctuations and therefore more volatile, than a fund with a shorter effective duration. The Fund may adjust its portfolio holdings or average effective duration based on actual or anticipated changes in interest rates or credit quality.

### **Principal Risk Factors**

The Fund is subject to the risks described below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and/or its ability to meet its objectives.

#### **Investment Risk**

As with all investments, an investment in the Fund is subject to investment risk. Investors in the Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or even long periods of time.

#### **Management Risk**

The Fund is actively managed using proprietary investment strategies, techniques and processes. There can be no guarantees that these strategies, techniques and processes will produce the intended results and no guarantee that the Fund will outperform other investment strategies over short- or long-term market cycles.

#### **Market Risk**

The trading price of fixed income securities, equity securities, commodities and other instruments fluctuates in response to a variety of factors. These factors include events impacting the entire market or specific market segments, such as political, market and economic developments, as well as events that impact specific issuers. During a general economic downturn, fixed income securities, equity securities, and commodities all may be negatively affected. Fixed-income securities with short-term maturities are generally less sensitive to such changes than fixed-income securities with longer term maturities or equity securities or commodities. The Fund's NAV and market price, like security and commodity prices generally, will fluctuate within a wide range in response to these and other factors. As a result, an investor could lose money over short or even long periods.

Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Domestic and foreign fixed income, equity and commodity markets have been experiencing heightened volatility and disruption. Issuers that have exposure to the real estate, mortgage and credit markets have been particularly affected and well-known financial institutions have experienced significant liquidity and other problems. Some of these institutions have declared bankruptcy or defaulted on their debt. It is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on Fund performance.

#### **Interest Rate Risk**

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Inflation-indexed bonds, including Treasury Inflation-Protected Securities, decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed bonds may experience greater losses than other fixed income securities with similar durations.

#### **Deflation Risk**

Inflation-linked securities and instruments linked to certain types of commodities (e.g., gold) generally provide investors with protection against periods of rising commodity and consumer prices, commonly referred to as inflation. In periods with falling commodity and consumer prices, commonly referred to as deflation, these securities and instruments may lose value and have an adverse effect on Fund performance.



## **Table of Contents**

### **Inflation-Linked Security Risk**

Interest payments on inflation-linked securities, such as TIPS, can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be reduced. The U.S. Treasury has guaranteed that in the event of a drop in prices it would repay the par amount of its inflation-indexed securities. Inflation-indexed securities issued by corporations generally do not guarantee repayment of principal. Any increase in the principal amount of an inflation indexed security will be considered taxable ordinary income, even though investors do not receive their principal until maturity. As a result, the Fund may be required to make annual distributions to shareholders that exceed the cash the Fund received, which may cause the fund to liquidate certain investments when it is not advantageous to do so.

### **Variable- and Floating-Rate Security Risk**

Variable- and floating-rate securities provide for a periodic adjustment in the interest rate paid on the obligations. The Fund may invest in floating rate debt instruments. Variable- and floating-rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. When the Fund holds variable- or floating-rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's shares.

### **Commodity Risk**

A commodity-linked derivative instrument is a derivative instrument linked to the price of commodities (such as oil, precious metals, or agricultural products), commodities futures, and the return of a commodity index or some other variable linked to commodities. The value of commodities and commodity-linked derivative investments typically is based upon the price movements of a physical commodity or an economic variable linked to price movements. Therefore, the value of commodities and commodity-linked derivative instruments may be affected by changes in overall economic conditions, changes in interest rates, or factors affecting a particular commodity or industry, such as supply, demand, drought, floods, weather, political, economic and regulatory developments. The Fund's investments in commodities, and therefore the value of an investment in the Fund, will be impacted by these conditions. To the extent that the Fund's investments are focused on oil or precious metals, or businesses in the precious metals or energy sectors, the Fund may be impacted by events and conditions effecting oil, precious metals and the precious metals or energy sectors. The prices of commodities and commodity-related investments may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes, such as stocks, bonds and cash. The Fund's investments in commodities and commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional equity and fixed income securities. Investments in commodities and commodity-linked derivative instruments are subject to counterparty risk. This is the risk that the other party to a transaction (i.e., the counterparty) will default on all or part of its obligations under the contract. In such cases, the Fund may lose all or part of its investment.

The Fund invests in derivative instruments with principal and/or coupon payments linked to the value of commodities, commodity futures contracts, or the performance of commodity indices. These are commodity-linked or index-linked securities. They are sometimes referred to as structured securities because the terms of the instrument may be structured by the issuer of the security and the purchaser of the security, such as the Fund. These securities may be issued by banks, brokerage firms, insurance companies and other corporations.

The value of these securities will rise or fall in response to changes in the underlying commodity or related index or investment. These securities expose the Fund economically to movements in commodity prices. In addition to commodity price risk, the securities also are subject to credit and interest rate risks that in general affect the values of debt securities. Therefore, at maturity, the Fund may receive more or less principal than it originally invested. The Fund might receive interest payments that are more or less than the stated coupon interest payments.

### **Structured Note Risk**

The Fund may invest in notes, sometimes called structured notes, linked to the performance of commodities. Commodity-linked structured notes provide exposure, which may include long and/or short exposure, to the investment returns of real assets (i.e., assets that have tangible properties such as oil, gold and silver) that trade in the commodities markets without investing directly in physical commodities. The performance of these notes is determined by the price movement of the commodities underlying the note. These notes are subject to the credit risk of the issuing party and may be less liquid than other types of securities. This means that the Fund may lose money if the issuer of the note defaults and that the Fund may not be able to readily close out its investment in such notes without incurring losses.

### **Derivatives Risk**

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Fund may use derivative instruments as a substitute for taking a position in an underlying asset. The Fund may use derivatives as part of a strategy designed to increase or reduce exposure to specific asset classes, such as equity or fixed income securities, or to hedge against or reduce other risks, such as interest rate risk or currency risk. The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as counterparty risk, liquidity risk, interest rate risk, market risk, and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. While the Fund generally attempts to set off liquid assets to collateralize its derivatives exposure, in certain situations the Fund could lose more than the principal amount invested through derivatives contracts. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

### **Counterparty Risk**

The Fund may engage in investment transactions or enter into derivative or other contracts with third parties (i.e., counterparties). For example, the Fund may enter into forward, future, options and swap transactions. The Fund bears the risk that the counterparty to such transactions may default on its obligations or otherwise fail to honor its obligations. If a counterparty defaults on its payment obligations to the Fund, this default may cause the value of Fund shares to decrease. In addition, the Fund may engage in such investment transactions with a limited number of counterparties, which may increase the Fund's exposure to counterparty credit risk.

## **4** WisdomTree Trust Prospectus

**Table of Contents****Liquidity Risk**

The Fund may invest in derivatives and other instruments that may be less liquid than other types of investments. Investments that trade less can be more difficult or more costly to buy, or to sell, compared to other more liquid or active investments. This liquidity risk is a factor of the trading volume of a particular investment, as well as the size and liquidity of the market for such investment. The derivatives in which the Fund invests may not always be liquid. This could have a negative effect on the Fund's ability to achieve its investment objective and may result in losses to Fund shareholders.

**Exchange-Traded Fund ( ETF ) Risk**

The Fund may invest in shares of other ETFs, including ETFs affiliated with the Fund and other types of exchange-traded products ( ETPs ). In addition to directly bearing the expenses associated with its own operations, the Fund will indirectly bear a pro rata portion of the expenses of an ETF or ETP in which it invests. Further, in part because of these additional expenses, the performance of an ETF or ETP may differ from the performance the Fund would achieve if it invested directly in the underlying investments of the investment company. In addition, while the risks of owning shares of an ETF or ETP generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments. For example, shares of ETFs and ETPs may trade at, above or below their net asset value or NAV. The NAV of shares will fluctuate with changes in the market value of the ETF's or ETP's holdings. The trading prices of shares will fluctuate in accordance with changes in NAV as well as market supply and demand. The difference between the bid price and ask price, commonly referred to as the spread, will also vary for an ETF or ETP depending on factors such as trading volume and market liquidity. Generally, the greater the trading volume and market liquidity, the smaller the spread is and vice versa. Any of these factors may lead to shares trading above or below NAV.

**Foreign Issuer Exposure Risk**

The Fund may invest in bonds and other instruments issued by non-U.S. governments and companies. The Fund may also invest in financial instruments, such as forward contracts and structured notes, which are linked to the performance of foreign issuers, commodities or currencies. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Investing in securities of foreign companies directly, or in financial instruments that are indirectly linked to the performance of foreign issuers, may involve risks not typically associated with investing in U.S. issuers. The value of bonds and instruments denominated in foreign currencies, and the interest and other payments attributable to such bonds and instruments, can change significantly when foreign currencies strengthen or weaken relative to the U.S. Dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices in some foreign markets may fluctuate more than those of securities traded on U.S. markets. Many foreign countries lack accounting and disclosure standards comparable to those that apply to U.S. companies, and it may be more difficult to obtain reliable information regarding a foreign issuer's financial condition and operations. Transaction costs and costs associated with custody services are generally higher for foreign securities than they are for U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, the non-recovered portion will reduce the income received by the Fund.

**Emerging Markets Risk**

The Fund may invest a portion of its assets in currencies or emerging market countries, or instruments that provide exposure to such currencies. Investing in securities listed and traded in emerging markets may be subject to additional risks associated with emerging market economies. Such risks may include: (i) greater market volatility, (ii) lower trading volume, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) the risk that companies may be held to lower disclosure, corporate governance, auditing and financial reporting standards than companies in more developed markets, and (vi) the risk that there may be less protection of property rights than in other countries. Emerging markets are generally less liquid and less efficient than developed securities markets.

## **Table of Contents**

### **Foreign Currency Risk**

The Fund may invest in investments denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. The Fund may do so for investment purposes or to hedge against the impact of currency movements on its portfolio. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investment and the value of your Fund shares. Because the Fund's NAV is determined on the basis of U.S. dollars, if the Fund invests in non-U.S. assets, the U.S. dollar value of such investments may go down if the value of the local currency of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar. This is true even if the local currency value of securities in the Fund's holdings goes up. Conversely, the dollar value of your investment in the Fund may go up if the value of the local currency appreciates against the U.S. dollar. The value of the U.S. dollar measured against other currencies is influenced by a variety of factors. These factors include: interest rates, national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest and inflation rates, global or regional political, economic or financial events, monetary policies of governments, actual or potential government intervention, and global energy prices. Government monetary policies and the buying or selling of currency by a country's government may also influence exchange rates.

### **Non-Diversification Risk**

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

### **Issuer-Specific Risk**

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of the Fund.

### **Portfolio Turnover Risk**

The Fund's strategy may frequently involve buying and selling portfolio securities to rebalance the Fund's exposure to various market sectors. Higher portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

### **Cash Redemption Risk**

While the Fund will seek to use the in-kind redemption process to redeem Fund shares, the Fund's investment strategy may require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds. The Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize a capital gain that it might not have recognized if it had made a redemption in-kind. As a result, the Fund may pay out higher annual capital gain distributions than if the in-kind redemption process was used.

### **Shares of the Fund May Trade at Prices Other Than NAV**

As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the respective Fund's NAV, there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy shares of the Fund in the secondary market, and you may receive less than NAV when you sell those shares in the secondary market. The market price of Fund shares during the trading day, like the price of any exchange-traded security, includes a bid/ask spread charged by the exchange specialist, market makers or other participants that trade the Fund shares. The bid/ask spread on ETF shares is likely to be larger on ETFs that are traded less frequently. In addition, in times of severe market disruption, the bid/ask spread can increase significantly. At those times, Fund shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest when the price of shares is falling fastest, which may be the time that you most want to buy or sell shares.

## Edgar Filing: WisdomTree Trust - Form 485APOS

Although Fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares. Trading of shares of the Fund on a stock exchange may be halted if exchange officials deem such action appropriate, if the Fund is delisted, or if the activation of marketwide circuit breakers halts stock trading generally.

### **Lack of Governmental Insurance or Guarantee**

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

6 WisdomTree Trust Prospectus

**Table of Contents**

**Performance Information**

Although the Fund commenced operations on [XXX XX, 2009], no performance information is presented for the Fund because it has been in operation for less than one full calendar year. After the first full calendar year a risk/return chart and table will be provided. Any past performance of the Fund that will be shown will not be an indication of future results.

**Fees and Expenses**

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The fees are expressed as a percentage of the Fund's average net assets. You may also incur customary brokerage charges when buying or selling Fund shares.

<b>Shareholder Fees</b>	None
(fees paid directly from your investment, but see the Creation Transaction Fees and Redemption Transaction Fees section below)	
<b>Annual Fund Operating Expenses</b> (expenses deducted from Fund assets)	
Management Fees	%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>(a)</sup>	%
<b>Total Expenses<sup>(b)</sup></b>	<b>%</b>

<sup>(a)</sup> Other expenses are based on estimated amounts for the current fiscal year.

<sup>(b)</sup> WisdomTree Asset Management has agreed to limit Total Expenses to \_\_% through \_\_ 2010.



**Table of Contents**

The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund for the time periods indicated and then redeemed all of the shares at the end of those periods. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commission that retail investors may pay to buy and sell shares of the Fund. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

You would pay the following expenses if you did not redeem your shares:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

**Table of Contents**

**Management**

**Investment Adviser**

As investment adviser, WisdomTree Asset Management has overall responsibility for the general management and administration of the Trust. WisdomTree Asset Management provides an investment program for the Fund. WisdomTree Asset Management also arranges for sub-advisory, transfer agency, custody, fund administration, and all other non-distribution related services necessary for the Fund to operate.

The basis for the Board of Trustees' approval of the Investment Advisory Agreements will be available in the Trust's Annual Report to Shareholders for the period ended \_\_\_\_\_, 2010.

WisdomTree Asset Management expects to receive fees from the Fund, based on a percentage of the Fund's average daily net assets, as shown in the following table:

Name of Fund	Management Fee
WisdomTree Real Return Fund	0. %

WisdomTree Asset Management is a registered investment adviser with offices located at 380 Madison Avenue, 21st Floor, New York, NY 10017 and is a leader in ETF management.

**Sub-Adviser**

\_\_\_\_\_ serves as sub-adviser to the Fund ( Sub-Adviser ). Sub-Adviser, a registered investment adviser, is a leading innovator in the investment industry and manages global quantitative-based investment strategies for institutional and private investors. Its principal office is located at \_\_. As of \_\_\_\_\_, 2009, Sub-Adviser had assets under management totaling approximately \$\_\_\_\_\_ billion. \_\_\_\_ is a wholly-owned indirect subsidiary of \_\_, a publicly traded financial holding company. \_\_\_\_l chooses the Fund's portfolio investments and places orders to buy and sell the Fund's portfolio investments.

Sub-Adviser is entitled to receive the fees indicated below for acting as Sub-Adviser:

**Table of Contents**

**Portfolio Managers**

The Fund is managed by a team of managers. The individual members of the team responsible for the day-to-day management of the Fund's portfolio are listed below.

[To follow]

The Trust's Statement of Additional Information (SAI) provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' ownership of shares in the Funds for which they are Portfolio Managers.

**Portfolio Holdings Information**

Information about the Fund's daily portfolio holdings is available at [www.wisdomtree.com](http://www.wisdomtree.com). In addition, the Fund discloses its complete portfolio holdings as of the end of its fiscal year (March 31) and its second fiscal quarter (September 30) in its reports to shareholders. The Fund files its complete portfolio holdings as of the end of its first and third fiscal quarters (June 30 and December 31, respectively) with the SEC on Form N-Q no later than 60 days after the relevant fiscal period. You can find the SEC filings on the SEC's website, [www.sec.gov](http://www.sec.gov). A summarized description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Trust's SAI.

## **Table of Contents**

### **Buying and Selling Shares**

Most investors will buy and sell shares of the Fund through brokers. Shares of the Fund trade on national securities exchanges and elsewhere during the trading day and can be bought and sold throughout the trading day like other shares of publicly-traded securities. When buying or selling shares through a broker, most investors will incur customary brokerage commissions and charges.

Shares of the Fund trade under the trading symbol listed for the Fund.

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creation and Redemption section. Once created, shares of the Fund trade in the secondary market in amounts less than a Creation Unit.

### **Share Trading Prices**

As with other types of securities, the trading prices of shares in the secondary market can be affected by market forces such as supply and demand, economic conditions and other factors. The price you pay or receive when you buy or sell your shares in the secondary market may be more or less than the NAV of such shares.

The approximate value of shares of the Fund is disseminated every fifteen seconds throughout the trading day by the national securities exchange on which the Fund is listed or by other information providers. This approximate value should not be viewed as a real-time update of the NAV, because the approximate value may not be calculated in the same manner as the NAV, which is computed once per day. The approximate value generally is determined by using current market quotations and/or price quotations obtained from broker-dealers that may trade in the portfolio securities held by the Fund. The Fund is not involved in, or responsible for, the calculation or dissemination of the approximate value and makes no warranty as to its accuracy.

### **Determination of Net Asset Value**

The NAV of the 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, generally 4:00 p.m. New York time (the NAV Calculation Time). NAV per share is calculated by dividing the Fund's net assets by the number of Fund shares outstanding.

Stocks held by the Fund are valued at their market value when reliable market quotations are readily available. Certain short term debt instruments, which may be used to manage the Fund's cash, are valued on the basis of amortized cost. The values of any foreign securities held by the Fund are converted into U.S. dollars using an exchange rate deemed appropriate by the Fund.

When reliable market quotations are not readily available, securities are priced at their fair value, which is the price a security's owner might reasonably expect to receive upon its sale. The Fund may also use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchanges on which the security is traded. For example, this may occur with foreign securities, which may trade on foreign exchanges that close many hours before the Fund's pricing time. Intervening events might be company-specific (e.g., earnings report, merger announcement), country-specific (e.g., natural disaster, economic or political news, act of terrorism, interest rate change), or global. Intervening events may include price movements in U.S. markets that are deemed to affect the value of foreign securities. Fair-value pricing also may be used if, for example, trading in a security is halted and does not resume before the Fund's pricing time or if a security does not trade in the course of a day. When fair-value pricing is employed, the prices of securities used by the Fund to calculate its NAV may differ from quoted or published prices for the same securities.

Transactions in Fund shares will be priced at NAV only if you purchase or redeem shares directly from the Fund in Creation Units. Fund shares are purchased or sold on a national securities exchange at market prices, which may be higher or lower than NAV.

## **Table of Contents**

### **Dividends and Distributions**

The Fund pays out dividends, if any, to investors at least annually. The Fund distributes its net realized capital gains, if any, to investors annually. The Fund may occasionally be required to make supplemental distributions at some other time during the year. Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

### **Book Entry**

Shares of the Fund are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ( DTC ) or its nominee is the record owner of all outstanding shares of the Fund.

Investors owning shares of the Fund are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all shares of the Fund. Participants include DTC, securities brokers and dealers, banks, trust companies, clearing corporations, and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of stock certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any securities that you hold in book entry or street name form. Your broker will provide you with account statements, confirmations of your purchases and sales, and tax information.

### **Delivery of Shareholder Documents    Householding**

Householding is an option available to certain investors of the Fund. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Fund is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

### **Frequent Purchases and Redemptions of Fund Shares**

The Fund has adopted policies and procedures with respect to frequent purchases and redemptions of Creation Units of Fund shares. Since the Fund is an ETF, only a few institutional investors (known as Authorized Participants ) are authorized to purchase and redeem shares directly with the Fund. Because purchase and redemption transactions with Authorized Participants are an essential part of the ETF process and help keep ETF trading prices in line with NAV, the Fund accommodates frequent purchases and redemptions by Authorized Participants. Frequent purchases and redemptions for cash may increase index tracking error and portfolio transaction costs and may lead to realization of capital gains. Frequent in-kind creations and redemptions do not give rise to these concerns. The Fund reserves the right, to reject any purchase order at any time. The Fund reserves the right to impose restrictions on disruptive, excessive, or short-term trading and may reject purchase or redemption orders in such instances.

### **Investments by Registered Investment Companies**

Section 12(d)(1) of the Investment Company Act of 1940 restricts investments by registered investment companies in the securities of other investment companies, including shares of the Fund. Registered investment companies may be permitted to invest in the Fund beyond the limits set forth in section 12(d)(1), subject to certain terms and conditions set forth in an SEC exemptive order issued to the WisdomTree Trust, including that such investment companies enter into an agreement with the Fund. Investment companies should contact WisdomTree Asset Management for more information.

---

**Table of Contents**

**Taxes**

The following discussion is a summary of some important U.S. federal income tax considerations generally applicable to investments in the Fund. Your investment in the Fund may have other tax implications. Please consult your tax advisor about the tax consequences of an investment in Fund shares, including the possible application of foreign, state, and local tax laws.

The Fund intends to qualify each year as a regulated investment company. A regulated investment company is not subject to tax at the fund level on income and gains from investments that are timely distributed to shareholders. However, the Fund's failure to qualify as a regulated investment company would result in fund-level taxation, and consequently, a reduction in income available for distribution to shareholders.

Unless your investment in shares is made through a tax-exempt entity or tax-deferred retirement account, such as an individual retirement account, you need to be aware of the possible tax consequences when:

n The Fund makes distributions,

n You sell shares, and

n You purchase or redeem Creation Units (for institutional investors only)

**Taxes on Distributions**

For federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains (if any) are determined by how long the Fund owned the investments that generated them, rather than how long you have owned your Fund shares. Distributions of net capital gains (the excess of net long-term capital gains from the sale of investments that the Fund owned for more than one year over net short-term capital losses) that are properly designated by the Fund as capital gain dividends ( Capital Gain Dividends ) will be taxable as long-term capital gains. Long-term capital gain rates have been temporarily reduced in general, to 15%, with lower rates applying to taxpayers in the 10% and 15% rate brackets for taxable years beginning before January 1, 2011. Distributions of gains from the sale of investments that the Fund owned for one year or less will be taxable as ordinary income.

For taxable years beginning before January 1, 2011, distributions of investment income designated by the Fund as derived from qualified dividend income are taxed to individuals at rates applicable to long-term capital gain, provided holding period and other requirements are met at both the shareholder and the Fund level. Since the Fund's income is derived primarily from source that don't pay qualified dividend income, it is not anticipated that the Fund will distribute dividends designated as qualified dividend income.

In general, your distributions are subject to federal income tax for the year in which they are paid. Certain distributions paid in January, however, may be treated as paid on December 31 of the prior year. Distributions are taxable even if they are paid from income or gains earned by the Fund before your investment (and thus were included in the price you paid for your shares).

Dividends, interest and gains received by the Fund with respect to foreign securities may be subject to withholding and other taxes imposed by foreign countries, which may reduce amounts available for distribution to you and returns to you from the Fund. Tax conventions between certain countries and the United States may, in some cases, reduce or eliminate such taxes. This means that you will be considered to have received as an additional dividend your share of such foreign taxes, but you may be entitled to either a corresponding tax deduction or a credit in calculating your federal income tax.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, dividends (other than Capital Gain Dividends) paid to you by the Fund will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.

The Fund (or financial intermediaries, such as brokers, through which a shareholder owns Fund shares) generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and sale or redemption proceeds paid to any shareholder who (1) fails to provide a correct taxpayer identification number (usually the shareholder's social security number); (2) is subject to back-up withholding by the

## Edgar Filing: WisdomTree Trust - Form 485APOS

Internal Revenue Service ( IRS ); (3) has failed to provide the Fund with the certifications required by the IRS to document that the shareholder is not subject to back-up withholding; or (4) has failed to certify that he or she is a U.S. person (including a U.S. resident alien).

WisdomTree Trust Prospectus **13**

## **Table of Contents**

### **Taxes When Fund Shares are Sold**

Any capital gain or loss realized upon a sale of Fund shares is generally treated as a long-term gain or loss if the shares have been held for more than one year. Any capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as a short-term gain or loss, except that any capital loss on a sale of shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such shares. The ability to deduct capital losses may be limited.

### **Taxes on Creation and Redemption of Creation Units**

An Authorized Participant who exchanges securities for Creation Units generally will recognize a gain or a loss equal to the difference between the market value of the Creation Units at the time of the exchange and the sum of the exchanger's aggregate basis in the securities surrendered and the cash component paid. A person who redeems Creation Units will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the sum of the aggregate market value of the securities and the amount of cash received for such Creation Units. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing wash sales, or on the basis that there has been no significant change in economic position. Persons exchanging securities for Creation Units should consult a tax advisor with respect to whether the wash sale rules apply and when a loss might be deductible.

Any capital gain or loss realized upon a redemption (or creation) of Creation Units is generally treated as long-term capital gain or loss if the Fund shares (or securities surrendered) have been held for more than one year and as short-term capital gain or loss if the shares (or securities surrendered) have been held for one year or less.

If you purchase or redeem Creation Units, you will be sent a confirmation statement showing how many shares you purchased or sold and at what price. Persons purchasing or redeeming Creation Units should consult their own tax advisors with respect to the tax treatment of any creation or redemption transaction.

One of the requirements for qualification as a regulated investment company (a RIC) under Subchapter M of the Internal Revenue Code (the Code) is that the Fund must derive at least 90% of its gross income for each taxable year from dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income derived with respect to its business of investing in such stock, securities or currencies. The IRS has issued a revenue ruling which concludes that income derived from commodity-linked swaps is not qualifying income under Subchapter M of the Code. As a result, the Fund will restrict its income from commodity-linked swaps (when combined with its other investments that produce non-qualifying income) to be less than 10 percent of its gross income.

In a subsequent revenue ruling and certain private letter rulings, the IRS has stated and ruled that income from certain structured notes and from a fund's investment in a controlled foreign corporation (CFC) also will constitute qualifying income to the fund. The Fund intends to seek exposure to the commodity markets primarily through investments in certain commodity index-linked notes and through investments in the Subsidiary.

[A private letter ruling only can be relied upon by the taxpayer that receives it, and by law cannot be used or cited as precedent. The Fund has not obtained a ruling from the IRS with respect to its investments or its structure but does intend to seek such a ruling from the IRS. Based on the analysis in private letter rulings previously issued to other taxpayers, the Fund intends to treat its income from commodity index-linked notes and the Subsidiary as qualifying income prior to receiving any such ruling from the IRS. There can be no assurance that the IRS will not change its position with respect to some or all of these issues or if the IRS did so, that a court would not sustain the IRS's position. There is also no assurance that the Fund will be able to obtain a favorable ruling from the IRS.]

If the IRS were to change its position or otherwise determine that income derived from certain commodity-linked notes or from the Fund's investment in the Subsidiary does not constitute qualifying income and if such positions were upheld, the Fund might cease to qualify as a regulated investment company and would be required to reduce its exposure to such investments which may result in difficulty in implementing its investment strategy. If the Fund did not qualify as a regulated investment company for any taxable year, the Fund's taxable income would be subject to tax at the Fund level and to a further tax at the shareholder level when such income is distributed. In such event, in order to re-qualify for taxation as a regulated investment company, the Fund may be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions.]



14 WisdomTree Trust Prospectus

---

**Table of Contents**

**Creation and Redemption**

The shares that trade in the secondary market are created at NAV. The Fund issues and redeems shares only in large blocks of shares, typically 50,000 shares or more ( Creation Units ). Only institutional investors who have entered into an authorized participant agreement purchase or redeem Creation Units. Creation Units generally are issued and redeemed in exchange for a specified basket of securities approximating the holdings of the Fund and a designated amount of cash. Each business day prior to the opening of trading the Fund publishes the specific securities and designated amount of cash included in that day's basket for the Fund through the National Securities Clearing Corporation ( NSCC ) or other method of public dissemination. The Fund reserves the right to accept or pay out a basket of securities or cash that differs from the published basket. The prices at which creations and redemptions occur are based on the next calculation of NAV after an order is received in proper form.

Creations and redemptions must be made by an Authorized Participant or through a firm that is either a member of the Continuous Net Settlement System of the NSCC or a DTC participant, and in each case, must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Unit aggregations. Information about the procedures regarding creation and redemption of Creation Units is included in the Trust's SAI.

**Authorized Participants and the Continuous Offering of Shares**

Because new shares may be created and issued on an ongoing basis, at any point during the life of the Fund, a distribution, as such term is used in the Securities Act of 1933 ( Securities Act ), may be occurring. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner that could render them statutory underwriters and subject to the prospectus-delivery and liability provisions of the Securities Act. Nonetheless, any determination of whether one is an underwriter must take into account all the relevant facts and circumstances of each particular case.

Broker-dealers should also note that dealers who are not underwriters, but are participating in a distribution (as contrasted to ordinary secondary transactions), and thus dealing with shares that are part of an unsold allotment within the meaning of Section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. For delivery of prospectuses to exchange members, the prospectus delivery mechanism of Rule 153 under the Securities Act is only available with respect to transactions on a national securities exchange.

**Creation and Redemption Transaction Fees for Creation Units**

The Fund may impose a creation transaction fee and a redemption transaction fee to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units of shares. The creation and redemption transaction fees applicable to the Fund are listed below. The standard creation transaction fee is charged to each purchaser on the day such purchaser creates a Creation Unit. The standard fee is a single charge and will be the amount indicated below regardless of the number of Creation Units purchased by an investor on the same day. Similarly, the standard redemption transaction fee will be the amount indicated regardless of the number of Creation Units redeemed that day. Purchasers and redeemers of Creation Units of the Fund for cash will also be subject to an additional variable charge of up to a maximum of four times the amount shown below under Maximum Creation/Redemption Transaction Fee to offset the transaction cost to the Fund of buying portfolio securities. In addition, purchasers and redeemers of shares in Creation Units are responsible for payment of the costs of transferring securities to or out of the Fund. From time to time, WisdomTree Asset Management may cover the cost of any transaction fees.

**Table of Contents**

The following table shows, as of \_\_, 2009, the approximate value of one Creation Unit of the Fund, including the standard creation and redemption transaction fee. These fees are payable only by investors who purchase shares directly from the Fund. Retail investors who purchase shares through their brokerage account will not pay these fees.

<b>Name of Fund</b>	<b>Approximate Value of One Creation Unit</b>	<b>Standard Creation/Redemption Transaction Fee</b>	<b>Maximum Creation/Redemption Transaction Fee</b>
WisdomTree Real Return Fund Distribution			

ALPS Distributors, Inc. (the Distributor) serves as the distributor of Creation Units for the Fund on an agency basis. The Distributor does not maintain a secondary market in shares of the Fund. The Distributor's principal address is 1290 Broadway, Suite 1100, Denver, Colorado 80203.

The Distributor has no role in determining the policies of the Fund or the securities that are purchased or sold by the Fund.

**Additional Notices**

Shares of the Trust are not sponsored, endorsed, or promoted by any listing exchange (Exchange). The Exchange makes no representation or warranty, express or implied, to the owners of the shares of the Fund or any member of the public regarding the performance of the Fund. The Exchange is not responsible for, nor has it participated in the determination of the timing of, prices of, or quantities of the shares of the Fund to be issued, nor in the determination or calculation of the equation by which the shares are redeemable. The Exchange has no obligation or liability to owners of the shares of the Fund in connection with the administration, marketing, or trading of the shares of the Fund. Without limiting any of the foregoing, in no event shall the Exchange have any liability for any lost profits or indirect, punitive, special, or consequential damages even if notified of the possibility thereof.

WisdomTree Investments, WisdomTree Asset Management and the Fund make no representation or warranty, express or implied, to the owners of shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Indexes to track general stock market performance. WisdomTree Investments is the licensor of certain trademarks, service marks and trade name of the Fund. WisdomTree Investments is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of shares of the Fund to be issued or in the determination or calculation of the equation by which the shares of the Fund are redeemable.

**Table of Contents**

The Trust's current SAI provides additional detailed information about the Fund. The Trust has electronically filed the SAI with the SEC. It is incorporated by reference in this Prospectus.

Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to shareholders. In the annual report you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year.

To make shareholder inquiries, for more detailed information on the Fund or to request the SAI, annual or semi-annual shareholder reports free of charge, please:

**Call: 1-866-909-9473**  
**Monday through Friday**  
**8:00 a.m. to 8:00 p.m. (Eastern time)**

**Write: WisdomTree Trust**  
**c/o ALPS Distributors, Inc.**  
**1290 Broadway, Suite 1100**  
**Denver, Colorado 80203**

**Visit: [www.wisdomtree.com](http://www.wisdomtree.com)**

Information about the Fund (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-942-8090. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at [www.sec.gov](http://www.sec.gov), and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

No person is authorized to give any information or to make any representations about the Fund and its shares not contained in this Prospectus and you should not rely on any other information. Read and keep this Prospectus for future reference.

©2009 WisdomTree Trust

WisdomTree Funds are distributed by

ALPS Distributors, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203

WisdomTree® is a registered mark of WisdomTree

Investments, Inc.

INVESTMENT COMPANY ACT FILE NO. 811-21864

Edgar Filing: WisdomTree Trust - Form 485APOS

WisdomTree Trust

380 Madison Avenue, 21st Floor

New York, NY 10017

WisdomTree Trust Prospectus **17**

Table of Contents

# PROSPECTUS

Month \_\_, 2009

## WisdomTree<sup>®</sup> Trust

### WisdomTree Managed Futures Fund

**THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THIS SECURITY UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE SECURITY AND IT IS NOT SOLICITING AN OFFER TO BUY THE SECURITY IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**THE SECURITIES AND EXCHANGE COMMISSION ( SEC ) HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**Table of Contents**

# WisdomTree Trust

WisdomTree Trust (the Trust) is a registered investment company that consists of separate investment portfolios. This prospectus describes the **WisdomTree Managed Futures Fund** (the Fund).

The Fund is an exchange traded fund. This means that shares of the Fund are listed on a national securities exchange, such as NYSE Arca, and trade at market prices. The market price for the Fund's shares may be different from its net asset value per share (NAV). The Fund has its own CUSIP number and exchange trading symbol.

The Fund issues and redeems shares at NAV only in large blocks of shares, typically 50,000 shares or more (Creation Units). These transactions are usually in exchange for a basket of securities and an amount of cash. As a practical matter, only institutions or large investors purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the Fund are not redeemable securities.

## **A NOTE TO RETAIL INVESTORS**

Shares can be purchased directly from the Fund only in exchange for a basket of securities that is expected to be worth several million dollars. Most individual investors, therefore, will not be able to purchase shares directly from the Fund. Instead, these investors will purchase shares in the secondary market through a brokerage account or with the assistance of a broker. Thus, some of the information contained in this Prospectus such as information about purchasing and redeeming shares from the Fund and references to transaction fees imposed on purchases and redemptions is not relevant to most individual investors. Shares purchased or sold through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges.

INVESTMENT PRODUCTS:   ARE NOT FDIC INSURED   MAY LOSE VALUE   ARE NOT BANK GUARANTEED

**Table of Contents**

# WisdomTree Trust

## Table of Contents

<b><u>Overview</u></b>	<b>2</b>
<u>Investment Objective</u>	2
<u>Principal Investment Strategies</u>	2
<u>Principal Risk Factors</u>	4
<b><u>Management</u></b>	<b>11</b>
<u>Investment Adviser</u>	11
<u>Sub-Adviser</u>	11
<u>Portfolio Managers</u>	12
<u>Portfolio Holdings Information</u>	12
<u>Buying and Selling Shares</u>	13
<u>Share Trading Prices</u>	13
<u>Determination of Net Asset Value</u>	13
<u>Dividends and Distributions</u>	14
<u>Book Entry</u>	14
<u>Delivery of Shareholder Documents</u> <u>Householding</u>	14
<u>Frequent Purchases and Redemptions of Fund Shares</u>	14
<u>Investments by Registered Investment Companies</u>	14
<u>Taxes</u>	15
<u>Taxes on Distributions</u>	15
<u>Taxes When Fund Shares are Sold</u>	16
<u>Taxes on Creation and Redemption of Creation Units</u>	16
<u>Creation and Redemption</u>	17
<u>Authorized Participants and the Continuous Offering of Shares</u>	17
<u>Creation and Redemption Transaction Fees for Creation Units</u>	17
<u>Distribution</u>	18
<u>Additional Notices</u>	18



---

**Table of Contents**

## **WisdomTree Managed Futures Fund**

### **Ticker symbol: Overview**

### **Cusip:**

This Prospectus provides the information you need to make an informed decision about investing in the Fund. It contains important facts about the Trust as a whole and the Fund in particular. The Fund is an exchange-traded fund ( ETF ). ETFs are funds whose shares are listed on a stock exchange and traded like equity securities at market prices. ETFs, such as the Fund, allow you to buy or sell shares that represent the collective performance of a selected group of securities. ETFs are designed to add the flexibility, ease and liquidity of stock-trading to the benefits of traditional index-fund investing.

WisdomTree Asset Management, Inc. ( WisdomTree Asset Management ) is the investment adviser to the Fund. WisdomTree Investments, Inc. ( WisdomTree Investments ) is the parent company of WisdomTree Asset Management.\*

### **Investment Objective**

The **WisdomTree Managed Futures Fund** seeks to provide investors with the potential to achieve positive total returns in both rising and falling markets. The Fund's investment objective is non-fundamental and may be changed without shareholder approval

### **Primary Investment Strategies**

The Fund uses a quantitative, rules-based model to invest in futures contracts and other instruments. In this manner, the Fund seeks to achieve positive total returns in both rising and falling markets that are not directly correlated to broad market equity or fixed income returns. The Fund is actively managed and uses a variety of investment techniques to achieve its objective.

The Fund may invest directly in securities and may also invest in derivative instruments, such as futures, index futures, options, options on futures, swaps and structured notes, that provide exposure to securities, commodities or currencies. A derivative instrument is, in the broadest sense, an instrument that derives its value from another asset. A futures contract is a financial instrument in which a party agrees to pay a fixed price for securities or commodities at a specified date. An index future is a futures contract based on the value of an index. Options give the holder the right to buy or sell a specified amount of security at a specific strike price and within a specified timeframe. An option on a futures contract gives the holder the right to buy or sell a futures contract. A swap agreement is an agreement between two parties to exchange cash flows or returns (or differences in return) on a security according to agreed upon terms. Structured notes are typically issued by a bank and are designed to provide returns or cash flows linked to a security, security index, commodity or commodity index. Notes may be listed and traded on a securities exchange or traded over-the-counter. The Fund will take long and/or short positions in securities and commodities and instruments that provide exposure to such securities and commodities. To be long is to buy a security or instrument with the expectation that its value will increase over time. To be short means to sell a borrowed security or instrument with the expectation that it will fall in value.

The Fund intends to invest a portion of its assets in commodities and commodity-linked instruments indirectly through wholly-owned off-shore subsidiary controlled by the Fund (the WisdomTree Subsidiary ). The WisdomTree Subsidiary will invest directly in commodity-linked notes and commodity swaps, as well as money market instruments.

The WisdomTree Subsidiary may take long or short positions through investments in commodity-linked notes, exchange-traded funds and products, and swaps on commodities or commodity indexes. Commodity-linked notes are notes, typically issued by a bank, that are designed to provide cash flows linked to the value of commodities, commodity indexes or the value of commodity futures and options contracts. These notes are traded over-the-counter and are sometimes referred to as structured notes. The WisdomTree Subsidiary may also invest in exchange-traded products and notes that provide exposure to commodities. The WisdomTree Subsidiary may invest in swaps. The Subsidiary may engage in commodity swaps or commodities index swaps in which fixed or

**2** WisdomTree Trust Prospectus

**Table of Contents**

variable rate payments on commodity returns or commodity index returns are exchanged. The Fund and the WisdomTree Subsidiary will hold cash, U.S. Government securities, and other types of short-term, high quality fixed-income securities and money market instruments as investments and also as collateral on other investments. The money market securities and fixed income instruments held by the Fund and the WisdomTree Subsidiary generally will be investment grade and have remaining maturities of one year or less. The Fund's use of the WisdomTree Subsidiary is designed to help the Fund achieve exposure to commodity returns in a manner consistent with the requirements of federal tax laws applicable to regulated investment companies. The WisdomTree Subsidiary is otherwise subject to the same investment restrictions as the Fund.

\* WisdomTree is a registered mark of WisdomTree Investments and has been licensed for use by the Trust.

WisdomTree Trust Prospectus **3**

## **Table of Contents**

### **Principal Risk Factors**

The Fund is subject to the risks described below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and/or its ability to meet its objectives.

#### **Investment Risk**

As with all investments, an investment in the Fund is subject to investment risk. Investors in the Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or even long periods of time.

#### **Management Risk**

The Fund is actively managed using proprietary investment strategies, techniques and processes. There can be no guarantees that these strategies, techniques and processes will produce the intended results and no guarantee that the Fund will outperform other investment strategies over short- or long-term market cycles. The Fund's investment objective requires the Fund to use investment techniques that may result in the being more volatile than investments that use more traditional investment strategies. For example, the risks associated with the use of structured notes, futures contracts, and swap agreements include credit risk and the risk that prices of the underlying securities and commodities can rise or fall quickly and unpredictably. This may cause an investment in the Fund to be more volatile than other types of investments.

#### **Market Risk**

The trading price of equity securities, fixed income securities, commodities and other instruments fluctuates in response to a variety of factors. These factors include events impacting the entire market or specific market segments, such as political, market and economic developments, as well as events that impact specific issuers. During a general economic downturn, equity securities, fixed income securities, and commodities all may be negatively affected. Fixed-income securities with short-term maturities are generally less sensitive to such changes than fixed-income securities with longer term maturities or equity securities or commodities. The Fund's NAV and market price, like security and commodity prices generally, will fluctuate within a wide range in response to these and other factors. As a result, an investor could lose money over short or even long periods.

Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Domestic and foreign fixed income, equity and commodity markets have been experiencing heightened volatility and disruption. Issuers that have exposure to the real estate, mortgage and credit markets have been particularly affected and well-known financial institutions have experienced significant liquidity and other problems. Some of these institutions have declared bankruptcy or defaulted on their debt. It is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on Fund performance.

#### **Interest Rate Risk**

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Inflation-indexed bonds, including Treasury Inflation-Protected Securities, decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed bonds may experience greater losses than other fixed income securities with similar durations.

#### **Derivatives Risk**

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Fund may use derivative instruments as a substitute for taking a position in an underlying asset. The Fund may use derivatives as part of a strategy designed to increase or reduce exposure to specific asset classes, such as equity or fixed income securities, or to hedge against or reduce other risks, such as interest rate risk or currency risk. The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as counterparty risk, liquidity risk, interest rate risk, market risk, and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the

## Edgar Filing: WisdomTree Trust - Form 485APOS

underlying asset, rate or index. While the Fund generally attempts to set off liquid assets to collateralize its derivatives exposure, in certain situations the Fund could lose more than the principal amount invested through derivatives contracts. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The Fund invests in derivative instruments with principal and/or coupon payments linked to the value of commodities, commodity futures contracts, or the performance of commodity indices. These are commodity-linked or index-linked securities. They are sometimes referred to as structured securities because the terms of the instrument may be structured by the issuer of the security and the purchaser of the security, such as the Fund. These securities may be issued by banks, brokerage firms, insurance companies and other corporations.

The value of these securities will rise or fall in response to changes in the underlying commodity or related index or investment. These securities expose the Fund economically to movements in commodity prices. In addition to commodity price risk, the securities also are subject to credit and interest rate risks that in general affect the values of debt securities. Therefore, at maturity, the Fund may receive more or less principal than it originally invested. The Fund might receive interest payments that are more or less than the stated coupon interest payments.

### **Structured Note Risk**

The Fund may invest in notes, sometimes called structured notes, linked to the performance of securities or commodities. Commodity-linked structured notes provide exposure, which may include long and/or short exposure, to the investment returns of real assets (i.e., assets that have tangible properties such as oil, gold and silver) that trade in the commodities markets without investing directly in physical commodities. The performance of these notes is determined by the price movement of the commodities underlying the note. These notes are subject to the credit risk of the issuing party and may be less liquid than other types of securities. This means that the Fund may lose money if the issuer of the note defaults and that the Fund may not be able to readily close out its investment in such notes without incurring losses.

### **Counterparty Risk**

The Fund may engage in investment transactions or enter into derivative or other contracts with third parties (i.e., counterparties). For example, the Fund intends to purchase structured notes and may enter into forward, future, options and swap transactions. The

**Table of Contents**

Fund bears the risk that the counterparty to such transactions may default on its obligations or otherwise fail to honor its obligations. If a counterparty defaults on its payment obligations to the Fund, this default may cause the value of an investment Fund shares to decrease. In addition, the Fund may engage in such investment transactions with a limited number of counterparties, which may increase the Fund's exposure to counterparty credit risk.

WisdomTree Trust Prospectus **5**

## **Table of Contents**

### **Leveraging Risk**

The Fund may invest in derivatives and other instruments that provide leverage. Leveraging tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and may cause the Fund to be more volatile than if it had not been leveraged. Leveraging may cause the Fund to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. Leveraging may cause the Fund to lose more money than the actual cost of its investment and therefore may increase the potential for Fund losses. To mitigate leveraging risk, the portfolio manager may segregate or earmark liquid assets or otherwise cover the transactions that may give rise to such risk.

### **Liquidity Risk**

The Fund may invest in derivatives and other instruments that may be less liquid than other types of investments. Investments that are less liquid or that trade less can be more difficult or more costly to buy, or to sell, compared to other more liquid or active investments. This liquidity risk is a factor of the trading volume of a particular investment, as well as the size and liquidity of the market for such an investment. The derivatives in which the Fund invests may not always be liquid. This could have a negative effect on the Fund's ability to achieve its investment objective and may result in losses to Fund shareholders.

### **Short Sale Risk**

The Fund may engage in short sale transactions. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

### **Exchange-Traded Fund ( ETF ) Risk**

The Fund may invest in shares of other ETFs, including ETFs affiliated with the Fund and other types of exchange-traded products ( ETPs ). In addition to directly bearing the expenses associated with its own operations, the Fund will indirectly bear a pro rata portion of the expenses of an ETF or ETP in which it invests. Further, in part because of these additional expenses, the performance of an ETF or ETP may differ from the performance the Fund would achieve if it invested directly in the underlying investments of the investment company. In addition, while the risks of owning shares of an ETF or ETP generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments. For example, shares of ETFs and ETPs may trade at, above or below their net asset value or NAV . The NAV of shares will fluctuate with changes in the market value of the ETF's or ETP's holdings. The trading prices of shares will fluctuate in accordance with changes in NAV as well as market supply and demand. The difference between the bid price and ask price, commonly referred to as the spread, will also vary for an ETF or ETP depending on factors such as trading volume and market liquidity. Generally, the greater the trading volume and market liquidity, the smaller the spread is and vice versa. Any of these factors may lead to shares trading above or below NAV.

### **Financial Sector Risk**

The Fund generally invests a relatively large percentage of its assets in securities, debt or other instruments of companies in the financial sector. For example, the Fund intends to invest in structured notes issued by companies in the financial sector and to enter into swap transactions with companies in the financial sector. Therefore the performance of the Fund will be impacted by events affecting this sector and companies in this sector. This sector can be significantly affected by changes in interest rates, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital.

### **Foreign Issuer Exposure Risk**

The Fund may invest in securities of foreign companies directly, or in financial instruments, such as structured notes, which are indirectly linked to the performance of foreign issuers. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Investing in securities of foreign companies directly, or in financial instruments that are indirectly linked to the performance of foreign issuers, may involve risks not typically

## Edgar Filing: WisdomTree Trust - Form 485APOS

associated with investing in U.S. issuers. The value of securities denominated in

### **6** WisdomTree Trust Prospectus



---

**Table of Contents**

foreign currencies, and of dividends from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. Dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices in some foreign markets may fluctuate more than those of securities traded on U.S. markets. Many foreign countries lack accounting and disclosure standards comparable to those that apply to U.S. companies, and it may be more difficult to obtain reliable information regarding a foreign issuer's financial condition and operations. Transaction costs and costs associated with custody services are generally higher for foreign securities than they are for U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, the non-recovered portion will reduce the income received by the Fund.

**Foreign Currency Risk**

The Fund may invest in investments denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. The Fund may do so for investment purposes or to hedge against the impact of currency movements on its portfolio. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investment and the value of your Fund shares. Because Fund's NAV is determined on the basis of U.S. dollars, if the Fund invests in non-U.S. assets, the U.S. dollar value of such investments may go down if the value of the local currency of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar. This is true even if the local currency value of securities in the Fund's holdings goes up. Conversely, the dollar value of your investment in the Fund may go up if the value of the local currency appreciates against the U.S. dollar. The value of the U.S. dollar measured against other currencies is influenced by a variety of factors. These factors include: interest rates, national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest and inflation rates, global or regional political, economic or financial events, monetary policies of governments, actual or potential government intervention, and global energy prices. Government monetary policies and the buying or selling of currency by a country's government may also influence exchange rates.

**Commodity Risk**

A commodity-linked derivative instrument is a derivative instrument linked to the price of commodities, commodities futures, the return of a commodity index or some other variable linked to commodities. The value of commodities and commodity-linked derivative instruments typically are based upon the price movements of a physical commodity or an economic variable linked to price movements. Therefore, the value of commodities and commodity-linked derivative instruments may be affected by changes in overall economic conditions, changes in interest rates, or factors affecting a particular commodity or industry, such as supply, demand, drought, floods, weather, political, economic and regulatory developments. The Fund's investments in commodities, and therefore the value of an investment in the Fund, will be impacted by these conditions. To the extent that the Fund's investments are focused on oil or precious metals, or businesses in the precious metals or energy sectors, the Fund may be impacted by events and conditions effecting oil, precious metals and the precious metals or energy sectors. The prices of commodities and commodity-related investments may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes, such as stocks, bonds and cash. The Fund's investments in commodities and commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional equity and fixed income securities. Investments in commodities and commodity-linked derivative instruments are subject to counterparty risk. This is the risk that a counterparty to a transaction will default on all or part of its obligations under the contract. In such cases, the Fund may lose all or part of its investment.

**Short Sale Risk**

The Fund may engage in short sale transactions. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

## **Table of Contents**

### **Non-Diversification Risk**

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

### **Issuer-Specific Risk**

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of the Fund.

### **Portfolio Turnover Risk**

The Fund's strategy may frequently involve buying and selling portfolio securities to rebalance the Fund's exposure to various market sectors. Higher portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

### **Cash Redemption Risk**

While the Fund will seek to use the in-kind redemption process to redeem Fund shares, the Fund's investment strategy may require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds. The Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize a capital gain that it might not have recognized if it had made a redemption in-kind. As a result, the Fund may pay out higher annual capital gain distributions than if the in-kind redemption process was used.

### **Shares of the Fund May Trade at Prices Other Than NAV**

As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the respective Fund's NAV, there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy shares of the Fund in the secondary market, and you may receive less than NAV when you sell those shares in the secondary market.

The market price of Fund shares during the trading day, like the price of any exchange-traded security, includes a bid/ask spread charged by the exchange specialist, market makers or other participants that trade the Fund shares. The bid/ask spread on ETF shares is likely to be larger on ETFs that are traded less frequently. In addition, in times of severe market disruption, the bid/ask spread can increase significantly. At those times, Fund shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest when the price of shares is falling fastest, which may be the time that you most want to sell your shares.

Although Fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares. Trading of shares of the Fund on a stock exchange may be halted if exchange officials deem such action appropriate, if the Fund is delisted, or if the activation of marketwide circuit breakers halts stock trading generally.

### **Lack of Governmental Insurance or Guarantee**

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**8** WisdomTree Trust Prospectus

**Table of Contents**

**Performance Information**

Although the Fund commenced operations on [XXX XX, 2009], no performance information is presented for the Fund because it has been in operation for less than one full calendar year. After the first full calendar year a risk/return chart and table will be provided. Any past performance of the Fund that will be shown will not be an indication of future results.

**Fees and Expenses**

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The fees are expressed as a percentage of the Fund's average net assets. You may also incur customary brokerage charges when buying or selling Fund shares.

<b>Shareholder Fees</b>	None
(fees paid directly from your investment, but see the Creation Transaction Fees and Redemption Transaction Fees section below)	
<b>Annual Fund Operating Expenses</b> (expenses deducted from Fund assets)	
Management Fees	%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>(a)</sup>	%
<b>Total Expenses<sup>(b)</sup></b>	<b>%</b>

<sup>(a)</sup> Other expenses are based on estimated amounts for the current fiscal year.

<sup>(b)</sup> WisdomTree Asset Management has agreed to limit Total Expenses to \_\_% through \_\_ 2010.

**Table of Contents**

The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund for the time periods indicated and then redeemed all of the shares at the end of those periods. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commission that retail investors may pay to buy and sell shares of the Fund. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

You would pay the following expenses if you did not redeem your shares:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

10 WisdomTree Trust Prospectus

**Table of Contents**

**Management**

**Investment Adviser**

As investment adviser, WisdomTree Asset Management has overall responsibility for the general management and administration of the Trust. WisdomTree Asset Management provides an investment program for the Fund. WisdomTree Asset Management also arranges for sub-advisory, transfer agency, custody, fund administration, and all other non-distribution related services necessary for the Fund to operate.

The basis for the Board of Trustees' approval of the Investment Advisory Agreements will be available in the Trust's Annual Report to Shareholders for the period ended \_\_, 2010.

WisdomTree Asset Management expects to receive fees from the Fund, based on a percentage of the Fund's average daily net assets, as shown in the following table:

Name of Fund	Management Fee
WisdomTree Managed Futures Fund	0. %

WisdomTree Asset Management is a registered investment adviser with offices located at 380 Madison Avenue, 21st Floor, New York, NY 10017 and is a leader in ETF management.

**Sub-Adviser**

\_\_\_\_\_ serves as sub-adviser to the Fund ( Sub-Adviser ). Sub-Adviser, a registered investment adviser, is a leading innovator in the investment industry and manages global quantitative-based investment strategies for institutional and private investors. Its principal office is located at \_\_. As of \_\_, 2009, Sub-Adviser had assets under management totaling approximately \$ \_\_ billion. \_\_ is a wholly-owned indirect subsidiary of \_\_, a publicly traded financial holding company. \_\_ chooses the Fund's portfolio investments and places orders to buy and sell the Fund's portfolio investments.

Sub-Adviser is entitled to receive the fees indicated below for acting as Sub-Adviser:

**Table of Contents**

**Portfolio Managers**

The Fund is managed by a team of managers. The individual members of the team responsible for the day-to-day management of the Fund's portfolio are listed below.

[To follow]

The Trust's Statement of Additional Information (SAI) provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' ownership of shares in the Funds for which they are Portfolio Managers.

**Portfolio Holdings Information**

Information about the Fund's daily portfolio holdings is available at [www.wisdomtree.com](http://www.wisdomtree.com). In addition, the Fund discloses its complete portfolio holdings as of the end of its fiscal year (March 31) and its second fiscal quarter (September 30) in its reports to shareholders. The Fund files its complete portfolio holdings as of the end of its first and third fiscal quarters (June 30 and December 31, respectively) with the SEC on Form N-Q no later than 60 days after the relevant fiscal period. You can find the SEC filings on the SEC's website, [www.sec.gov](http://www.sec.gov). A summarized description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Trust's SAI.

## **Table of Contents**

### **Buying and Selling Shares**

Most investors will buy and sell shares of the Fund through brokers. Shares of the Fund trade on national securities exchanges and elsewhere during the trading day and can be bought and sold throughout the trading day like other shares of publicly-traded securities. When buying or selling shares through a broker, most investors will incur customary brokerage commissions and charges.

Shares of the Fund trade under the trading symbol listed for the Fund.

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creation and Redemption section. Once created, shares of the Fund trade in the secondary market in amounts less than a Creation Unit.

### **Share Trading Prices**

As with other types of securities, the trading prices of shares in the secondary market can be affected by market forces such as supply and demand, economic conditions and other factors. The price you pay or receive when you buy or sell your shares in the secondary market may be more or less than the NAV of such shares.

The approximate value of shares of the Fund is disseminated every fifteen seconds throughout the trading day by the national securities exchange on which the Fund is listed or by other information providers. This approximate value should not be viewed as a real-time update of the NAV, because the approximate value may not be calculated in the same manner as the NAV, which is computed once per day. The approximate value generally is determined by using current market quotations and/or price quotations obtained from broker-dealers that may trade in the portfolio securities held by the Fund. The Fund is not involved in, or responsible for, the calculation or dissemination of the approximate value and makes no warranty as to its accuracy.

### **Determination of Net Asset Value**

The NAV of the 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, generally 4:00 p.m. New York time (the NAV Calculation Time). NAV per share is calculated by dividing the Fund's net assets by the number of Fund shares outstanding.

Stocks held by the Fund are valued at their market value when reliable market quotations are readily available. Certain short term debt instruments, which may be used to manage the Fund's cash, are valued on the basis of amortized cost. The values of any foreign securities held by the Fund are converted into U.S. dollars using an exchange rate deemed appropriate by the Fund.

When reliable market quotations are not readily available, securities are priced at their fair value, which is the price a security's owner might reasonably expect to receive upon its sale. The Fund may also use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchanges on which the security is traded. For example, this may occur with foreign securities, which may trade on foreign exchanges that close many hours before the Fund's pricing time. Intervening events might be company-specific (e.g., earnings report, merger announcement), country-specific (e.g., natural disaster, economic or political news, act of terrorism, interest rate change), or global. Intervening events may include price movements in U.S. markets that are deemed to affect the value of foreign securities. Fair-value pricing also may be used if, for example, trading in a security is halted and does not resume before the Fund's pricing time or if a security does not trade in the course of a day. When fair-value pricing is employed, the prices of securities used by the Fund to calculate its NAV may differ from quoted or published prices for the same securities.

Transactions in Fund shares will be priced at NAV only if you purchase or redeem shares directly from the Fund in Creation Units. Fund shares are purchased or sold on a national securities exchange at market prices, which may be higher or lower than NAV.



## **Table of Contents**

### **Dividends and Distributions**

The Fund pays out dividends, if any, to investors at least annually. The Fund distributes its net realized capital gains, if any, to investors annually. The Fund may occasionally be required to make supplemental distributions at some other time during the year. Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

### **Book Entry**

Shares of the Fund are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ( DTC ) or its nominee is the record owner of all outstanding shares of the Fund.

Investors owning shares of the Fund are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all shares of the Fund. Participants include DTC, securities brokers and dealers, banks, trust companies, clearing corporations, and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of stock certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any securities that you hold in book entry or street name form. Your broker will provide you with account statements, confirmations of your purchases and sales, and tax information.

### **Delivery of Shareholder Documents    Householding**

Householding is an option available to certain investors of the Fund. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Fund is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

### **Frequent Purchases and Redemptions of Fund Shares**

The Fund has adopted policies and procedures with respect to frequent purchases and redemptions of Creation Units of Fund shares. Since the Fund is an ETF, only a few institutional investors (known as Authorized Participants ) are authorized to purchase and redeem shares directly with the Fund. Because purchase and redemption transactions with Authorized Participants are an essential part of the ETF process and help keep ETF trading prices in line with NAV, the Fund accommodates frequent purchases and redemptions by Authorized Participants. Frequent purchases and redemptions for cash may increase index tracking error and portfolio transaction costs and may lead to realization of capital gains. Frequent in-kind creations and redemptions do not give rise to these concerns. The Fund reserves the right, to reject any purchase order at any time. The Fund reserves the right to impose restrictions on disruptive, excessive, or short-term trading and may reject purchase or redemption orders in such instances.

### **Investments by Registered Investment Companies**

Section 12(d)(1) of the Investment Company Act of 1940 restricts investments by registered investment companies in the securities of other investment companies, including shares of the Fund. Registered investment companies are permitted to invest in the Fund beyond the limits set forth in section 12(d)(1), subject to certain terms and conditions set forth in an SEC exemptive order issued to the WisdomTree Trust, including that such investment companies enter into an agreement with the Fund. Investment companies should contact WisdomTree Asset Management for more information.

---

**Table of Contents**

**Taxes**

The following discussion is a summary of some important U.S. federal income tax considerations generally applicable to investments in the Fund. Your investment in the Fund may have other tax implications. Please consult your tax advisor about the tax consequences of an investment in Fund shares, including the possible application of foreign, state, and local tax laws.

The Fund intends to qualify each year as a regulated investment company. A regulated investment company is not subject to tax at the fund level on income and gains from investments that are timely distributed to shareholders. However, the Fund's failure to qualify as a regulated investment company would result in fund-level taxation, and consequently, a reduction in income available for distribution to shareholders.

Unless your investment in shares is made through a tax-exempt entity or tax-deferred retirement account, such as an individual retirement account, you need to be aware of the possible tax consequences when:

n The Fund makes distributions,

n You sell shares, and

n You purchase or redeem Creation Units (for institutional investors only)

**Taxes on Distributions**

For federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains (if any) are determined by how long the Fund owned the investments that generated them, rather than how long you have owned your Fund shares. Distributions of net capital gains (the excess of net long-term capital gains from the sale of investments that the Fund owned for more than one year over net short-term capital losses) that are properly designated by the Fund as capital gain dividends ( Capital Gain Dividends ) will be taxable as long-term capital gains. Long-term capital gain rates have been temporarily reduced in general, to 15%, with lower rates applying to taxpayers in the 10% and 15% rate brackets for taxable years beginning before January 1, 2011. Distributions of gains from the sale of investments that the Fund owned for one year or less will be taxable as ordinary income.

For taxable years beginning before January 1, 2011, distributions of investment income designated by the Fund as derived from qualified dividend income are taxed to individuals at rates applicable to long-term capital gain, provided holding period and other requirements are met at both the shareholder and the Fund level. Since the Fund's income is derived primarily from source that don't pay qualified dividend income, it is not anticipated that the Fund will distribute dividends designated as qualified dividend income.

In general, your distributions are subject to federal income tax for the year in which they are paid. Certain distributions paid in January, however, may be treated as paid on December 31 of the prior year. Distributions are taxable even if they are paid from income or gains earned by the Fund before your investment (and thus were included in the price you paid for your shares).

Dividends, interest and gains received by the Fund with respect to foreign securities may be subject to withholding and other taxes imposed by foreign countries, which may reduce amounts available for distribution to you and returns to you from the Fund. Tax conventions between certain countries and the United States may, in some cases, reduce or eliminate such taxes. This means that you will be considered to have received as an additional dividend your share of such foreign taxes, but you may be entitled to either a corresponding tax deduction or a credit in calculating your federal income tax.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, dividends (other than Capital Gain Dividends) paid to you by the Fund will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.

The Fund (or financial intermediaries, such as brokers, through which a shareholder owns Fund shares) generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and sale or redemption proceeds paid to any shareholder who fails (1) fails to provide a correct taxpayer identification number (usually the shareholder's social security number); (2) is subject to back-up withholding by the

## Edgar Filing: WisdomTree Trust - Form 485APOS

Internal Revenue Service ( IRS ); (3) has failed to provide the Fund with the certifications required by the IRS to document that the shareholder is not subject to back-up withholding; or (4) has failed to certify that he or she is a U.S. person (including a U.S. resident alien).

WisdomTree Trust Prospectus **15**

## **Table of Contents**

### **Taxes When Fund Shares are Sold**

Any capital gain or loss realized upon a sale of Fund shares is generally treated as a long-term gain or loss if the shares have been held for more than one year. Any capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as a short-term gain or loss, except that any capital loss on a sale of shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such shares. The ability to deduct capital losses may be limited.

### **Taxes on Creation and Redemption of Creation Units**

An Authorized Participant who exchanges securities for Creation Units generally will recognize a gain or a loss equal to the difference between the market value of the Creation Units at the time of the exchange and the sum of the exchanger's aggregate basis in the securities surrendered and the cash component paid. A person who redeems Creation Units will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the sum of the aggregate market value of the securities and the amount of cash received for such Creation Units. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing wash sales, or on the basis that there has been no significant change in economic position. Persons exchanging securities for Creation Units should consult a tax advisor with respect to whether the wash sale rules apply and when a loss might be deductible.

Any capital gain or loss realized upon a redemption (or creation) of Creation Units is generally treated as long-term capital gain or loss if the Fund shares (or securities surrendered) have been held for more than one year and as short-term capital gain or loss if the shares (or securities surrendered) have been held for one year or less.

If you purchase or redeem Creation Units, you will be sent a confirmation statement showing how many shares you purchased or sold and at what price. Persons purchasing or redeeming Creation Units should consult their own tax advisors with respect to the tax treatment of any creation or redemption transaction.

One of the requirements for qualification as a regulated investment company (a RIC) under Subchapter M of the Internal Revenue Code (the Code) is that the Fund must derive at least 90% of its gross income for each taxable year from dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income derived with respect to its business of investing in such stock, securities or currencies. The IRS has issued a revenue ruling which concludes that income derived from commodity-linked swaps is not qualifying income under Subchapter M of the Code. As a result, the Fund will restrict its income from commodity-linked swaps (when combined with its other investments that produce non-qualifying income) to be less than 10 percent of its gross income.

In a subsequent revenue ruling and certain private letter rulings, the IRS has stated and ruled that income from certain structured notes and from a fund's investment in a controlled foreign corporation (CFC) also will constitute qualifying income to the fund. The Fund intends to seek exposure to the commodity markets primarily through investments in certain commodity index-linked notes and through investments in the Subsidiary.

[A private letter ruling only can be relied upon by the taxpayer that receives it, and by law cannot be used or cited as precedent. The Fund has not obtained a ruling from the IRS with respect to its investments or its structure but does intend to seek such a ruling from the IRS. Based on the analysis in private letter rulings previously issued to other taxpayers, the Fund intends to treat its income from commodity index-linked notes and the Subsidiary as qualifying income prior to receiving any such ruling from the IRS. There can be no assurance that the IRS will not change its position with respect to some or all of these issues or if the IRS did so, that a court would not sustain the IRS's position. There is also no assurance that the Fund will be able to obtain a favorable ruling from the IRS.

If the IRS were to change its position or otherwise determine that income derived from certain commodity-linked notes or from the Fund's investment in the Subsidiary does not constitute qualifying income and if such positions were upheld, the Fund might cease to qualify as a regulated investment company and would be required to reduce its exposure to such investments which may result in difficulty in implementing its investment strategy. If the Fund did not qualify as a regulated investment company for any taxable year, the Fund's taxable income would be subject to tax at the Fund level and to a further tax at the shareholder level when such income is distributed. In such event, in order to re-qualify for taxation as a regulated investment company, the Fund may be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions.]

**16** WisdomTree Trust Prospectus

---

**Table of Contents**

**Creation and Redemption**

The shares that trade in the secondary market are created at NAV. The Fund issues and redeems shares only in large blocks of shares, typically 50,000 shares or more ( Creation Units ). Only institutional investors who have entered into an authorized participant agreement purchase or redeem Creation Units. Creation Units generally are issued and redeemed in exchange for a specified basket of securities approximating the holdings of the Fund and a designated amount of cash. Each business day prior to the opening of trading the Fund publishes the specific securities and designated amount of cash included in that day's basket for the Fund through the National Securities Clearing Corporation ( NSCC ) or other method of public dissemination. The Fund reserves the right to accept or pay out a basket of securities or cash that differs from the published basket. The prices at which creations and redemptions occur are based on the next calculation of NAV after an order is received in proper form.

Creations and redemptions must be made by an Authorized Participant or through a firm that is either a member of the Continuous Net Settlement System of the NSCC or a DTC participant, and in each case, must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Unit aggregations. Information about the procedures regarding creation and redemption of Creation Units is included in the Trust's SAI.

**Authorized Participants and the Continuous Offering of Shares**

Because new shares may be created and issued on an ongoing basis, at any point during the life of the Fund, a distribution, as such term is used in the Securities Act of 1933 ( Securities Act ), may be occurring. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner that could render them statutory underwriters and subject to the prospectus-delivery and liability provisions of the Securities Act. Nonetheless, any determination of whether one is an underwriter must take into account all the relevant facts and circumstances of each particular case.

Broker-dealers should also note that dealers who are not underwriters, but are participating in a distribution (as contrasted to ordinary secondary transactions), and thus dealing with shares that are part of an unsold allotment within the meaning of Section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. For delivery of prospectuses to exchange members, the prospectus delivery mechanism of Rule 153 under the Securities Act is only available with respect to transactions on a national securities exchange.

**Creation and Redemption Transaction Fees for Creation Units**

The Fund may impose a creation transaction fee and a redemption transaction fee to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units of shares. The creation and redemption transaction fees applicable to the Fund are listed below. The standard creation transaction fee is charged to each purchaser on the day such purchaser creates a Creation Unit. The standard fee is a single charge and will be the amount indicated below regardless of the number of Creation Units purchased by an investor on the same day. Similarly, the standard redemption transaction fee will be the amount indicated regardless of the number of Creation Units redeemed that day. Purchasers and redeemers of Creation Units of the Fund for cash will also be subject to an additional variable charge of up to a maximum of four times the amount shown below under Maximum Creation/Redemption Transaction Fee to offset the transaction cost to the Fund of buying portfolio securities. In addition, purchasers and redeemers of shares in Creation Units are responsible for payment of the costs of transferring securities to or out of the Fund. From time to time, WisdomTree Asset Management may cover the cost of any transaction fees.

**Table of Contents**

The following table shows, as of \_\_, 2009, the approximate value of one Creation Unit of the Fund, including the standard creation and redemption transaction fee. These fees are payable only by investors who purchase shares directly from the Fund. Retail investors who purchase shares through their brokerage account will not pay these fees.

<b>Name of Fund</b>	<b>Approximate Value of One Creation Unit</b>	<b>Standard Creation/Redemption Transaction Fee</b>	<b>Maximum Creation/Redemption Transaction Fee</b>
WisdomTree Managed Futures Fund Distribution			

ALPS Distributors, Inc. (the Distributor) serves as the distributor of Creation Units for the Fund on an agency basis. The Distributor does not maintain a secondary market in shares of the Fund. The Distributor's principal address is 1290 Broadway, Suite 1100, Denver, Colorado 80203.

The Distributor has no role in determining the policies of the Fund or the securities that are purchased or sold by the Fund.

**Additional Notices**

Shares of the Trust are not sponsored, endorsed, or promoted by any listing exchange (Exchange). The Exchange makes no representation or warranty, express or implied, to the owners of the shares of the Fund or any member of the public regarding the performance of the Fund. The Exchange is not responsible for, nor has it participated in the determination of the timing of, prices of, or quantities of the shares of the Fund to be issued, nor in the determination or calculation of the equation by which the shares are redeemable. The Exchange has no obligation or liability to owners of the shares of the Fund in connection with the administration, marketing, or trading of the shares of the Fund. Without limiting any of the foregoing, in no event shall the Exchange have any liability for any lost profits or indirect, punitive, special, or consequential damages even if notified of the possibility thereof.

WisdomTree Investments, WisdomTree Asset Management and the Fund make no representation or warranty, express or implied, to the owners of shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Indexes to track general stock market performance. WisdomTree Investments is the licensor of certain trademarks, service marks and trade name of the Fund. WisdomTree Investments is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of shares of the Fund to be issued or in the determination or calculation of the equation by which the shares of the Fund are redeemable.

---

**Table of Contents**

The Trust's current SAI provides additional detailed information about the Fund. The Trust has electronically filed the SAI with the SEC. It is incorporated by reference in this Prospectus.

Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to shareholders. In the annual report you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year.

To make shareholder inquiries, for more detailed information on the Fund or to request the SAI, annual or semi-annual shareholder reports free of charge, please:

**Call: 1-866-909-9473**  
**Monday through Friday**  
**8:00 a.m. to 8:00 p.m. (Eastern time)**

**Write: WisdomTree Trust**  
**c/o ALPS Distributors, Inc.**  
**1290 Broadway, Suite 1100**  
**Denver, Colorado 80203**

**Visit: [www.wisdomtree.com](http://www.wisdomtree.com)**

Information about the Fund (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-942-8090. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at [www.sec.gov](http://www.sec.gov), and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

No person is authorized to give any information or to make any representations about the Fund and its shares not contained in this Prospectus and you should not rely on any other information. Read and keep this Prospectus for future reference.

©2009 WisdomTree Trust

WisdomTree Funds are distributed by

ALPS Distributors, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203

WisdomTree® is a registered mark of WisdomTree

Investments, Inc.

INVESTMENT COMPANY ACT FILE NO. 811-21864



Edgar Filing: WisdomTree Trust - Form 485APOS

WisdomTree Trust

380 Madison Avenue, 21st Floor

New York, NY 10017

WisdomTree Trust Prospectus **19**

Table of Contents

## PROSPECTUS

Month\_\_, 2009

WisdomTree<sup>®</sup> Trust

WisdomTree Long-Short Equity Fund

**THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THIS SECURITY UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE SECURITY AND IT IS NOT SOLICITING AN OFFER TO BUY THE SECURITY IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.**

**THE SECURITIES AND EXCHANGE COMMISSION ( SEC ) HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**Table of Contents**

# WisdomTree Trust

WisdomTree Trust (the Trust) is a registered investment company that consists of separate investment portfolios. This prospectus describes the **WisdomTree Long-Short Equity Fund** (the Fund).

The Fund is an exchange traded fund. This means that shares of the Fund are listed on a national securities exchange, such as NYSE Arca, and trade at market prices. The market price for the Fund's shares may be different from its net asset value per share (NAV). The Fund has its own CUSIP number and exchange trading symbol.

The Fund issues and redeems shares at NAV only in large blocks of shares, typically 50,000 shares or more (Creation Units). These transactions are usually in exchange for a basket of securities and an amount of cash. As a practical matter, only institutions or large investors purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the Fund are not redeemable securities.

## **A NOTE TO RETAIL INVESTORS**

Shares can be purchased directly from the Fund only in exchange for a basket of securities that is expected to be worth several million dollars. Most individual investors, therefore, will not be able to purchase shares directly from the Fund. Instead, these investors will purchase shares in the secondary market through a brokerage account or with the assistance of a broker. Thus, some of the information contained in this Prospectus such as information about purchasing and redeeming shares from the Fund and references to transaction fees imposed on purchases and redemptions is not relevant to most individual investors. Shares purchased or sold through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges.

INVESTMENT PRODUCTS:   ARE NOT FDIC INSURED   MAY LOSE VALUE   ARE NOT BANK GUARANTEED

**Table of Contents**

**WisdomTree Trust**

**Table of Contents**

<b><u>Overview</u></b>	<b>2</b>
<u>Investment Objective</u>	2
<u>Principal Investment Strategies</u>	2
<u>Principal Risk Factors</u>	3
<b><u>Management</u></b>	<b>9</b>
<u>Investment Adviser</u>	9
<u>Sub-Adviser</u>	9
<u>Portfolio Managers</u>	10
<u>Portfolio Holdings Information</u>	10
<u>Buying and Selling Shares</u>	11
<u>Share Trading Prices</u>	11
<u>Determination of Net Asset Value Management</u>	11
<u>Dividends and Distributions</u>	12
<u>Book Entry</u>	12
<u>Delivery of Shareholder Documents</u> <u>Householding</u>	12
<u>Frequent Purchases and Redemptions of Fund Shares</u>	12
<u>Investments by Registered Investment Companies</u>	12
<u>Taxes</u>	13
<u>Taxes on Distributions</u>	13
<u>Taxes When Fund Shares are Sold</u>	13
<u>Taxes on Creation and Redemption of Creation Units</u>	14
<u>Creation and Redemption</u>	15
<u>Authorized Participants and the Continuous Offering of Shares</u>	15
<u>Creation and Redemption Transaction Fees for Creation Units</u>	15
<u>Distribution</u>	16
<u>Additional Notices</u>	16

---

**Table of Contents**

## **WisdomTree Long-Short Equity Fund**

### **Ticker symbol:**

### **Cusip:**

### **Overview**

This Prospectus provides the information you need to make an informed decision about investing in the Fund. It contains important facts about the Trust as a whole and the Fund in particular. The Fund is an exchange-traded fund ( ETF ). ETFs are funds whose shares are listed on a stock exchange and traded like equity securities at market prices. ETFs, such as the Fund, allow you to buy or sell shares that represent the collective performance of a selected group of securities. ETFs are designed to add the flexibility, ease and liquidity of stock-trading to the benefits of traditional index-fund investing.

WisdomTree Asset Management, Inc. ( WisdomTree Asset Management ) is the investment adviser to the Fund. WisdomTree Investments, Inc. ( WisdomTree Investments ) is the parent company of WisdomTree Asset Management.

### **Investment Objective**

The **WisdomTree Long-Short Equity Fund** seeks to provide investors with market neutral exposure to global equity markets. For these purposes, market neutral exposure targets long-term capital appreciation in both up and down (bull and bear) equity markets. The Fund's investment objective is non-fundamental and may be changed without shareholder approval.

### **Primary Investment Strategies**

WisdomTree believes that, over longer-term investment cycles, fundamentally weighted indexes have the potential to outperform capitalization-weighted indexes. A fundamentally weighted index is an index in which the index constituents are selected and/or weighted using an objective fundamental measure of value, such as dividends or earnings. A typical capitalization weighted index is an index weighted by the market capitalization of its constituent securities. The WisdomTree Indexes are fundamentally-weighted. The Fund uses a systematic strategy designed to capture potential excess returns between the fundamentally-weighted WisdomTree indexes and comparable capitalization-weighted indexes. Of course, there can be no guarantee that the WisdomTree Indexes will generate higher returns or that this strategy will be successful.

The Fund seeks to achieve its objective through long and short positions in index-based ETFs, including other WisdomTree ETFs. To be long is to buy a security or instrument with the expectation that its value will increase over time. To be short means to sell a borrowed security or instrument with the expectation that it will fall in value. A market-neutral position generally means the Fund will be long an asset category to the same extent the Fund has short exposure to a correlated asset category. The Fund seeks to achieve market-neutral exposure by taking long positions in a combination of securities and instruments that provide long exposure to WisdomTree indexes, while at the same time taking short positions in securities and instruments that provide short exposure to corresponding or highly correlated capitalization weighted indexes. The Fund will operate as an ETF of ETFs and will invest a large percentage of its assets in other WisdomTree ETFs.

The Fund also intends to invest in derivative instruments, such as futures, index futures, options, options on futures, and swap agreements. A futures contract is a financial instrument in which a party agrees to pay a fixed price for securities at a specified date. An index future is a futures contract based on the value of an index. Options give the holder the right to buy or sell a specified amount of security at a specific strike price and within a specified timeframe. An option on a futures contract gives the holder the right to buy or sell a futures contract. A swap agreement is an agreement between two parties to exchange cash flows or returns (or differences in return) on a security according to agreed upon terms. Each of these instruments is subject to counterparty risk. This is the risk that the other party to the transaction may default on its obligations.

If the Fund has a net long position in WisdomTree ETFs based on WisdomTree Indexes and a short position in securities based on capitalization weighted indexes, the Fund may lose value if the capitalization indexes outperform the WisdomTree Indexes. Because the Fund attempts to achieve market neutral exposure, the Fund could lose value during market conditions where stock prices are rising. The Fund will hold cash, U.S. Government securities, and other types of short-term, high quality fixed-income securities and money market instruments as investments and also to collateralize its investment in the securities and instruments held by the Fund. The money market securities and fixed income instruments held by the Fund generally will be investment grade and have remaining maturities of one year or less.

\* WisdomTree is a registered mark of WisdomTree Investments and has been licensed for use by the Trust.

**2** WisdomTree Trust Prospectus

## **Table of Contents**

### **Principal Risk Factors**

The Fund is subject to the risks described below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and/or its ability to meet its objectives.

#### **Investment Risk**

As with all investments, an investment in the Fund is subject to investment risk. Investors in the Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or even long periods of time.

#### **Management Risk**

The Fund is actively managed using proprietary investment strategies, techniques and processes. There can be no guarantees that these strategies, techniques and processes will produce the intended results and no guarantee that the Fund will outperform other investment strategies over short- or long-term market cycles.

#### **Market Risk**

The trading price of equity securities, fixed income securities, commodities and other instruments fluctuates in response to a variety of factors. These factors include events impacting the entire market or specific market segments, such as political, market and economic developments, as well as events that impact specific issuers. During a general economic downturn, equity securities, fixed income securities, and commodities all may be negatively affected. Fixed-income securities with short-term maturities are generally less sensitive to such changes than fixed-income securities with longer term maturities or equity securities or commodities. The Fund's NAV and market price, like security and commodity prices generally, will fluctuate within a wide range in response to these and other factors. As a result, an investor could lose money over short or even long periods.

Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Domestic and foreign fixed income, equity and commodity markets have been experiencing heightened volatility and disruption. Issuers that have exposure to the real estate, mortgage and credit markets have been particularly affected and well-known financial institutions have experienced significant liquidity and other problems. Some of these institutions have declared bankruptcy or defaulted on their debt. It is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on Fund performance.

#### **Investment Style Risk**

The returns from the types of securities in which the Fund invests may underperform returns from the various general securities markets or different asset classes. This may cause the Fund to underperform other investment vehicles that invest in different asset classes. Different types of securities (for example, large-, mid- and small-capitalization stocks) tend to go through cycles of doing better or worse than the general securities markets. In the past, these periods have lasted for as long as several years.

#### **Exchange-Traded Fund ( ETF ) Risk**

The Fund may invest in shares of other ETFs, including ETFs affiliated with the Fund, and other types of exchange-traded products ( ETPs ). In addition to directly bearing the expenses associated with its own operations, the Fund will indirectly bear a pro rata portion of the expenses of an ETF or ETP in which it invests. Further, in part because of these additional expenses, the performance of an ETF or ETP may differ from the performance the Fund would achieve if it invested directly in the underlying investments of the investment company. In addition, while the risks of owning shares of an ETF or ETP generally reflect the risks of owning the underlying investments of the investment company, the Fund may be subject to additional or different risks than if the Fund had invested directly in the underlying investments. For example, shares of ETFs and ETPs may trade at, above or below their net asset value or NAV. The NAV of shares will fluctuate with changes in the market value of the ETF's or ETP's holdings. The trading prices of shares will fluctuate in accordance with changes in NAV as well as market supply and demand. The difference between the bid price and ask price, commonly referred to as the spread, will also vary for an ETF or ETP depending on factors such as trading volume and market liquidity. Generally, the greater the trading volume and market liquidity, the smaller the spread is and vice versa. Any of these factors may lead to shares trading above or below NAV.

**Foreign Issuer Exposure Risk**

The Fund may invest in bonds and other instruments issued by non-U.S. governments and companies. The Fund may invest in securities of foreign companies directly, or in financial instruments, such as forward contracts and structured notes, which are linked to the performance of foreign issuers, commodities or currencies. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.



---

**Table of Contents**

Investing in securities of foreign companies directly, or in financial instruments that are indirectly linked to the performance of foreign issuers, may involve risks not typically associated with investing in U.S. issuers. The value of securities denominated in foreign currencies, and of interest payments or dividends from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. Dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices in some foreign markets may fluctuate more than those of securities traded on U.S. markets. Many foreign countries lack accounting and disclosure standards comparable to those that apply to U.S. companies, and it may be more difficult to obtain reliable information regarding a foreign issuer's financial condition and operations. Transaction costs and costs associated with custody services are generally higher for foreign securities than they are for U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, the non-recovered portion will reduce the income received by the Fund.

**Foreign Currency Risk**

The Fund may invest in investments denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. The Fund may do so for investment purposes or to hedge against the impact of currency movements on its portfolio. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investment and the value of your Fund shares. Because the Fund's NAV is determined on the basis of U.S. dollars, if the Fund invests in non-U.S. assets, the U.S. dollar value of such investments may go down if the value of the local currency of the non-U.S. markets in which the Fund invests depreciates against the U.S. dollar. This is true even if the local currency value of securities in the Fund's holdings goes up. Conversely, the dollar value of your investment in the Fund may go up if the value of the local currency appreciates against the U.S. dollar. The value of the U.S. dollar measured against other currencies is influenced by a variety of factors. These factors include: interest rates, national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest and inflation rates, global or regional political, economic or financial events, monetary policies of governments, actual or potential government intervention, and global energy prices. Government monetary policies and the buying or selling of currency by a country's government may also influence exchange rates.

**Emerging Markets Risk**

The Fund may invest a portion of its assets in currencies or emerging market countries, or instruments that provide exposure to such currencies. Investing in securities listed and traded in emerging markets may be subject to additional risks associated with emerging market economies. Such risks may include: (i) greater market volatility, (ii) lower trading volume, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) the risk that companies may be held to lower disclosure, corporate governance, auditing and financial reporting standards than companies in more developed markets, and (vi) the risk that there may be less protection of property rights than in other countries. Emerging markets are generally less liquid and less efficient than developed securities markets.

**Financial Sector Risk**

The Fund may invest in securities, debt or other instruments of companies in the financial sector. For example, the Fund may enter into futures positions or invest in structured notes issued by companies in the financial sector. Therefore the performance of the Fund will be impacted by events affecting this sector and companies in this sector. This sector can be significantly affected by changes in interest rates, the rate of corporate and consumer debt defaulted, price competition, and the availability and cost of capital.

**Derivatives Risk**

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Fund may use derivative instruments as a substitute for taking a position in an underlying asset. The Fund may use derivatives as part of a strategy designed to increase or reduce exposure to specific asset classes, such as equity or fixed income securities, or to hedge against or reduce other risks, such as interest rate risk or currency risk. The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as counterparty risk, liquidity risk, interest rate risk, market risk, and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. While the Fund generally attempts to set off liquid assets to collateralize its derivatives exposure, in certain situations the Fund could lose more than the principal amount invested through derivatives contracts. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

**4** WisdomTree Trust Prospectus

## **Table of Contents**

### **Counterparty Risk**

The Fund may engage in investment transactions or enter into derivative or other contracts with third parties (i.e., counterparties). For example, the Fund intends to purchase structured notes and may enter into forward, future, options and swap transactions. The Fund bears the risk that the counterparty to such transactions may default on its obligations or otherwise fail to honor its obligations. If a counterparty defaults on its payment obligations to the Fund, this default may cause the value of an investment Fund shares to decrease. In addition, the Fund may engage in such investment transactions with a limited number of counterparties, which may increase the Fund's exposure to counterparty credit risk.

### **Liquidity Risk**

The Fund may invest in derivatives and other instruments that may be less liquid than other types of investments. Investments that are less liquid or that trade less can be more difficult or more costly to buy, or to sell, compared to other more liquid or active investments. This liquidity risk is a factor of the trading volume of a particular investment, as well as the size and liquidity of the market for such an investment. The derivatives in which the Fund invests may not always be liquid. This could have a negative effect on the Fund's ability to achieve its investment objective and may result in losses to Fund shareholders.

### **Short Sale Risk**

The Fund may engage in short sale transactions. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

### **Interest Rate Risk**

The Fund may be more heavily weighted than other types of investments in market sectors that are sensitive to interest rate fluctuations (such as the financial and real estate sectors). The Fund therefore may be more sensitive to fluctuations in interest rates than other types of investments. In particular, increases to prevailing interest rates could have a negative impact on the performance of the Fund.

### **Non-Diversification Risk**

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than the fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

### **Issuer-Specific Risk**

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of the Fund.

## **Table of Contents**

### **Portfolio Turnover Risk**

The Fund's strategy may frequently involve buying and selling portfolio securities to rebalance the Fund's exposure to various market sectors. Higher portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

### **Cash Redemption Risk**

While the Fund will seek to use the in-kind redemption process to redeem Fund shares, the Fund's investment strategy may require it to redeem shares for cash or to otherwise include cash as part of its redemption proceeds. The Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize a capital gain that it might not have recognized if it had made a redemption in-kind. As a result, the Fund may pay out higher annual capital gain distributions than if the in-kind redemption process was used.

### **Shares of the Fund May Trade at Prices Other Than NAV**

As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the Fund will approximate the respective Fund's NAV, there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy shares of the Fund in the secondary market, and you may receive less than NAV when you sell those shares in the secondary market.

The market price of Fund shares during the trading day, like the price of any exchange-traded security, includes a bid/ask spread charged by the exchange specialist, market makers or other participants that trade the Fund shares. The bid/ask spread on ETF shares is likely to be larger on ETFs that are traded less frequently. In addition, in times of severe market disruption, the bid/ask spread can increase significantly. At those times, Fund shares are most likely to be traded at a discount to NAV, and the discount is likely to be greatest when the price of shares is falling fastest, which may be the time that you most want to sell your shares.

Although Fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for Fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell Fund shares. Trading of shares of the Fund on a stock exchange may be halted if exchange officials deem such action appropriate, if the Fund is delisted, or if the activation of marketwide circuit breakers halts stock trading generally.

### **Lack of Governmental Insurance or Guarantee**

An investment in the Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Table of Contents**

**Performance Information**

Although the Fund commenced operations on [XXX XX, 2009], no performance information is presented for the Fund because it has been in operation for less than one full calendar year. After the first full calendar year a risk/return chart and table will be provided. Any past performance of the Fund that will be shown will not be an indication of future results.

**Fees and Expenses**

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The fees are expressed as a percentage of the Fund's average net assets. You may also incur customary brokerage charges when buying or selling Fund shares.

<b>Shareholder Fees</b>	None
(fees paid directly from your investment, but see the Creation Transaction Fees and Redemption Transaction Fees section below)	
<b>Annual Fund Operating Expenses</b> (expenses deducted from Fund assets)	
Management Fees	%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>(a)</sup>	%
Acquired Fund Fees and Expenses <sup>(b)</sup>	%
Less: Fee Waivers <sup>(c)</sup>	%
<b>Total Expenses<sup>(d)</sup></b>	<b>%</b>

<sup>(a)</sup> Other expenses are based on estimated amounts for the current fiscal year.

<sup>(b)</sup> Acquired Fund Fees and Expenses reflect fees and expenses that are not directly paid by the Fund. Rather, they are indirectly incurred as a result of investments in shares of certain other WisdomTree exchange-traded funds (the Underlying ETFs). This amount is based on an estimate of the Fund's allocation to Underlying Funds for the current fiscal year.

<sup>(c)</sup> WisdomTree Asset Management has contractually agreed to waive a portion of its Management Fees equal to the Acquired Fund Fees through \_\_\_\_\_, 2010.

<sup>(d)</sup> Total Expenses reflects the Fund's Management Fees, after waiver, and the indirect fees and expenses of the Underlying ETF that are not directly paid by the Fund.

**Table of Contents**

The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund for the time periods indicated and then redeemed all of the shares at the end of those periods. This example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commission that retail investors may pay to buy and sell shares of the Fund. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

You would pay the following expenses if you did not redeem your shares:

	<b>1 Year</b>	<b>3 Years</b>
	\$	\$

**8** WisdomTree Trust Prospectus

**Table of Contents**

**Management**

**Investment Adviser**

As investment adviser, WisdomTree Asset Management has overall responsibility for the general management and administration of the Trust. WisdomTree Asset Management provides an investment program for the Fund. WisdomTree Asset Management also arranges for sub-advisory, transfer agency, custody, fund administration, and all other non-distribution related services necessary for the Fund to operate.

The basis for the Board of Trustees' approval of the Investment Advisory Agreements will be available in the Trust's Annual Report to Shareholders for the period ended \_\_\_\_\_, 2010.

WisdomTree Asset Management expects to receive fees from the Fund, based on a percentage of the Fund's average daily net assets, as shown in the following table:

Name of Fund	Management Fee
WisdomTree Long-Short Equity Fund	0. %

WisdomTree Asset Management is a registered investment adviser with offices located at 380 Madison Avenue, 21st Floor, New York, NY 10017 and is a leader in ETF management.

**Sub-Adviser**

\_\_\_\_\_ serves as sub-adviser to the Fund ( Sub-Adviser ). Sub-Adviser, a registered investment adviser, is a leading innovator in the investment industry and manages global quantitative-based investment strategies for institutional and private investors. Its principal office is located at \_\_\_\_\_. As of \_\_\_\_\_, 2009, Sub-Adviser had assets under management totaling approximately \$\_\_ billion. \_\_\_\_\_ is a wholly-owned indirect subsidiary of \_\_\_\_\_, a publicly traded financial holding company. \_\_\_\_\_ chooses the Fund's portfolio investments and places orders to buy and sell the Fund's portfolio investments.

Sub-Adviser is entitled to receive the fees indicated below for acting as Sub-Adviser:

**Table of Contents**

**Portfolio Managers**

The Fund is managed by a team of managers. The individual members of the team responsible for the day-to-day management of the Fund's portfolio are listed below.

[To follow]

The Trust's Statement of Additional Information (SAI) provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' ownership of shares in the Funds for which they are Portfolio Managers.

**Portfolio Holdings Information**

Information about the Fund's daily portfolio holdings is available at [www.wisdomtree.com](http://www.wisdomtree.com). In addition, the Fund discloses its complete portfolio holdings as of the end of its fiscal year (March 31) and its second fiscal quarter (September 30) in its reports to shareholders. The Fund files its complete portfolio holdings as of the end of its first and third fiscal quarters (June 30 and December 31, respectively) with the SEC on Form N-Q no later than 60 days after the relevant fiscal period. You can find the SEC filings on the SEC's website, [www.sec.gov](http://www.sec.gov). A summarized description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Trust's SAI.



## **Table of Contents**

### **Buying and Selling Shares**

Most investors will buy and sell shares of the Fund through brokers. Shares of the Fund trade on national securities exchanges and elsewhere during the trading day and can be bought and sold throughout the trading day like other shares of publicly-traded securities. When buying or selling shares through a broker, most investors will incur customary brokerage commissions and charges.

Shares of the Fund trade under the trading symbols listed for the Fund.

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creation and Redemption section. Once created, shares of the Fund trade in the secondary market in amounts less than a Creation Unit.

### **Share Trading Prices**

As with other types of securities, the trading prices of shares in the secondary market can be affected by market forces such as supply and demand, economic conditions and other factors. The price you pay or receive when you buy or sell your shares in the secondary market may be more or less than the NAV of such shares.

The approximate value of shares of the Fund is disseminated every fifteen seconds throughout the trading day by the national securities exchange on which such Fund is listed or by other information providers. This approximate value should not be viewed as a real-time update of the NAV, because the approximate value may not be calculated in the same manner as the NAV, which is computed once per day. The approximate value generally is determined by using current market quotations and/or price quotations obtained from broker-dealers that may trade in the portfolio securities held by the Fund. The Fund is not involved in, or responsible for, the calculation or dissemination of the approximate value and makes no warranty as to its accuracy.

### **Determination of Net Asset Value**

The NAV of the 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, generally 4:00 p.m. New York time (the NAV Calculation Time). NAV per share is calculated by dividing the Fund's net assets by the number of Fund shares outstanding.

Stocks held by the Fund are valued at their market value when reliable market quotations are readily available. Certain short term debt instruments, which may be used to manage the Fund's cash, are valued on the basis of amortized cost. The values of any foreign securities held by the Fund are converted into U.S. dollars using an exchange rate deemed appropriate by the Fund.

When reliable market quotations are not readily available, securities are priced at their fair value, which is the price a security's owner might reasonably expect to receive upon its sale. The Fund may also use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchanges on which the security is traded. For example, this may occur with foreign securities, which may trade on foreign exchanges that close many hours before the Fund's pricing time. Intervening events might be company-specific (e.g., earnings report, merger announcement), country-specific (e.g., natural disaster, economic or political news, act of terrorism, interest rate change), or global. Intervening events may include price movements in U.S. markets that are deemed to affect the value of foreign securities. Fair-value pricing also may be used if, for example, trading in a security is halted and does not resume before the Fund's pricing time or if a security does not trade in the course of a day. Fair-value prices are determined by the Fund according to procedures adopted by the Board of Trustees. When fair-value pricing is employed, the prices of securities used by the Fund to calculate its NAV may differ from quoted or published prices for the same securities.

Transactions in Fund shares will be priced at NAV only if you purchase or redeem shares directly from the Fund in Creation Units. Fund shares are purchased or sold on a national securities exchange at market prices, which may be higher or lower than NAV.

## **Table of Contents**

### **Dividends and Distributions**

The Fund pays out dividends, if any, to investors at least annually. The Fund distributes its net realized capital gains, if any, to investors annually. The Fund may occasionally be required to make supplemental distributions at some other time during the year. Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

### **Book Entry**

Shares of the Fund are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ( DTC ) or its nominee is the record owner of all outstanding shares of the Fund.

Investors owning shares of the Fund are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all shares of the Fund. Participants include DTC, securities brokers and dealers, banks, trust companies, clearing corporations, and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of stock certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any securities that you hold in book entry or street name form. Your broker will provide you with account statements, confirmations of your purchases and sales, and tax information.

### **Delivery of Shareholder Documents    Householding**

Householding is an option available to certain investors of the Fund. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Fund is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

### **Frequent Purchases and Redemptions of Fund Shares**

The Fund has adopted policies and procedures with respect to frequent purchases and redemptions of Creation Units of Fund shares. Since the Fund is an ETF, only a few institutional investors (known as Authorized Participants ) are authorized to purchase and redeem shares directly with the Fund. Because purchase and redemption transactions with Authorized Participants are an essential part of the ETF process and help keep ETF trading prices in line with NAV, the Fund accommodates frequent purchases and redemptions by Authorized Participants. Frequent purchases and redemptions for cash may increase index tracking error and portfolio transaction costs and may lead to realization of capital gains. Frequent in-kind creations and redemptions do not give rise to these concerns. The Fund reserves the right, to reject any purchase order at any time. The Fund reserves the right to impose restrictions on disruptive, excessive, or short-term trading and may reject purchase or redemption orders in such instances.

### **Investments by Registered Investment Companies**

Section 12(d)(1) of the Investment Company Act of 1940 restricts investments by registered investment companies in the securities of other investment companies, including shares of the Fund. Registered investment companies may be permitted to invest in the Fund beyond the limits set forth in section 12(d)(1), subject to certain terms and conditions set forth in an SEC exemptive order issued to the WisdomTree Trust, including that such investment companies enter into an agreement with the Fund. Investment companies should contact WisdomTree Asset Management for more information.

---

**Table of Contents**

**Taxes**

The following discussion is a summary of some important U.S. federal income tax considerations generally applicable to investments in the Fund. Your investment in the Fund may have other tax implications. Please consult your tax advisor about the tax consequences of an investment in Fund shares, including the possible application of foreign, state, and local tax laws.

The Fund intends to qualify each year as a regulated investment company. A regulated investment company is not subject to tax at the fund level on income and gains from investments that are timely distributed to shareholders. However, the Fund's failure to qualify as a regulated investment company would result in fund-level taxation, and consequently, a reduction in income available for distribution to shareholders.

Unless your investment in shares is made through a tax-exempt entity or tax-deferred retirement account, such as an individual retirement account, you need to be aware of the possible tax consequences when:

- n The Fund makes distributions,
  
- n You sell shares, and
  
- n You purchase or redeem Creation Units (for institutional investors only)

**Taxes on Distributions**

For federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains (if any) are determined by how long the Fund owned the investments that generated them, rather than how long you have owned your Fund shares. Distributions of net capital gains (the excess of net long-term capital gains from the sale of investments that the Fund owned for more than one year over net short-term capital losses) that are properly designated by the Fund as capital gain dividends ( Capital Gain Dividends ) will be taxable as long-term capital gains. Long-term capital gain rates have been temporarily reduced in general, to 15%, with lower rates applying to taxpayers in the 10% and 15% rate brackets for taxable years beginning before January 1, 2011. Distributions of gains from the sale of investments that the Fund owned for one year or less will be taxable as ordinary income.

For taxable years beginning before January 1, 2011, distributions of investment income designated by the Fund as derived from qualified dividend income are taxed to individuals at rates applicable to long-term capital gain, provided holding period and other requirements are met at both the shareholder and the Fund level.

In general, your distributions are subject to federal income tax for the year in which they are paid. Certain distributions paid in January, however, may be treated as paid on December 31 of the prior year. Distributions are taxable even if they are paid from income or gains earned by the Fund before your investment (and thus were included in the price you paid for your shares).

Dividends, interest and gains received by the Fund with respect to foreign securities may be subject to withholding and other taxes imposed by foreign countries, which may reduce amounts available for distribution to you and returns to you from the Fund. Tax conventions between certain countries and the United States may, in some cases, reduce or eliminate such taxes. This means that you will be considered to have received as an additional dividend your share of such foreign taxes, but you may be entitled to either a corresponding tax deduction or a credit in calculating your federal income tax.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, dividends (other than Capital Gain Dividends) paid to you by the Fund will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.

The Fund (or financial intermediaries, such as brokers, through which a shareholder owns Fund shares) generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and sale or redemption proceeds paid to any shareholder who fails (1) fails to provide a correct taxpayer identification number (usually the shareholder's social security number); (2) is subject to back-up withholding by the Internal Revenue Service ( IRS ); (3) has failed to provide the Fund with the certifications required by the IRS to document that the shareholder is

## Edgar Filing: WisdomTree Trust - Form 485APOS

not subject to back-up withholding; or (4) has failed to certify that he or she is a U.S. person (including a U.S. resident alien).

### **Taxes When Fund Shares are Sold**

Any capital gain or loss realized upon a sale of Fund shares is generally treated as a long-term gain or loss if the shares have been held for more than one year. Any capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as a short-term gain or loss, except that any capital loss on a sale of shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such shares. The ability to deduct capital losses may be limited.

**Table of Contents**

**Taxes on Creation and Redemption of Creation Units**

An Authorized Participant who exchanges securities for Creation Units generally will recognize a gain or a loss equal to the difference between the market value of the Creation Units at the time of the exchange and the sum of the exchanger's aggregate basis in the securities surrendered and the cash component paid. A person who redeems Creation Units will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the sum of the aggregate market value of the securities and the amount of cash received for such Creation Units. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing wash sales, or on the basis that there has been no significant change in economic position. Persons exchanging securities for Creation Units should consult a tax advisor with respect to whether the wash sale rules apply and when a loss might be deductible.

Any capital gain or loss realized upon a redemption (or creation) of Creation Units is generally treated as long-term capital gain or loss if the Fund shares (or securities surrendered) have been held for more than one year and as short-term capital gain or loss if the shares (or securities surrendered) have been held for one year or less.

If you purchase or redeem Creation Units, you will be sent a confirmation statement showing how many shares you purchased or sold and at what price. Persons purchasing or redeeming Creation Units should consult their own tax advisors with respect to the tax treatment of any creation or redemption transaction.

**14** WisdomTree Trust Prospectus

---

**Table of Contents**

**Creation and Redemption**

The shares that trade in the secondary market are created at NAV. The Fund issues and redeems shares only in large blocks of shares, typically 50,000 shares or more ( Creation Units ). Only institutional investors who have entered into an authorized participant agreement purchase or redeem Creation Units. Creation Units generally are issued and redeemed in exchange for a specified basket of securities approximating the holdings of the Fund and a designated amount of cash. Each business day prior to the opening of trading the Fund publishes the specific securities and designated amount of cash included in that day s basket for the Fund through the National Securities Clearing Corporation ( NSCC ) or other method of public dissemination. The Fund reserves the right to accept or pay out a basket of securities or cash that differs from the published basket. The prices at which creations and redemptions occur are based on the next calculation of NAV after an order is received in proper form.

Creations and redemptions must be made by an Authorized Participant or through a firm that is either a member of the Continuous Net Settlement System of the NSCC or a DTC participant, and in each case, must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Unit aggregations. Information about the procedures regarding creation and redemption of Creation Units is included in the Trust s SAI.

**Authorized Participants and the Continuous Offering of Shares**

Because new shares may be created and issued on an ongoing basis, at any point during the life of the Fund, a distribution, as such term is used in the Securities Act of 1933 ( Securities Act ), may be occurring. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner that could render them statutory underwriters and subject to the prospectus-delivery and liability provisions of the Securities Act. Nonetheless, any determination of whether one is an underwriter must take into account all the relevant facts and circumstances of each particular case.

Broker-dealers should also note that dealers who are not underwriters, but are participating in a distribution (as contrasted to ordinary secondary transactions), and thus dealing with shares that are part of an unsold allotment within the meaning of Section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. For delivery of prospectuses to exchange members, the prospectus delivery mechanism of Rule 153 under the Securities Act is only available with respect to transactions on a national securities exchange.

**Creation and Redemption Transaction Fees for Creation Units**

The Fund may impose a creation transaction fee and a redemption transaction fee to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units of shares. The creation and redemption transaction fees applicable to the Fund are listed below. The standard creation transaction fee is charged to each purchaser on the day such purchaser creates a Creation Unit. The standard fee is a single charge and will be the amount indicated below regardless of the number of Creation Units purchased by an investor on the same day. Similarly, the standard redemption transaction fee will be the amount indicated regardless of the number of Creation Units redeemed that day. Purchasers and redeemers of Creation Units of the Fund for cash (other than the Middle East Dividend Fund) will also be subject to an additional variable charge of up to a maximum of four times the amount shown below under Maximum Creation/Redemption Transaction Fee to offset the transaction cost to the Fund of buying portfolio securities. In addition, purchasers and redeemers of shares in Creation Units are responsible for payment of the costs of transferring securities to or out of the Fund. From time to time, WisdomTree Asset Management may cover the cost of any transaction fees.

**Table of Contents**

The following table shows, as of \_\_\_\_\_, 2009, the approximate value of one Creation Unit of the Fund, including the standard creation and redemption transaction fee. These fees are payable only by investors who purchase shares directly from the Fund. Retail investors who purchase shares through their brokerage account will not pay these fees.

<b>Name of Fund</b>	<b>Approximate Value of One Creation Unit</b>	<b>Standard Creation/ Redemption Transaction Fee</b>	<b>Maximum Creation/ Redemption Transaction Fee</b>
WisdomTree Long-Short Equity Fund Distribution			

ALPS Distributors, Inc. (the Distributor) serves as the distributor of Creation Units for the Fund on an agency basis. The Distributor does not maintain a secondary market in shares of the Fund. The Distributor's principal address is 1290 Broadway, Suite 1100, Denver, Colorado 80203.

The Distributor has no role in determining the policies of the Fund or the securities that are purchased or sold by the Fund.

**Additional Notices**

Shares of the Trust are not sponsored, endorsed, or promoted by any listing exchange (Exchange). The Exchange makes no representation or warranty, express or implied, to the owners of the shares of the Fund or any member of the public regarding the performance of the Fund. The Exchange is not responsible for, nor has it participated in the determination of the timing of, prices of, or quantities of the shares of the Fund to be issued, nor in the determination or calculation of the equation by which the shares are redeemable. The Exchange has no obligation or liability to owners of the shares of the Fund in connection with the administration, marketing, or trading of the shares of the Fund. Without limiting any of the foregoing, in no event shall the Exchange have any liability for any lost profits or indirect, punitive, special, or consequential damages even if notified of the possibility thereof.

WisdomTree Investments, WisdomTree Asset Management and the Fund make no representation or warranty, express or implied, to the owners of shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Indexes to track general stock market performance. WisdomTree Investments is the licensor of certain trademarks, service marks and trade names of the Fund. WisdomTree Investments is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of shares of the Fund to be issued or in the determination or calculation of the equation by which the shares of the Fund are redeemable.

---

**Table of Contents**

The Trust's current SAI provides additional detailed information about the Fund. The Trust has electronically filed the SAI with the SEC. It is incorporated by reference in this Prospectus.

Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to shareholders. In the annual report you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year.

To make shareholder inquiries, for more detailed information on the Fund or to request the SAI, annual or semi-annual shareholder reports free of charge, please:

**Call: 1-866-909-9473**  
**Monday through Friday**  
**8:00 a.m. to 8:00 p.m. (Eastern time)**

**Write: WisdomTree Trust**  
**c/o ALPS Distributors, Inc.**  
**1290 Broadway, Suite 1100**  
**Denver, Colorado 80203**

**Visit: [www.wisdomtree.com](http://www.wisdomtree.com)**

Information about the Fund (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-942-8090. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at [www.sec.gov](http://www.sec.gov), and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

No person is authorized to give any information or to make any representations about the Fund and its shares not contained in this Prospectus and you should not rely on any other information. Read and keep this Prospectus for future reference.

©2009 WisdomTree Trust

WisdomTree Funds are distributed by

ALPS Distributors, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203

WisdomTree® is a registered mark of WisdomTree

Investments, Inc.

INVESTMENT COMPANY ACT FILE NO. 811-21864



Edgar Filing: WisdomTree Trust - Form 485APOS

WisdomTree Trust

380 Madison Avenue, 21st Floor

New York, NY 10017

WisdomTree Trust Prospectus **17**

**Table of Contents**

**WISDOMTREE® TRUST**

**STATEMENT OF ADDITIONAL INFORMATION**

**[INSERT DATE HERE]**

This Statement of Additional Information ( SAI ) is not a Prospectus. It should be read in conjunction with the current Prospectus ( Prospectus ) for the following separate investment portfolios (each, a Fund ) of WisdomTree Trust (the Trust ), as each such Prospectus may be revised from time to time:

WisdomTree Real Return Fund

WisdomTree Managed Futures Fund

WisdomTree Long-Short Equity Fund

The current Prospectus for each of the Funds is dated [INSERT DATE HERE].

Capitalized terms used herein that are not defined have the same meaning as in the Prospectus, unless otherwise noted.

A copy of the Prospectus for each Fund may be obtained, without charge, by calling 1-866-909-9473 or visiting [www.wisdomtree.com](http://www.wisdomtree.com), or writing to WisdomTree Trust, c/o ALPS Distributors, Inc., 1290 Broadway, Suite 1100, Denver, Colorado 80203.

**SAI dated [INSERT DATE HERE]**

**Table of Contents**

**TABLE OF CONTENTS**

<u>General Description of the Trust and the Funds</u>	1
<u>Investment Strategies and Risks</u>	1
<u>Principal Investment Strategy</u>	1
<u>General Risks</u>	5
<u>Specific Investment Strategies</u>	6
<u>Proxy Voting Policy</u>	12
<u>Portfolio Holding Disclosure Policies and Procedures</u>	12

**Table of Contents**

<u>Investment Limitations</u>	13
<u>Fundamental Policies</u>	13
<u>Senior Securities</u>	13
<u>Borrowing</u>	13
<u>Underwriting</u>	13
<u>Concentration</u>	13
<u>Real Estate</u>	14
<u>Commodities</u>	14
<u>Loans</u>	14
<u>Continuous Offering</u>	14
<u>Management of the Trust</u>	14
<u>Trustees and Officers</u>	14
<u>Interested Trustee and Officers</u>	15
<u>Independent Trustees</u>	15
<u>Committees of the Board of Trustees</u>	16
<u>Audit Committee</u>	16
<u>Governance and Nominating Committee</u>	17
<u>Remuneration of Trustees</u>	17
<u>Control Persons and Principal Holders of Securities</u>	17
<u>Investment Adviser</u>	18
<u>Sub-Adviser</u>	18
<u>Portfolio Managers</u>	18
<u>Portfolio Manager Fund Ownership</u>	18
<u>Portfolio Manager Compensation</u>	19
<u>Code of Ethics</u>	19
<u>Administrator, Custodian and Transfer Agent</u>	20
<u>Distributor</u>	20
<u>Brokerage Transactions</u>	20
<u>Additional Information Concerning the Trust</u>	21
<u>Shares</u>	21
<u>Termination of the Trust or a Fund</u>	21
<u>Role of DTC</u>	21
<u>Creation &amp; Redemption of Creation Unit Aggregations</u>	22
<u>Creation</u>	22
<u>Fund Deposit</u>	22
<u>Procedures for Creation of Creation Unit Aggregations</u>	23
<u>Placement of Creation Orders for the Funds</u>	23
<u>Acceptance of Orders for Creation Unit Aggregations</u>	24
<u>Creation Transaction Fee</u>	25
<u>Placement of Redemption Orders for the Funds</u>	25
	67
	67
	68
<u>Regular Holidays</u>	27
<u>Taxes</u>	31
<u>Determination of NAV</u>	37
<u>Dividends and Distributions</u>	37
<u>Financial Statements</u>	37
<u>Miscellaneous Information</u>	37

---

**Table of Contents**

**GENERAL DESCRIPTION OF THE TRUST AND THE FUNDS**

The Trust was organized as a Delaware statutory trust on December 15, 2005 and is authorized to have multiple series or portfolios. The Trust is an open-end, non-diversified management investment company, registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The offering of the Trust's shares is registered under the Securities Act of 1933, as amended (the "Securities Act"). This SAI relates to the following Funds:

WisdomTree Real Return Fund

WisdomTree Managed Futures Fund

WisdomTree Long-Short Equity Fund

Each Fund issues and redeems shares at net asset value per share ( "NAV" ) only in large blocks of shares, typically 50,000 shares or more ( "Creation Units" ). These transactions are usually in exchange for a basket of securities and an amount of cash. As a practical matter, only institutions or large investors purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of each Fund are not redeemable securities.

Shares of each Fund are listed on a national securities exchange, such as NYSE Arca or the NASDAQ Stock Market ( "NASDAQ" ) (each, a "Listing Exchange" ), and trade throughout the day on the Listing Exchange and other secondary markets at market prices that may differ from NAV. As in the case of other publicly traded securities, brokers' commissions on transactions will be based on negotiated commission rates at customary levels.

The Trust reserves the right to adjust the share prices of shares in the future to maintain convenient trading ranges for investors. Any adjustments would be accomplished through stock splits or reverse stock splits, which would have no effect on the net assets of the applicable Fund.

WisdomTree is a registered mark of WisdomTree Investments and has been licensed for use by the Trust. WisdomTree Investments has patent applications pending on the methodology and operation of its Indexes and the Funds.

**INVESTMENT STRATEGIES AND RISKS**

**PRINCIPAL INVESTMENT STRATEGY** Each Fund is actively managed. As a matter of general policy, each Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the types of investments suggested by its name. If, subsequent to an investment, the 80% requirement is no longer met, a Fund's future investments will be made in a manner that will bring the Fund into compliance with this policy. The Trust will provide shareholders with sixty (60) days prior notice of any change to this policy for a Fund.

The **WisdomTree Real Return Fund** seeks to provide investors with total returns that exceed the rate of inflation over long-term investment horizons. To achieve its objective, the Fund intends to invest in a portfolio of inflation-linked securities, such as U.S. Treasury Inflation Protected Securities ( "TIPS" ) and other investment grade fixed income securities, and will have targeted exposures to commodities and commodity strategies.

While the inflation-linked portion of the Fund's portfolio generally will be invested primarily in TIPS, the Fund may invest in other types of inflation-linked fixed income securities. For example, the Fund may invest in investment grade, floating-rate fixed income securities linked to U.S. inflation rates that are issued by the U.S. government, government agencies or corporations. The Fund may invest in inflation-linked swaps. An inflation-linked swap is an agreement between two parties to exchange payments at a future date based on the difference between a fixed payment and a payment linked to the inflation rate at future date. The Fund also may invest in securities linked to inflation rates outside the U.S., including securities or instruments linked to rates in emerging market countries. The Fund also may invest a sizable portion of its assets in inflation-linked and/or floating-rate securities denominated in non-US currencies. The Fund may hedge some or all of its exposure non-US currency in order to reduce the risk of loss due to fluctuations in exchange rates between the U.S. dollar and non-U.S. currencies. The Fund may invest a portion of its assets in fixed-income securities that are not linked to inflation. While the Fund intends to invest primarily in investment grade securities, the Fund may invest up to 10% of its net assets in fixed income securities rated "B" or higher by at least two nationally recognized statistical rating organizations ( "NSROs" ) or if unrated, deemed to be of equivalent quality.

The Fund will have targeted exposure to commodities and commodity strategies in order to hedge against inflation or to attempt to earn additional returns. The Fund intends to achieve this exposure through investments in exchange-traded products, commodity-linked notes, and swaps on commodities or commodity indexes. Exchange-traded funds and products include funds and trusts that invest in commodities or

## Edgar Filing: WisdomTree Trust - Form 485APOS

provide exposure to commodities whose units or shares are traded on major securities exchanges in the U.S.

**Table of Contents**

or throughout the world. Commodity-linked notes are notes, typically issued by a bank, that are designed to provide cash flows linked to the value of commodities, commodity indexes or the value of commodity futures and options contracts. They may be listed and traded on a securities exchange or traded over-the-counter. A swap is an agreement between two parties to exchange one cash flow or a stream of cash flows for another according to defined terms. The Fund may engage in commodity swaps or commodities index swaps in which fixed- or variable-rate payments on commodity returns or commodity index returns are exchanged. The Fund may invest in forward currency contracts and, specifically, forward contracts based on currencies of countries whose economies are heavily tied to commodities. 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. Non-deliverable forward currency contracts are contracts where there is no physical settlement of two currencies at maturity. Rather, based on the movement of the currencies, a net cash settlement will be made by one party to the other. A currency swap is an agreement between two parties to exchange one currency for another at a future rate. The Fund may also invest in other types of derivatives, such as commodity futures and options on futures contracts. A commodity futures contract is a contract for future delivery or receipt of a commodity or payment based on commodity prices. Options give the holder the right to buy or sell a specified amount of an asset at a specific strike price and within a specified timeframe. An option on a futures contract is gives the holder the right to buy or sell a futures contract.

## Table of Contents

The Fund may invest in securities with effective or final maturities of any length. The Fund seeks to keep the average effective duration of its portfolio between two and ten years. Effective duration is an indication of an investment's interest rate risk or how sensitive an investment or a fund is to changes in interest rates. Generally, a fund or instrument with a longer effective duration is more sensitive to interest rate fluctuations and therefore more volatile, than a fund with a shorter effective duration. The Fund may adjust its portfolio holdings or average effective duration based on actual or anticipated changes in interest rates or credit quality.

The **WisdomTree Managed Futures Fund** seeks to provide investors with the potential to achieve positive total returns in both rising and falling markets. The Fund uses a quantitative, rules-based model to invest in futures contracts and other instruments. In this manner, the Fund seeks to achieve positive total returns in both rising and falling markets that are not directly correlated to broad market equity or fixed income returns. The Fund is actively managed and uses a variety of investment techniques to achieve its objective.

The Fund may invest directly in securities and may also invest in derivative instruments, such as futures, index futures, options, options on futures, swaps and structured notes. A derivative instrument is, in the broadest sense, an instrument that derives its value from another asset. A futures contract is a financial instrument in which a party agrees to pay a fixed price for securities or commodities at a specified date. An index future is a futures contract based on the value of an index. Options give the holder the right to buy or sell a specified amount of security at a specific strike price and within a specified timeframe. An option on a futures contract gives the holder the right to buy or sell a futures contract. A swap agreement is an agreement between two parties to exchange cash flows or returns (or differences in return) on a security according to agreed upon terms. Structured notes are typically issued by a bank and designed to provide returns or cash flows linked to a security, security index, commodity or commodity index. Notes may be listed and traded on a securities exchange or traded over-the-counter. The Fund will take long and/or short positions in securities and commodities and instruments that provide exposure to such securities and commodities. To be long is to buy a security or instrument with the expectation that its value will increase over time. To be short means to sell a borrowed security or instrument with the expectation that it will fall in value.

The Fund intends to invest a portion of its assets in commodities and commodity-linked instruments indirectly through a wholly-owned off-shore subsidiary controlled by the Fund (the **WisdomTree Subsidiary**). The **WisdomTree Subsidiary** will invest directly in commodity-linked notes and commodity swaps, as well as money market instruments.

The **WisdomTree Managed Futures Subsidiary** may take long or short positions through investments in commodity-linked notes, exchange-traded funds and products, and swaps on commodities or commodity indexes. Commodity-linked notes are notes, typically issued by a bank, that are designed to provide cash flows linked to the value of commodities, commodity indexes or the value of commodity futures and options contracts. These notes are traded over-the-counter and are sometimes referred to as structured notes. The **WisdomTree Managed Futures Subsidiary** may also invest in exchange-traded funds (ETFs) and other investment companies that provide exposure to commodities. The **WisdomTree Managed Futures Subsidiary** may also invest in exchange-traded products and notes that provide exposure to commodities. The **WisdomTree Managed Futures Subsidiary** may invest in swaps. A swap is an agreement between two parties to exchange one cash flow or a stream of cash flows for another according to defined terms. The **WisdomTree Managed Futures Subsidiary** may engage in commodity swaps or commodities index swaps in which fixed or variable rate payments on commodity returns or commodity index returns are exchanged.

The Fund and the **WisdomTree Subsidiary** will hold cash, U.S. Government securities, and other types of short-term, high quality fixed-income securities and money market instruments as investments and also as collateral on other investments. The money market securities and fixed income instruments held by the Fund and the **WisdomTree Subsidiary** generally will be investment grade and have remaining maturities of one year or less. The Fund's use of the **WisdomTree Managed Futures Subsidiary** is designed to help the Fund achieve exposure to commodity returns in a manner consistent with the requirements of federal tax laws applicable to regulated investment companies. The **WisdomTree Managed Futures Subsidiary** is otherwise subject to the same investment restrictions as the Fund.



**Table of Contents**

The **WisdomTree Long-Short Equity Fund** seeks to provide investors with market neutral exposure to global equity markets. For these purposes, market neutral exposure targets long-term capital appreciation in both up and down (bull and bear) equity markets. WisdomTree believes that, over longer-term investment cycles, fundamentally weighted indexes have the potential to outperform capitalization-weighted indexes. A fundamentally weighted index is an index in which the index constituents are selected and/or weighted using an objective fundamental measure of value, such as dividends or earnings. A typical capitalization weighted index is an index weighted by the market capitalization of its constituent securities. The WisdomTree Indexes are fundamentally-weighted. The Fund uses a systematic strategy designed to capture potential excess returns between the fundamentally-weighted WisdomTree indexes and comparable capitalization-weighted indexes. Of course, there can be no guarantee that the WisdomTree Indexes will generate higher returns or that this strategy will be successful.

The Fund seeks to achieve its objective through long and short positions in index-based ETFs, including other WisdomTree ETFs. To be long is to buy a security or instrument with the expectation that its value will increase over time. To be short means to sell a borrowed security or instrument with the expectation that it will fall in value. A market-neutral position generally means the Fund will be long an asset category to the same extent the Fund has short exposure to a correlated asset category. The Fund seeks to achieve market-neutral exposure by taking long positions in a combination of securities and instruments that provide long exposure to WisdomTree indexes, while at the same time taking short positions in securities and instruments that provide short exposure to corresponding or highly correlated capitalization weighted indexes. The Fund will operate as an ETF of ETFs and will invest a large percentage of its assets in other WisdomTree ETFs.

The Fund also intends to invest in derivative instruments, such as futures, index futures, options, options on futures, and swap agreements. A futures contract is a financial instrument in which a party agrees to pay a fixed price for securities at a specified date. An index future is a futures contract based on the value of an index. Options give the holder the right to buy or sell a specified amount of security at a specific strike price and within a specified timeframe. An option on a futures contract gives the holder the right to buy or sell a futures contract. A swap agreement is an agreement between two parties to exchange cash flows or returns (or differences in return) on a security according to agreed upon terms. Each of these instruments is subject to counterparty risk. This is the risk that the other party to the transaction may default on its obligations.

---

**Table of Contents**

If the Fund has a net long position in WisdomTree ETFs based on WisdomTree Indexes and a short position in securities based on capitalization weighted indexes, the Fund may lose value if the capitalization indexes outperform the WisdomTree Indexes. Because the Fund attempts to achieve market neutral exposure, the Fund could lose value during market conditions where stock prices are rising. The Fund will hold cash, U.S. Government securities, and other types of short-term, high quality fixed-income securities and money market instruments as investments and also to collateralize its investment in the securities and instruments held by the Fund. The money market securities and fixed income instruments held by the Fund generally will be investment grade and have remaining maturities of one year or less.

**GENERAL RISKS.** An investment in a Fund should be made with an understanding that the value of a Fund's portfolio securities may fluctuate in accordance with changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular security or issuer and changes in general economic or political conditions.

An investment in a Fund should also be made with an understanding of the risks inherent in an investment in securities, including the risk that the general condition of the stock, fixed income and commodities markets may deteriorate and the risk that market events may have a negative impact on specific issuers and counterparties. The performance of equity securities, fixed income securities, commodities and other instruments is influenced by a variety of unpredictable factors. Market events could have a negative effect on the value of a Fund's portfolio holdings and the value of an investment in a Fund. Investors may lose all or a portion of the value of an investment over short or long periods of time.

Recent events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Both domestic and foreign fixed income, equity and commodity markets have been experiencing significant volatility and disruption. Issuers that have exposure to the real estate, mortgage and credit markets have been particularly affected and well-known financial institutions have experienced significant liquidity and other problems. Some of these institutions have declared bankruptcy or defaulted on their debt. It is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on Fund performance. Although the Funds attempt to invest in liquid securities and instruments, there can be no guarantees that a liquid market for such securities and instruments will be maintained. The price at which securities may be sold and the value of a Fund's shares will be adversely affected if trading markets for a Fund's portfolio holdings are limited.

The Funds are actively managed using proprietary investment strategies, techniques and processes. There can be no guarantees that these strategies, techniques and processes will produce the intended results over short- or long-term market cycles.

**Lack of Diversification.** Each Fund is considered to be non-diversified. A non-diversified classification means that a Fund is not limited by the 1940 Act with regard to the percentage of its assets that may be invested in the securities of a single issuer. As a result, each of the Funds may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were classified as a diversified fund. Therefore, each Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a small number of issuers than a fund that invests more widely, which may have a greater impact on the Fund's volatility and performance.

Each Fund does, however, intend to maintain the level of diversification necessary to qualify as a regulated investment company ( RIC ) under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code ). The Subchapter M diversification tests generally require that (i) a Fund invest no more than 25% of its total assets in securities (other than securities of the U.S. government or other RICs) of any one issuer or two or more issuers that are controlled by a Fund and that are engaged in the same, similar or related trades or businesses, and (ii) at least 50% of a Fund's total assets consist of cash and cash items, U.S. government securities, securities of other RICs and other securities, with investments in such other securities limited in respect of any one issuer to an amount not greater than 5% of the value of a Fund's total assets and 10% of the outstanding voting securities of such issuer. These tax requirements are generally applied at the end of each quarter of a Fund's taxable year.

**Additional specific risks are disclosed in the Prospectus for each Fund.**

---

## Table of Contents

### SPECIFIC INVESTMENT STRATEGIES

A description of certain investment strategies and types of investments that may be used by some or all of the Funds is set forth below.

**Bank Deposits and Obligations.** Each Fund may invest in deposits and other obligations of U.S. and non-U.S. banks and financial institutions. Deposits and obligations of banks and financial institutions include certificates of deposit, time deposits, and bankers' acceptances. Certificates of deposit and time deposits represent an institution's obligation to repay funds deposited with it that earn a specified interest rate. Certificates of deposit are negotiable certificates, while time deposits are non-negotiable deposits. A banker's acceptance is a time draft drawn on and accepted by a bank that becomes a primary and unconditional liability of the bank upon acceptance. Investments in obligations of non-U.S. banks and financial institutions may involve risks that are different from investments in obligations of U.S. banks. These risks include future unfavorable political and economic developments, seizure or nationalization of foreign deposits, currency controls, interest limitations or other governmental restrictions that might affect the payment of principal or interest on the securities held in the Fund.

**Money Market Instruments.** Each Fund may invest a portion of its assets in high-quality money market instruments on an ongoing basis to provide liquidity or for other reasons. The instruments in which a Fund may invest include: (i) short-term obligations issued by the U.S. Government; (ii) negotiable certificates of deposit (CDs), fixed time deposits and bankers' acceptances of U.S. and foreign banks and similar institutions; (iii) commercial paper rated at the date of purchase Prime-1 by Moody's or A-1+ or A-1 by S&P or, if unrated, of comparable quality as determined by the Fund; and (iv) repurchase agreements. CDs are short-term negotiable obligations of commercial banks. Time deposits are non-negotiable deposits maintained in banking institutions for specified periods of time at stated interest rates. Banker's acceptances are time drafts drawn on commercial banks by borrowers, usually in connection with international transactions.

**U.S. Government Securities.** Each Fund may purchase short-term obligations issued or guaranteed by the U.S. Treasury or the agencies or instrumentalities of the U.S. government. U.S. government securities are obligations of, or guaranteed by, the U.S. government, its agencies or government-sponsored enterprises. U.S. government securities are subject to market and interest rate risk, and may be subject to varying degrees of credit risk. U.S. government securities include inflation-indexed fixed income securities, such as U.S. Treasury Inflation Protected Securities (TIPS). U.S. government securities include zero coupon securities, which tend to be subject to greater market risk than interest-paying securities of similar maturities.

**Non-U.S. Government Securities and Supranatural Entities.** Each Fund may invest in short-term securities issued or guaranteed by non-U.S. governments, agencies and instrumentalities. Non-U.S. government securities include direct obligations, as well as obligations guaranteed by a foreign government. These guarantees do not guarantee the market value of the obligations, which can increase or decrease in value. Securities issued by supranational entities include securities issued by organizations designated or supported by governmental entities to promote economic development and international financial institutions and related government agencies, such as the World Bank. These securities are subject to varying degrees of credit risk and interest rate risk.

**Sovereign Debt Obligations.** Each Fund may invest in sovereign debt obligations. Sovereign debt obligations involve special risks that are not present in corporate debt obligations. The foreign issuer of the sovereign debt or the foreign governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and a fund may have limited recourse in the event of a default. During periods of economic uncertainty, the market prices of sovereign debt, and the Fund's net asset value, to the extent it invests in such securities, may be more volatile than prices of debt obligations of U.S. issuers. In the past, certain foreign countries have encountered difficulties in servicing their debt obligations, withheld payments of principal and interest and declared moratoria on the payment of principal and interest on their sovereign debt. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange, the relative size of the debt service burden, the sovereign debtor's policy toward principal international lenders and local political constraints. Sovereign debtors may also be dependent on expected disbursements from foreign governments, multilateral agencies and other entities to reduce principal and interest arrearages on their debt. The failure of a sovereign debtor to implement economic reforms, achieve specified levels of economic performance or repay principal or interest when due may result in the cancellation of third party commitments to lend funds to the sovereign debtor, which may further impair such debtor's ability or willingness to service its debts.

**Inflation-Linked Bonds.** Each Fund may invest in inflation-linked bonds. The Real Return Fund invests a significant portion of its assets in inflation indexed bonds. Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. However, the current market value of the bonds is not guaranteed, and will fluctuate with market conditions. Investments in other inflation-linked bonds may not provide a similar guarantee and the principal amount repaid could be less than the original principal if inflation falls over the period.



---

## Table of Contents

The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates in turn are tied to the relationship between nominal interest rates and the rate of inflation. Therefore, if the rise in inflation exceeds the rise in nominal rates, real rates are likely to decline, leading to an increase in the market value of the bonds. Conversely, if the rise in nominal interest rates outpaces the pickup in the rate of inflation, real interest might rises, generating a decline in the market value of the inflation-linked security.

The periodic adjustment of U.S. inflation-indexed bonds generally is tied to the Consumer Price Index for Urban Consumers (CPI-U), which is calculated monthly by the U.S. Bureau of Labor Statistics. The CPI-U is a measurement of changes in the cost of living, made up of components such as housing, food, transportation and energy. Inflation-indexed bonds issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government. There can be no assurance that the CPI-U or any foreign inflation index will accurately measure the real rate of inflation in the prices of goods and services. Moreover, there can be no assurance that the rate of inflation in a foreign country will be correlated to the rate of inflation in the United States. Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity.

**Floating and Adjustable Rate Notes.** The Funds may purchase floating rate and adjustable rate obligations, such as demand notes, bonds, and commercial paper. The Real Return Fund may invest a significant portion of its assets in floating and adjustable rate notes. These securities may bear interest at a rate that resets based on standard money market indices or are remarketed at current market rates. They may permit the holder to demand payment of principal at any time or at specified intervals not exceeding 397 days. The issuer of such obligations may also have the right to prepay, in its discretion, the principal amount of the obligations plus any accrued interest. The reset date of securities held by the Funds may not be longer than 397 days (and therefore would be considered to be within the Funds' general maturity restriction of 397 days).

**Commercial Paper.** The Funds may invest in commercial paper. Commercial paper is an unsecured short-term promissory note with a fixed maturity of no more than 270 days issued by corporations, generally to finance short-term business needs. The commercial paper purchased by a Fund generally will be rated in the upper two short-term ratings by at least two NSROs or if unrated, deemed to be of equivalent quality by WisdomTree Asset Management or the Sub-Adviser. If a security satisfies the rating requirement upon initial purchase and is subsequently downgraded, a Fund is not required to dispose of the security. In the event of such an occurrence, WisdomTree Asset Management or the Sub-Adviser will determine what action, including potential sale, is in the best interest of the Fund. Each Fund may also purchase unrated commercial paper provided that such paper is determined to be of comparable quality by WisdomTree Asset Management or the Sub-Adviser. Commercial paper issues in which each Fund may invest include securities issued by corporations without registration under the Securities Act in reliance on the exemption from such registration afforded by Section 3(a)(3) thereof, and commercial paper issued in reliance on the so-called "private placement" exemption from registration, which is afforded by Section 4(2) of the Securities Act ("Section 4(2) paper"). Section 4(2) paper is restricted as to disposition under the federal securities laws in that any resale must similarly be made in an exempt transaction. Section 4(2) paper is normally resold to other institutional investors through or with the assistance of investment dealers who make a market in Section 4(2) paper, thus providing liquidity.

**Corporate Debt Obligations.** The Funds may invest in corporate debt obligations with less than 397 calendar days remaining to maturity. Corporate debt securities are interest-bearing securities in which the corporate issuer has a contractual obligation to pay interest at a stated rate on specific dates and to repay principal periodically or on a specified maturity date. Investments will be limited to securities rated in the top three long-term rating categories by at least one NSRO, or if unrated, deemed to be of equivalent quality. If a security satisfies the rating requirement upon initial purchase and is subsequently downgraded, a Fund is not required to dispose of the security. In the event of such an occurrence, WisdomTree Asset Management or the Sub-Adviser will determine what action, including potential sale, is in the best interest of the Fund.

**Mortgage-Backed and Asset-Backed Securities.** Each Fund may invest in mortgage backed and asset-backed securities. Mortgage-backed securities are secured (or backed) by pools of commercial or residential mortgages. Asset-backed securities are secured (or backed) by other types of assets, such as automobile loans, installment sale contracts, credit card receivables or other similar assets. Mortgage-backed and asset-backed securities are issued by entities such as Ginnie Mae, Fannie Mae, the Federal Home Loan Mortgage Corporation, commercial banks, trusts, special purpose entities, finance companies, finance subsidiaries of industrial companies, savings and loan associations, mortgage banks and investment banks. Investing in mortgage-backed and asset-backed securities is subject to credit risk and interest rate risk. They are also subject to the risk of prepayment, which can change the nature and extent of the Fund's interest rate risk. The market for mortgage-backed securities may not be liquid under all interest rate scenarios, which may prevent the Fund from selling such securities held in its portfolio at times or prices that it desires.

**Mortgage Dollar Roll Transactions.** The Real Return Fund may enter into mortgage dollar roll transactions with selected banks and broker-dealers. In a dollar roll, the Fund sells mortgage-backed securities and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future day. The Fund will only enter into covered rolls. A covered



---

## Table of Contents

roll is a specific type of dollar roll for which there is an offsetting cash or cash equivalent security position which matures on or before the forward settlement date of the dollar roll transaction. Covered rolls are not treated as a borrowing or other senior security and will be excluded from the calculation of a Fund's borrowings and other senior securities. For financial reporting and tax purposes, a Fund treats mortgage dollar rolls as two separate transactions: one involving the purchase of a security and a separate transaction involving a sale. A Fund does not currently intend to enter into mortgage dollar roll transactions that are accounted for as financing.

**Derivatives.** Each Fund may use derivative instruments as part of its investment strategies. Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to bonds, interest rates, currencies, commodities, and related indexes. Examples of derivative instruments include forward currency contracts, currency and interest rate swaps, currency options, futures contracts, options on futures contracts and swap agreements. A Fund's use of derivative instruments will be underpinned by investments in short term, high-quality U.S. money market securities. With respect to certain kinds of derivative transactions entered into by the Funds that involve obligations to make future payments to third parties, including, but not limited to, futures, forward contracts, swap contracts, the purchase of securities on a when-issued or delayed delivery basis, or reverse repurchase agreements, under applicable federal securities laws, rules, and interpretations thereof, the Fund must set aside (referred to sometimes as asset segregation) liquid assets, or engage in other measures to cover open positions with respect to such transactions. For example, with respect to forward foreign currency exchange contracts and futures contracts that are not contractually required to cash-settle, the Fund must cover its open positions by setting aside liquid assets equal to the contracts' full, notional value, except that deliverable foreign currency exchange contracts for currencies that are liquid will be treated as the equivalent of cash-settled contracts. As such, the Fund may set aside liquid assets in an amount equal to the Fund's daily marked-to-market (net) obligation (i.e., the Fund's daily net liability if any) rather than the full notional amount under such deliverable forward foreign currency exchange contracts. With respect to forward foreign currency exchange contracts and futures contracts that are contractually required to cash-settle, the Fund may set aside liquid assets in an amount equal to the Fund's daily marked-to-market (net) obligation rather than the notional value. The Fund reserves the right to modify its asset segregation policies in the future.

**Short Sale Transactions.** Each Fund may engage in short sale transactions. The Long-Short Equity Fund intends to use short sales as a significant part of its investment strategy. A short sale involves the sale by a Fund of a security or commodity that it does not own at a specified price on a future date. A Fund entering into a short sale transaction would generally expect the trading price of the subject security or commodity to be lower on the specified future date than the price at which it agreed to sell the security or commodity. The Fund would hope to acquire the security or commodity at a lower price on such date, thereby realizing a gain equal to the difference in the acquisition price and the sale price (less any costs). The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security, commodity or derivative subject to a short sale transaction increases during the period covered by the contract, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered (plus any costs). Because it requires little or no money to enter into a short sale transaction, a Fund could potentially lose more money than the actual cost of entering into the transaction. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund. A Fund engaging in short sale transactions may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing and margin account maintenance costs associated with the Fund's open short positions. These expenses negatively impact the performance of the Fund. The Fund's investment performance may also suffer if the Fund is required to close out a short position earlier than it had intended. Each Fund is required to segregate cash and other assets on its books to cover its short sale obligations. This means that such cash and other assets may not be available to meet the Fund's needs for immediate cash or other liquidity.

**Currency Transactions.** The Funds may enter into foreign currency forward and foreign currency futures contracts for investment purposes, to facilitate local securities settlements or to hedge against non-U.S. currency exposure.

**Forward Currency Contracts.** A forward currency contract involves a privately negotiated obligation to purchase or sell a specific currency at a future date (usually less than one year) at a price set at the time of the contract. These contracts are traded in the interbank market conducted directly between currency traders (usually large, commercial banks) and their customers. Each Fund may enter into forward currency contracts in order to lock in the exchange rate between the currency it will deliver and the currency it will receive for the duration of the contract. The settlement of the contracts may occur with the delivery of a specified amount of currency or a net cash settlement in a base currency equivalent to the market value of the contract. Each Fund may invest in a combination of forward currency contracts and U.S. dollar-denominated money market securities in an attempt to obtain an investment result that is similar to a direct investment in a foreign currency denominated instrument. This investment technique, if successful, creates a synthetic position in the particular foreign currency instrument the Fund is trying to duplicate.

**Non-Deliverable Forward Currency Contracts.** A non-deliverable forward contract is a forward contract where there is no physical settlement of two currencies at maturity. Non-deliverable forward contracts are contracts between parties in which one party agrees to make periodic payments to the other party (the Counterparty) based on the change in market value or level of a specified currency. In return, the Counterparty agrees to make periodic payments to the first party based on the return of a different specified currency. Non-deliverable forward contracts will usually be done on a net basis, each Fund receiving or paying only the net amount of the two payments. The net amount of the excess, if any, of each Fund's obligations over its entitlements with respect to each non-deliverable forward contract is accrued on a daily basis and an amount of

## Edgar Filing: WisdomTree Trust - Form 485APOS

cash or highly liquid securities having an aggregate value at least equal to the accrued excess is maintained in an account at the Trust's custodian bank. The risk of loss with respect to non-deliverable forward contracts generally is limited to the net amount of payments that a Fund is contractually obligated to make or receive. Non-deliverable forward contracts are also subject to the risk that the counterparty will default on its obligations.

Foreign Currency Futures Contracts. A foreign currency futures contract is a contract involving an obligation to deliver or acquire the specified amount of a specific currency, at a specified price and at a specified future time. Futures contracts may be settled on a net cash payment basis rather than by the sale and delivery of the underlying currency.

Foreign exchange transactions involve a significant degree of risk and the markets in which foreign exchange transactions are effected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, maturity gap, interest rate risk, and potential interference by foreign governments through regulation of local exchange markets, foreign investment or particular transactions in foreign currency. If a Fund utilizes foreign exchange transactions



---

## Table of Contents

at an inappropriate time, such transactions may not serve their intended purpose of improving the correlation of a Fund's return with the performance of its underlying Index and may lower the Fund's return. A Fund could experience losses if the value of any currency forwards, options and futures positions is poorly correlated with its other investments or if it could not close out its positions because of an illiquid market. In addition, each Fund will incur transaction costs, including trading commissions, in connection with certain foreign currency transactions.

**Currency and Interest Rate Swaps.** Each of the Funds may enter into swap agreements, including interest rate swaps and currency swaps. A typical interest rate swap involves the exchange of a floating interest rate payment for a fixed interest payment. A typical foreign currency swap involves the exchange of cash flows based on the notional difference among two or more currencies (e.g., the U.S. dollar and the Brazilian Real). Swap agreements may be used to achieve exposure to, for example, currencies, interest rates, and money market securities without actually purchasing such currencies or securities. Each International Currency Income Fund will use swap agreements to invest in a market without owning or taking physical custody of the underlying securities in circumstances in which direct investment is restricted for legal reasons or is otherwise impracticable. Swap agreements will tend to shift a Fund's investment exposure from one type of investment to another or from one payment stream to another. Depending on their structure, swap agreements may increase or decrease a Fund's exposure to long or short-term interest rates (in the United States or abroad), foreign currencies, corporate borrowing rates, or other factors, and may increase or decrease the overall volatility of a Fund's investments and its share price.

**Currency Options.** Each Fund may buy or sell put and call options on foreign currencies either on exchanges or in the over-the-counter market. A put option on a foreign currency gives the purchaser of the option the right to sell a foreign currency at the exercise price until the option expires. A call option on a foreign currency gives the purchaser of the option the right to purchase the currency at the exercise price until the option expires.

**Futures, Options, and Options on Futures Contracts.** Each Fund may enter into U.S. or foreign futures contracts and options and options on futures contracts. Funds may use futures contracts and related options: (i) to attempt to gain exposure to foreign currencies, and (ii) to attempt to gain exposure to a particular market, instrument or index. A futures contract may generally be described as an agreement for the future sale by one party and the purchase by another of a specified security or instrument at a specified price and time. When a Fund purchases a futures contract, it agrees to purchase a specified underlying instrument at a specified future date. When a Fund sells a futures contract, it agrees to sell the underlying instrument at a specified future date. The price at which the purchase and sale will take place is fixed when the Fund enters into the contract. Futures can be held until their delivery dates, or can be closed out before then if a liquid secondary market is available. To the extent a Fund uses futures and options, it will do so only in accordance with Rule 4.5 of the Commodity Exchange Act (CEA). The Trust, on behalf of each Fund, has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" in accordance with Rule 4.5 so that each Fund is not subject to registration or regulation as a commodity pool operator under the CEA.

An option on a futures contract gives the purchaser the right, in exchange for payment of a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A put option gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security or instrument at any time during the option period. A call option on a security gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security or instrument at any time during the option period.

The risk of loss in trading futures contracts or uncovered call options in some strategies (e.g., selling uncovered stock index futures contracts) is potentially unlimited. The Funds do not plan to use futures and options contracts in this way. The risk of a futures position may still be large as traditionally measured due to the low margin deposits required. In many cases, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the investor relative to the size of a required margin deposit. The Funds, however, intend to utilize futures and options contracts in a manner designed to limit their risk exposure to levels comparable to direct investment in stocks.

Utilization of futures and options on futures by a Fund involves the risk of imperfect or even negative correlation to the underlying Index if the index underlying the futures contract differs from the underlying Index. There is also the risk of loss by a Fund of margin deposits in the event of bankruptcy of a broker with whom a Fund has an open position in the futures contract or option. The purchase of put or call options will be based upon predictions by the Fund as to anticipated trends, which predictions could prove to be incorrect.

The potential for loss related to the purchase of an option on a futures contract is limited to the premium paid for the option plus transaction costs. Because the value of the option is fixed at the point of sale, there are no daily cash payments by the purchaser to reflect changes in the value of the underlying contract; however, the value of the option changes daily and that change would be reflected in the NAV of each Fund. The potential for loss related to writing options is unlimited.

---

## **Table of Contents**

Although each Fund intends to enter into futures contracts only if there is an active market for such contracts, there is no assurance that an active market will exist for the contracts at any particular time.

**Swap Agreements.** Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease a Fund's exposure to long or short-term interest rates (in the United States or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices or inflation rates. Swap agreements can take many different forms and are known by a variety of names.

Swap agreements will tend to shift a Fund's investment exposure from one type of investment to another. For example, if the Fund agreed to exchange payments in dollars for payments in foreign currency, the swap agreement would tend to decrease the Fund's exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Caps and floors have an effect similar to buying or writing options. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's investments and its share price.

Swap agreements also may allow a Fund to acquire or reduce credit exposure to a particular issuer. The most significant factor in the performance of swap agreements is the change in the factors that determine the amounts of payments due to and from a Fund. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. If a swap counterparty's creditworthiness declines, the risk that such counterparty may not perform may increase, potentially resulting in a loss to the Fund. A Fund may be able to reduce or eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party. There is no guarantee these strategies will be successful.

**Investment Company Securities.** Each Fund may invest in the securities of other investment companies (including exchange traded funds and money market funds) to the extent permitted by the 1940 Act. The 1940 Act generally prohibits a fund from acquiring more than 3% of the outstanding voting shares of an investment company and limits such investments to no more than 5% of the fund's total assets in any single investment company and no more than 10% in any combination of two or more investment companies. Each Fund may acquire shares of affiliated exchange traded funds.

**Financial Sector Investments.** The Funds may invest in equity securities, debt securities and other instruments of companies that are considered to be in the financial sector, including commercial banks, brokerage firms, diversified financial services, a variety of firms in all segments of the insurance industry (such as multi-line, property and casualty, and life insurance) and real estate related companies. There can be no guarantee that these strategies may be successful. A Fund may lose money as a result of defaults or downgrades within the financial sector. Recent events in the financial sector have resulted in increased concerns about credit risk and exposure. Well known financial institutions have experienced significant liquidity and other problems and have defaulted on their debt obligations. Issuers that have exposure to real estate, mortgage and credit markets have been particularly affected. It is uncertain whether or how long these conditions will continue. These events and possible continuing market turbulence may have an adverse affect on Fund performance. Rule 12d3-1 under the 1940 Act limits the extent to which a fund may invest in the securities of any one company that derives more than 15% of its revenues from brokerage, underwriting or investment management activities. A fund may purchase securities of an issuer that derived more than 15% of its gross revenues in its most recent fiscal year from securities-related activities, subject to the following conditions: (1) the purchase cannot cause more than 5% of the fund's total assets to be invested in securities of that issuer; (2) for any equity security, the purchase cannot result in the fund owning more than 5% of the issuer's outstanding securities in that class; and (3) for a debt security, the purchase cannot result in the fund owning more than 10% of the outstanding principal amount of the issuer's debt securities. In applying the gross revenue test, an issuer's own securities-related activities must be combined with its ratable share of securities-related revenues from enterprises in which it owns a 20% or greater voting or equity interest. All of the above percentage limitations, as well as the issuer's gross revenue test, are applicable at the time of purchase. With respect to warrants, rights, and convertible securities, a determination of compliance with the above limitations shall be made as though such warrant, right, or conversion privilege had been exercised. The Funds will not be required to divest their holdings of a particular issuer when circumstances subsequent to the purchase cause one of the above conditions to not be met. The purchase of a general partnership interest in a securities-related business is prohibited.

**Illiquid Securities.** Each Fund may invest up to an aggregate amount of 10% of its net assets in illiquid securities. Illiquid securities include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets. The inability of a Fund to dispose of illiquid or not readily marketable investments readily or at a reasonable price could impair a Fund's ability to raise cash for redemptions or other purposes. The liquidity of securities purchased by a Fund which are eligible for resale pursuant to Rule 144A will be monitored by each Fund on an ongoing basis. In the event that such a security is deemed to be no longer liquid, a Fund's holdings will be reviewed to determine what action, if any, is required to ensure that the retention of such security does not result in a Fund having more than 10% of its assets invested in illiquid or not readily marketable securities.



---

## **Table of Contents**

**Repurchase Agreements.** Each Fund may enter into repurchase agreements with counterparties that are deemed to present acceptable credit risks. A repurchase agreement is a transaction in which a Fund purchases securities or other obligations from a bank or securities dealer (or its affiliate) and simultaneously commits to resell them to a counterparty at an agreed-upon date or upon demand and at a price reflecting a market rate of interest unrelated to the coupon rate or maturity of the purchased obligations. A Fund maintains custody of the underlying obligations prior to their repurchase, either through its regular custodian or through a special triparty custodian or sub-custodian that maintains separate accounts for both the Fund and its counterparty. Thus, the obligation of the counterparty to pay the repurchase price on the date agreed to or upon demand is, in effect, secured by such obligations.

Repurchase agreements carry certain risks not associated with direct investments in securities, including a possible decline in the market value of the underlying obligations. If their value becomes less than the repurchase price, plus any agreed upon additional amount, the counterparty must provide additional collateral so that at all times the collateral is at least equal to the repurchase price plus any agreed upon additional amount. The difference between the total amount to be received upon repurchase of the obligations and the price that was paid by a Fund upon acquisition is accrued as interest and included in its net investment income. Repurchase agreements involving obligations other than U.S. government securities (such as commercial paper and corporate bonds) may be subject to special risks and may not have the benefit of certain protections in the event of the counterparty's insolvency. If the seller or guarantor becomes insolvent, the Fund may suffer delays, costs and possible losses in connection with the disposition of collateral.

**Reverse Repurchase Agreements.** Each Fund may enter into reverse repurchase agreements, which involve the sale of securities held by a Fund subject to its agreement to repurchase the securities at an agreed upon date or upon demand and at a price reflecting a market rate of interest. Reverse repurchase agreements are subject to each Fund's limitation on borrowings and may be entered into only with banks or securities dealers or their affiliates. While a reverse repurchase agreement is outstanding, a Fund will maintain the segregation, either on its records or with the Trust's custodian, of cash or other liquid securities, marked to market daily, in an amount at least equal to its obligations under the reverse repurchase agreement.

Reverse repurchase agreements involve the risk that the buyer of the securities sold by a Fund might be unable to deliver them when that Fund seeks to repurchase. If the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the buyer or trustee or receiver may receive an extension of time to determine whether to enforce a Fund's obligation to repurchase the securities, and the Fund's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision.

**Securities Lending.** Each Fund may lend portfolio securities to certain creditworthy borrowers, including the Funds' securities lending agent. Loans of portfolio securities provide the Funds with the opportunity to earn additional income on the Fund's portfolio securities. All securities loans will be made pursuant to agreements requiring the loans to be continuously secured by collateral in cash or high-grade debt obligations at least equal at all times to the market value of the loaned securities. The borrower pays to the Funds an amount equal to any dividends or interest received on loaned securities. The Funds retain all or a portion of the interest received on investment of cash collateral or receive a fee from the borrower. Lending portfolio securities involves risks of delay in recovery of the loaned securities or in some cases loss of rights in the collateral should the borrower fail financially. Furthermore, because of the risks of delay in recovery, the Fund may lose the opportunity to sell the securities at a desirable price. A Fund will generally not have the right to vote securities while they are being loaned.

**Borrowing.** The Funds may borrow money to the extent permitted by the 1940 Act. The Funds may borrow money to facilitate management of the Funds' portfolio by enabling the Funds to meet redemption requests when the liquidation of portfolio instruments would be inconvenient or disadvantageous. Such borrowing is not for investment purposes and will be repaid by the borrowing Funds promptly. As required by the 1940 Act, the Funds must maintain continuous asset coverage (total assets, including assets acquired with borrowed funds, less liabilities exclusive of borrowings) of 300% of all amounts borrowed. If, at any time, the value of the Funds' assets should fail to meet this 300% coverage test, the Funds, within three days (not including Sundays and holidays), will reduce the amount of the Funds' borrowings to the extent necessary to meet this 300% coverage requirement. Maintenance of this percentage limitation may result in the sale of portfolio securities at a time when investment considerations otherwise indicate that it would be disadvantageous to do so. In addition to the foregoing, the Funds are authorized to borrow money as a temporary measure for extraordinary or emergency purposes in amounts not in excess of 5% of the value of the Fund's total assets. Borrowings for extraordinary or emergency purposes are not subject to the foregoing 300% asset coverage requirement. The Funds are authorized to pledge portfolio securities as the Advisor deems appropriate in connection with any borrowings for extraordinary or emergency purposes.

**Future Developments.** The Board may, in the future, authorize each Fund to invest in securities contracts and investments other than those listed in this SAI and in each Fund's Prospectus, provided they are consistent with the Fund's investment objective and do not violate any investment restrictions or policies.



---

**Table of Contents**

**PROXY VOTING POLICY**

The Trust has adopted as its proxy voting policies for each Fund the proxy voting guidelines of [-----]. The Trust has delegated to [-----] the authority and responsibility for voting proxies on the portfolio securities held by each Fund. The remainder of this section discusses each Fund's proxy voting guidelines and [-----] role in implementing such guidelines.

[-----], through its participation on [-----] Proxy Policy Committee ( PPC ), has adopted a Proxy Voting Policy, related procedures, and voting guidelines which are applied to those client accounts over which it has been delegated the authority to vote proxies. In voting proxies, [-----] seeks to act solely in the best financial and economic interest of the applicable client. [-----] will carefully review proposals that would limit shareholder control or could affect the value of a client's investment. It will generally oppose proposals designed to insulate an issuer's management unnecessarily from the wishes of a majority of shareholders. It will generally support proposals designed to provide management with short-term insulation from outside influences so as to enable management to negotiate effectively and otherwise achieve long-term goals. On questions of social responsibility where economic performance does not appear to be an issue, [-----] will attempt to ensure that management reasonably responds to the social issues. Responsiveness will be measured by management's efforts to address the proposal including, where appropriate, assessment of the implications of the proposal to the ongoing operations of the company. The PPC will pay particular attention to repeat issues where management has failed in its commitment in the intervening period to take actions on issues [-----] recognizes its duty to vote proxies in the best interests of its clients. [-----] seeks to avoid material conflicts of interest through its participation in the PPC, which applies detailed, pre-determined proxy voting guidelines (the Voting Guidelines ) in an objective and consistent manner across client accounts, based on internal and external research and recommendations provided by a third party vendor, and without consideration of any client relationship factors. Further, [-----] and its affiliates engage a third party as an independent fiduciary to vote all proxies for [-----] securities and affiliated mutual fund securities.

Proxy voting proposals are reviewed, categorized, analyzed and voted in accordance with the Voting Guidelines. These guidelines are reviewed periodically and updated as necessary to reflect new issues and any changes in our policies on specific issues. Items that can be categorized under the Voting Guidelines will be voted in accordance with any applicable guidelines or referred to the PPC, if the applicable guidelines so require. Proposals that cannot be categorized under the Voting Guidelines will be referred to the PPC for discussion and vote. Additionally, the PPC may review any proposal where it has identified a particular company, industry or issue for special scrutiny. With regard to voting proxies of foreign companies the Trust may weigh the cost of voting, and potential inability to sell the securities (which may occur during the voting process) against the benefit of voting the proxies to determine whether or not to vote.

In evaluating proposals regarding incentive plans and restricted stock plans, the PPC typically employs a shareholder value transfer model. This model seeks to assess the amount of shareholder equity flowing out of the company to executives as options are exercised. After determining the cost of the plan, the PPC evaluates whether the cost is reasonable based on a number of factors, including industry classification and historical performance information. The PPC generally votes against proposals that permit the repricing or replacement of stock options without shareholder approval.

A complete copy of the Proxy Voting Policy may be obtained by writing to: [-----]

The Trust is required to disclose annually the Funds' complete proxy voting record on Form N-PX covering the period from July 1 of one year through June 30 of the next and to file Form N-PX with the SEC no later than August 31 of each year. The current Form N-PX for the Funds is available at no charge upon request by calling 866-909-9473 or through the Trust's website at [www.wisdomtree.com](http://www.wisdomtree.com). The Funds' Form N-PX is also available on the SEC's website at [www.sec.gov](http://www.sec.gov).

**PORTFOLIO HOLDING DISCLOSURE POLICIES AND PROCEDURES**

The Trust has adopted a Portfolio Holdings Policy (the Policy ) designed to govern the disclosure of Fund portfolio holdings and the use of material non-public information about Fund holdings. The Policy applies to all officers, employees, and agents of the Funds, including WisdomTree Asset Management and the Sub-Adviser. The Policy is designed to ensure that the disclosure of information about each Fund's portfolio holdings is consistent with applicable legal requirements and otherwise in the best interest of each Fund.

As exchange traded funds, information about each Fund's portfolio holdings is made available on a daily basis in accordance with the provisions of any Order of the Securities and Exchange Commission ( SEC ) applicable to the Funds, regulations of the Funds' Listing Exchange and other applicable SEC regulations, orders and no-action relief. Such information typically reflects all or a portion of a Fund's anticipated portfolio holdings as of the next Business Day. This information is used in connection with the Creation and Redemption process and is disseminated on a daily basis through the facilities of the Listing Exchange, the National Securities Clearing Corporation ( NSCC ) and/or third party service providers.

## Edgar Filing: WisdomTree Trust - Form 485APOS

Each Fund may disclose on the Funds' website at the start of each Business Day the identities and quantities of the securities and other assets held by each Fund that will form the basis of the Fund's calculation of its NAV on that Business Day. The portfolio holdings so disclosed will be based on information as of the close of business on the prior Business Day and/or trades that have been completed prior to the opening of business on that Business Day and that are expected to settle on that Business Day.

## **Table of Contents**

Daily access to each Fund's portfolio holdings is permitted to personnel of the Advisers, the Funds' distributor and the Funds' administrator, custodian and accountant and other agents or service providers of the Trust who have need of such information in connection with the ordinary course of their respective duties to the Funds. The Funds' Chief Compliance Officer may authorize disclosure of portfolio holdings.

Each Fund may disclose its complete portfolio holdings or a portion of its portfolio holdings online at [www.wisdomtree.com](http://www.wisdomtree.com). Online disclosure of such holdings is publicly available at no charge.

Each Fund will disclose its complete portfolio holdings schedule in public filings with the SEC on a quarterly basis, based on the Fund's fiscal year, within sixty (60) days of the end of the quarter, and will provide that information to shareholders, as required by federal securities laws and regulations thereunder.

No person is authorized to disclose a Fund's portfolio holdings or other investment positions except in accordance with the Policy. The Trust's Board reviews the implementation of the Policy on a periodic basis.

## **LIMITATIONS**

The following fundamental investment policies and limitations supplement those set forth in each Fund's Prospectus. Unless otherwise noted, whenever a fundamental investment policy or limitation states a maximum percentage of a Fund's assets that may be invested in any security or other asset, or sets forth a policy regarding quality standards, such standard or percentage limitation will be determined immediately after and as a result of the Fund's acquisition of such security or other asset. Accordingly, other than with respect to a Fund's limitations on borrowings, any subsequent change in values, net assets, or other circumstances will not be considered when determining whether the investment complies with a Fund's investment policies and limitations.

Each Fund's fundamental investment policies cannot be changed without the approval of the holders of a majority of that Fund's outstanding voting securities as defined under the 1940 Act. Each Fund, however, may change the non-fundamental investment policies described below, its investment objective, without a shareholder vote provided that it obtains Board approval and notifies its shareholders with at least sixty (60) days prior written notice of any such change.

**Fundamental Policies.** The following investment policies and limitations are fundamental and may NOT be changed without shareholder approval.

Each Fund, as a fundamental investment policy, may not:

### ***Senior Securities***

Issue senior securities, except as permitted under the 1940 Act.

### ***Borrowing***

Borrow money, except as permitted under the 1940 Act.

### ***Underwriting***

Act as an underwriter of another issuer's securities, except to the extent that each Fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of portfolio securities.

### ***Concentration***

Purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities) if, as a result, more than 25% of the Fund's total assets would be invested in the securities of companies whose principal business activities are in the same industry, except that each Fund will invest more than 25% of its total assets in securities of the same industry to approximately the same extent that each Fund's underlying Index concentrates in the securities of a particular industry or group of industries.





---

## **Table of Contents**

### ***Real Estate***

Purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate, real estate investment trusts or securities of companies engaged in the real estate business).

### ***Commodities***

Purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments This restriction shall not prohibit the Fund, subject to restrictions described in the Prospectuses and elsewhere in this SAI, from purchasing, selling or entering into futures contracts on commodities or commodity contracts, options on futures contracts on commodities or commodity contracts, foreign currency forward contracts, foreign currency options, or any interest rate, securities-related or foreign currency-related hedging instrument, including swap agreements and other derivative instruments, subject to compliance with any applicable provisions of the federal securities or commodities laws.

### ***Loans***

Lend any security or make any other loan except as permitted under the Investment Company Act of 1940.

This means that no more than 33 <sup>1</sup>/<sub>3</sub>% of its total assets would be lent to other parties. This limitation does not apply to purchases of debt securities or to repurchase agreements, or to acquisitions of loans, loan participations or other forms of debt instruments, permissible under each Fund's investment policies.

**Non-Fundamental Policies.** The following investment policy is not fundamental and may be changed without shareholder approval.

Each Fund has adopted a non-fundamental investment policy in accordance with Rule 35d-1 under the 1940 Act to invest, under normal circumstances, at least 80% of the value of its net assets, plus the amount of any borrowings for investment purposes, in the types of investments suggested by the Fund's name. If, subsequent to an investment, the 80% requirement is no longer met, a Fund's future investments will be made in a manner that will bring the Fund into compliance with this policy.

## **CONTINUOUS OFFERING**

The method by which Creation Unit Aggregations of shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of shares are issued and sold by the Funds on an ongoing basis, at any point a distribution, as such term is used in the Securities Act, may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with the Funds' distributor, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealer firms should also note that dealers who are not underwriters but are effecting transactions in shares, whether or not participating in the distribution of shares, generally are required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. Firms that incur a prospectus delivery obligation with respect to shares of the Funds are reminded that, pursuant to Rule 153 under the Securities Act, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with the sale on the Listing Exchange is satisfied by the fact that the prospectus is available at the Listing Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

## **MANAGEMENT OF THE TRUST**

**Trustees and Officers**

The Board of Trustees has responsibility for the overall management and operations of the Funds, including general supervision of the duties performed by WisdomTree Asset Management and other service providers. The Board of Trustees elects the officers of the Trust who are responsible for administering the Trust's day-to-day operations. Each Trustee serves until his or her successor is duly elected or appointed and qualified.

**Table of Contents**

The address of each Trustee and Officer is c/o WisdomTree Asset Management, Inc., 380 Madison Avenue, 21st Floor, New York, NY 10017.

**Interested Trustee and Officers**

<b>Name (year of birth)</b>	<b>Position</b>	<b>Term of office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee and Officers+</b>	<b>Other Directorships Held by Trustee and Officers</b>
Jonathan Steinberg (1964)	Trustee, President*	Trustee and Officer since 2005	Chief Executive Officer of WisdomTree Investments, Inc. and Director of WisdomTree Investments, Inc. since 1989.	51	None.
Amit Muni (1969)	Treasurer, Assistant Secretary*	Officer since 2008	Chief Financial Officer and Assistant Secretary of WisdomTree Investments, Inc. since March 2008; International Securities Exchange Holdings, Inc. (ISE), Controller and Chief Accounting Officer from 2003 to 2008.	51	None.
Richard Morris (1967)	Secretary, Chief Legal Officer*	Officer since 2005	Deputy General Counsel of WisdomTree Investments, Inc. since 2005; Senior Counsel at Barclays Global Investors, N.A. from 2002 to 2005.	51	None.

+ As of December 4, 2008

\* Elected by and serves at the pleasure of the Board of Trustees.

**Independent Trustees**

<b>Name (year of birth)</b>	<b>Position</b>	<b>Term of office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee+</b>	<b>Other Directorships Held by Trustee and Officers</b>
Gregory Barton	Trustee			51	None.

## Edgar Filing: WisdomTree Trust - Form 485APOS

(1961)**		Trustee since 2006	General Counsel and Secretary of Martha Stewart Living Omnimedia, Inc. 2007-2008; Executive Vice President of Licensing and Legal Affairs, General Counsel and Secretary of Ziff Davis Media Inc. 2003 to 2007; Executive Vice President of Legal Affairs, General Counsel and Secretary of Ziff Davis Media Inc. from 2002 to 2003; President (2001 to 2002), Chief Financial Officer (2000 to 2002), Vice President of Business Development (1999 to 2001) and General Counsel and Secretary (1998 to 2002) of WisdomTree Investments, Inc.		
Toni Massaro  (1955)***	Trustee	Trustee since 2006	Dean at University of Arizona James E. Rogers College of Law since 1999; Professor at University of Arizona James E. Rogers College of Law since 1990.	51	None.
Victor Ugolyn  (1947)	Trustee, Chairman of the Board of Trustees	Trustee since 2006	Private Investor 2005 to present; President and Chief Executive Officer of William D. Witter, Inc. 2005 to August 2006; Consultant to AXA Enterprise in 2004; Chairman, President and Chief Executive Officer of Enterprise Capital Management (subsidiary of The MONY Group, Inc.) and Enterprise Group of Funds, Chairman of MONY Securities Corporation, and Chairman of the Fund Board of Enterprise Group of Funds from 1991 to 2004.	51	Trustee on Board of Trustees of Naismith Memorial Basketball Hall of Fame; Member of the Board of Overseers of the Hoover Institution at Stanford University.

+ As of May 20, 2008

\*\* Chair of the Audit Committee.

\*\*\* Chair of the Governance and Nominating Committee.

**Table of Contents**

The following table sets forth, as of December 31, 2008 the dollar range of equity securities beneficially owned by each Trustee in the Funds and in other registered investment companies overseen by the Trustee within the same family of investment companies as the Trust.

Name of Trustee	Dollar Range of Equity Securities in the Funds	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies	
<b>Interested Trustee:</b>			
Jonathan Steinberg	International SmallCap Dividend Fund	\$50,001	\$100,000
	International Dividend ex-Financials Fund	\$50,001	\$100,000
	DEFA Equity Income Fund	\$50,001	\$100,000
	Pacific ex-Japan Total Dividend Fund	\$50,001	\$100,000
	Japan Equity Income Fund		
<b>Independent Trustees:</b>			
Gregory Barton	Total Dividend Fund	Over \$100,000	Over \$100,000
	DEFA Fund	\$10,001	\$50,000
Toni Massaro	Equity Income Fund	\$1	\$10,000
	DEFA Equity Income Fund	\$1	\$10,000
Victor Ugolyn	LargeCap Dividend Fund	\$10,001	\$50,000
	MidCap Dividend Fund	\$10,001	\$50,000

As of December 31, 2008 none of the Trustees who are not interested persons (as defined in the 1940 Act) of the Trust ( Independent Trustees ) or their immediate family members owned beneficially or of record any securities of WisdomTree Asset Management, the Sub-Adviser, the Funds Distributor, or any person controlling, controlled by or under control with WisdomTree Asset Management, the Sub-Adviser or the Funds Distributor.

The Board of Trustees of the Trust met eight times during the fiscal year ended March 31, 2008.

**Committees of the Board of Trustees**

**Audit Committee.** Each Independent Trustee is a member of the Trust's Audit Committee (the Audit Committee). The principal responsibilities of the Audit Committee are the appointment, compensation and oversight of the Trust's independent auditors, including the resolution of disagreements regarding financial reporting between Trust management and such independent auditors. The Audit Committee's responsibilities include, without limitation, to (i) oversee the accounting and financial reporting processes of the Trust and its internal control over financial reporting and, as the Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers; (ii) oversee the quality and integrity of the Funds' financial statements and the independent audits thereof; (iii) oversee, or, as appropriate, assist Board oversight of, the Trust's compliance with legal and regulatory requirements that relate to the Trust's accounting and financial reporting, internal control over financial reporting and independent audits; (iv) approve prior to appointment the engagement of the

## Edgar Filing: WisdomTree Trust - Form 485APOS

Trust's independent auditors and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Trust's independent auditors; and (vi) act as a liaison between the Trust's independent auditors and the full Board. The Board of the Trust has adopted a written charter for the Audit Committee. The Audit Committee has retained independent legal counsel to assist it in connection with these duties. During the fiscal year ended March 31, 2008, the Audit Committee held six meetings.

**Table of Contents**

*Governance and Nominating Committee.* Each Independent Trustee is also a member of the Trust’s Governance and Nominating Committee. The principal responsibilities of the Governance and Nominating Committee are to (i) oversee Fund governance matters and (ii) identify individuals qualified to serve as Independent Trustees of the Trust and to recommend its nominees for consideration by the full Board. While the Governance and Nominating Committee is solely responsible for the selection and nomination of the Trust’s Independent Trustees, the Nominating Committee may consider nominations for the office of Trustee made by Trust stockholders as it deems appropriate. The Governance and Nominating Committee considers nominees recommended by shareholders if such nominees are submitted in accordance with Rule 14a-8 of the Securities Exchange Act of 1934 (the 1934 Act ), in conjunction with a shareholder meeting to consider the election of Trustees. Trust stockholders who wish to recommend a nominee should send nominations to the Secretary of the Trust that include biographical information and set forth the qualifications of the proposed nominee. During the fiscal year ended March 31, 2008, the Nominating Committee held one meeting.

*Remuneration of Trustees.* Pursuant to its Investment Advisory Agreement with the Trust, WisdomTree Asset Management pays all compensation of officers and employees of the Trust as well as the fees of all Trustees of the Trust who are affiliated persons of WisdomTree Investments or its subsidiaries.

Each Independent Trustee receives annual compensation of \$110,000. The Audit Committee Chairman will be paid an additional 10% and the Independent Chairman of the Board will be paid an additional 50% of this amount. The Trust also reimburses each Trustee for travel and other out-of-pocket expenses incurred by him/her in connection with attending meetings. Prior to December 2007, each Independent Trustee received annual compensation of \$40,000. The Audit Committee Chairman received an additional 10% and the Independent Chairman received an additional 50% of this amount.

The following table sets forth the fees paid to each Trustee for the fiscal year-ended March 31, 2008.

Name of Interested Trustee	Aggregate Compensation from the Trust	Pension or Retirement		Total Compensation from the Funds and Fund Complex
		Benefits Accrued as Part of Company Expenses	Estimated Annual Benefits upon Retirement	
Jonathan Steinberg	None	None	None	None

Name of Independent Trustee	Aggregate Compensation from the Trust	Pension or Retirement		Total Compensation from the Funds and Fund Complex
		Benefits Accrued as Part of Company Expenses	Estimated Annual Benefits upon Retirement	
Gregory Barton	\$44,000	None	None	\$44,000
Toni Massaro	\$43,220	None	None	\$43,220
Victor Ugolyn	\$65,262	None	None	\$65,262

Trustees and officers of the Trust collectively owned less than 1% of each of the Trust’s outstanding shares as of June 30, 2008.

**Control Persons and Principal Holders of Securities.**

Since the Funds had not commenced operations as of the date of this SAI, there are no owners of record of 5% or more of the outstanding shares of a Fund.



**Table of Contents**

*Investment Adviser.* WisdomTree Asset Management serves as investment adviser to each Fund pursuant to an Investment Advisory Agreement between the Trust and WisdomTree Asset Management. WisdomTree Asset Management is a Delaware corporation registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the Advisers Act ), and has offices located at 380 Madison Avenue, 21st Floor, New York, NY 10017.

Under the Investment Advisory Agreement, WisdomTree Asset Management has overall responsibility for the general management and administration of the Trust. WisdomTree Asset Management provides an investment program for each Fund. WisdomTree Asset Management also arranges for sub-advisory, transfer agency, custody, fund administration and all other non-distribution related services necessary for the Funds to operate.

Each Fund pays WisdomTree Asset Management the Management Fee indicated below.

Name of Fund	Management Fee
WisdomTree Real Return Fund	
WisdomTree Managed Futures Fund	
WisdomTree Long-Short Equity Fund	

The Portfolio is advised by WisdomTree Asset Management. WisdomTree Asset Management does not receive any additional compensation for advising the Portfolio.

The Advisory Agreement with respect to each Fund continues in effect for two years from its effective date, and thereafter is subject to annual approval by (i) the Board of Trustees of the Trust or (ii) the vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund, provided that in either event such continuance also is approved by a vote of a majority of the Trustees of the Trust who are not interested persons (as defined in the 1940 Act) of the Fund, by a vote cast in person at a meeting called for the purpose of voting on such approval. If the shareholders of any Fund fail to approve the Advisory Agreement, WisdomTree Asset Management may continue to serve in the manner and to the extent permitted by the 1940 Act and rules and regulations thereunder.

The Advisory Agreement with respect to any Fund is terminable without any penalty, by vote of the Board of Trustees of the Trust or by vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of that Fund, or by WisdomTree Asset Management, in each case on not less than 30 days nor more than 60 days prior written notice to the other party; provided, that a shorter notice period shall be permitted for a Fund in the event its shares are no longer listed on a national securities exchange. The Investment Advisory Agreement will terminate automatically and immediately in the event of its assignment (as defined in the 1940 Act).

*Sub-Adviser.* [-----] serves as Sub-Adviser for each Fund. [-----] The Sub-Adviser chooses each Fund's portfolio investments and places orders to buy and sell the Fund's portfolio investments. WisdomTree Asset Management pays the Sub-Adviser for providing sub-advisory services to the Funds as described below. The Sub-Adviser is entitled to receive fees as follows for providing services to the Funds: [To be completed].

[-----] believes that it may perform Sub-Advisory and related services for the Trust without violating applicable banking laws or regulations. However, the legal requirements and interpretations about the permissible activities of banks and their affiliates may change in the future. These changes could prevent [-----] from continuing to perform services for the Trust. If this happens, the Board would consider selecting other qualified firms. Any new investment Sub-Advisory agreement would be subject to shareholder approval.

*Portfolio Manager.* Each Fund is managed by [-----] management team. The individual members of the team responsible for the day-to-day management of each Fund's portfolio are [-----].

Including the WisdomTree ETFs, as of XXX, the [-----] team managed [-----].

*Portfolio Manager Fund Ownership*

As of [month][2009], the dollar range of securities beneficially owned by the following Portfolio Managers in the Trust is as follows:

**Portfolio Manager**



---

## **Table of Contents**

### *Portfolio Manager Compensation*

As of [month][2009], the Sub-Adviser's portfolio managers responsible for managing the Funds are generally eligible for compensation consisting of base salary, bonus, and payments under [-----] long-term incentive compensation program. All compensation is paid by [-----] and not by the Funds. The same methodology described below is used to determine portfolio manager compensation with respect to the management of mutual funds and other accounts.

Portfolio managers are also eligible for the standard retirement benefits and health and welfare benefits available to all [-----] employees. Certain portfolio managers may be eligible for additional retirement benefits under several supplemental retirement plans that [-----] provides to restore dollar-for-dollar the benefits of management employees that had been cut back solely as a result of certain limits due to the tax laws. These plans are structured to provide the same retirement benefits as the standard retirement benefits. In addition, portfolio managers whose compensation exceeds certain limits may elect to defer a portion of their salary and/or bonus under [-----] deferred compensation plan.

A portfolio manager's base salary is determined by the manager's experience and performance in the role, taking into account the ongoing compensation benchmark analyses. A portfolio manager's base salary is generally a fixed amount that may change as a result of an annual review, upon assumption of new duties, or when a market adjustment of the position occurs.

A portfolio manager's bonus is determined by a number of factors. One factor is gross performance of the fund relative to expectations for how the fund should have performed, given its objectives, policies, strategies and limitations, and the market environment during the measurement period. Additional factors include the overall financial performance of the company, the performance of all accounts (relative to expectations) for which the portfolio manager has responsibility, the portfolio manager's contributions to the investment management functions within the sub-asset class, contributions to the development of other investment professionals and supporting staff, and overall contributions to strategic planning and decisions for the investment management group. The target bonus is expressed as a percentage of base salary. The actual bonus paid may be more or less than the target bonus, based on how well the manager satisfies the objectives stated above. The bonus is paid on an annual basis.

Under the long-term incentive compensation program, certain portfolio managers are eligible to receive a payment from the company's long-term incentive compensation plan based on their years of service, job level and, if applicable, management responsibilities. Each year, a portion of the firm's profits is allocated to the long-term incentive compensation award. The annual awards are paid after three years.

### *Description of Material Conflicts of Interest*

Because the portfolio managers manage multiple portfolios for multiple clients, the potential for conflicts of interest exists. Each portfolio manager generally manages portfolios having substantially the same investment style as the Funds. However, the portfolios managed by a portfolio manager may not have portfolio compositions identical to those of the Funds managed by the portfolio manager due, for example, to specific investment limitations or guidelines present in some portfolios or accounts, but not others. The portfolio managers may purchase securities for one portfolio and not another portfolio, and the performance of securities purchased for one portfolio may vary from the performance of securities purchased for other portfolios. A portfolio manager may place transactions on behalf of other accounts that are directly or indirectly contrary to investment decisions made on behalf of the Fund, or make investment decisions that are similar to those made for the Fund, both of which have the potential to adversely impact the Fund depending on market conditions. For example, a portfolio manager may purchase a security in one portfolio while appropriately selling that same security in another portfolio. In addition, some of these portfolios have fee structures that are or have the potential to be higher than the advisory fees paid by the Fund, which can cause potential conflicts in the allocation of investment opportunities between the Fund and the other accounts. However, the compensation structure for portfolio managers does not generally provide incentive to favor one account over another because that part of a manager's bonus based on performance is not based on the performance of one account to the exclusion of others. There are many other factors considered in determining the portfolio manager's bonus and there is no formula that is applied to weight the factors listed (see Portfolio Managers Compensation). In addition, current trading practices do not allow the sub-adviser to intentionally favor one portfolio over another as trades are executed as trade orders are received. Portfolio rebalancing dates also generally vary between fund families. Program trades created from the portfolio rebalance are executed at market on close.

*Code of Ethics.* The Trust, WisdomTree Asset Management, the Sub-Adviser and the Funds' distributor have each adopted a Codes of Ethics pursuant to Rule 17j-1 under the 1940 Act. The Codes of Ethics permit personnel subject to the Codes of Ethics to invest in securities for their personal investment accounts, subject to certain limitations, including securities that may be purchased or held by the Funds. The Codes of Ethics are on public file with, and are available from, the SEC.



**Table of Contents**

*Administrator, Custodian and Transfer Agent.* [-----] serves as administrator, custodian and transfer agent for the Funds. [-----] principal address is [-----]. Under the Fund Administration and Accounting Agreement with the Trust [-----] provides necessary administrative, legal, tax, accounting services and financial reporting for the maintenance and operations of the Trust and each Fund. In addition, [-----] makes available the office space, equipment, personnel and facilities required to provide such services. Under the custody agreement with the Trust, [-----] maintains in separate accounts cash, securities and other assets of the Trust and each Fund, keeps all necessary accounts and records, and provides other services. [-----] is required, upon the order of the Trust, to deliver securities held by [-----] and to make payments for securities purchased by the Trust for each Fund. Also, under a Delegation Agreement, [-----] is authorized to appoint certain foreign custodians or foreign custody managers for Fund investments outside the United States. Pursuant to a Transfer Agency and Service Agreement with the Trust, [-----] acts as transfer agent for each Fund's authorized and issued shares of beneficial interest, and as dividend disbursing agent of the Trust. As compensation for the foregoing services, [-----] receives certain out of pocket costs, transaction fees and asset-based fees which are accrued daily and paid monthly by the Trust from the Trust's custody account with -----.

[-----] serves as the Portfolio's custodian. [-----] does not receive any additional compensation for performing these services.

*Distributor.* The principal address of ALPS Distributors, Inc. is 1290 Broadway, Suite 1100, Denver, Colorado 80203. The Distributor has entered into a Distribution Agreement with the Trust pursuant to which it distributes shares of each Fund. The Distribution Agreement will continue for two years from its effective date and is renewable annually. Shares are continuously offered for sale by the Funds through the Distributor only in Creation Unit Aggregations, as described in the applicable Prospectus and below in the Creation and Redemption of Creation Units Aggregations section. Shares in less than Creation Unit Aggregations are not distributed by the Distributor. The Distributor will deliver the applicable Prospectus and, upon request, this SAI to persons purchasing Creation Unit Aggregations and will maintain records of both orders placed with it and confirmations of acceptance furnished by it. The Distributor is a broker-dealer registered under the 1934 Act and a member of the Financial Industry Regulatory Authority ( FINRA ). The Distributor is not affiliated with WisdomTree Investments, WisdomTree Asset Management, nor any stock exchange.

The Distribution Agreement for each Fund will provide that it may be terminated at any time, without the payment of any penalty, on at least sixty (60) days prior written notice to the other party (i) by vote of a majority of the Independent Trustees or (ii) by vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the relevant Fund. The Distribution Agreement will terminate automatically in the event of its assignment (as defined in the 1940 Act).

The Distributor may also enter into agreements with securities dealers ( Soliciting Dealers ) who will solicit purchases of Creation Unit Aggregations of shares. Such Soliciting Dealers may also be Authorized Participants (as defined below) or DTC Participants (as defined below).

WisdomTree Asset Management may, from time to time and from its own resources, pay, defray or absorb costs relating to distribution, including payments out of its own resources to the Distributor, or to otherwise promote the sale of shares.

**BROKERAGE TRANSACTIONS**

The Sub-Adviser assumes general supervision over placing orders on behalf of each Fund for the purchase and sale of portfolio securities. In selecting the brokers or dealers for any transaction in portfolio securities, the Sub-Adviser's policy is to make such selection based on factors deemed relevant, including but not limited to, the breadth of the market in the security, the price of the security, the reasonableness of the commission or mark-up or mark-down, if any, execution capability, settlement capability, back office efficiency and the financial condition of the broker or dealer, both for the specific transaction and on a continuing basis. The overall reasonableness of brokerage commissions paid is evaluated by the Sub-Adviser based upon its knowledge of available information as to the general level of commissions paid by other institutional investors for comparable services. Brokers may also be selected because of their ability to handle special or difficult executions, such as may be involved in large block trades, less liquid securities, broad distributions, or other circumstances. The Sub-Adviser does not consider the provision or value of research, products or services a broker or dealer may provide, if any, as a factor in the selection of a broker or dealer or the determination of the reasonableness of commissions paid in connection with portfolio transactions. The Trust has adopted policies and procedures that prohibit the consideration of sales of a Fund's shares as a factor in the selection of a broker or a dealer to execute its portfolio transactions.

---

**Table of Contents**

**ADDITIONAL INFORMATION CONCERNING THE TRUST**

**Shares.** The Trust was established as a Delaware statutory trust on December 15, 2005. The Trust currently is comprised of 54 Funds. Each Fund issues shares of beneficial interest, with \$0.001 par value. The Board may designate additional Funds. The Trust is registered with the SEC as an open-end management investment company.

Each share issued by a Fund has a pro rata interest in the assets of that Fund. Shares have no preemptive, exchange, subscription or conversion rights and are freely transferable. Each share is entitled to participate equally in dividends and distributions declared by the Board of Trustees with respect to the relevant Fund, and in the net distributable assets of such Fund on liquidation.

Each share has one vote with respect to matters upon which a shareholder vote is required consistent with the requirements of the 1940 Act and the rules promulgated thereunder. Shares of all Funds vote together as a single class except that, if the matter being voted on affects only a particular Fund, and, if a matter affects a particular Fund differently from other Funds, that Fund will vote separately on such matter.

Under Delaware law, the Trust is not required to hold an annual meeting of shareholders unless required to do so under the 1940 Act. The policy of the Trust is not to hold an annual meeting of shareholders unless required to do so under the 1940 Act. All shares (regardless of the Fund) have non-cumulative voting rights for the Board. Under Delaware law, Trustees of the Trust may be removed by vote of the shareholders.

Following the creation of the initial Creation Unit Aggregation(s) of shares of a Fund and immediately prior to the commencement of trading in such Fund's shares, a holder of shares may be a control person of the Fund, as defined in the 1940 Act. A Fund cannot predict the length of time for which one or more shareholders may remain a control person of the Fund.

Shareholders may make inquiries by writing to the Trust, c/o ALPS Distributors, Inc. at 1290 Broadway, Suite 1100, Denver, Colorado 80203.

Absent an applicable exemption or other relief from the SEC or its staff, beneficial owners of more than 5% of the shares of a Fund may be subject to the reporting provisions of Section 13 of the 1934 Act and the SEC's rules promulgated thereunder. In addition, absent an applicable exemption or other relief from the SEC staff, officers and Trustees of a Fund and beneficial owners of 10% of the shares of a Fund (Insiders) may be subject to the insider reporting, short-swing profit and short sale provisions of Section 16 of the 1934 Act and the SEC's rules promulgated thereunder. Beneficial owners and Insiders should consult with their own legal counsel concerning their obligations under Sections 13 and 16 of the 1934 Act.

**Termination of the Trust or a Fund.** The Trust or a Fund may be terminated by a majority vote of the Board of Trustees or the affirmative vote of a super majority of the holders of the Trust or such Fund entitled to vote on termination. Although the shares are not automatically redeemable upon the occurrence of any specific event, the Trust's organizational documents provide that the Board will have the unrestricted power to alter the number of shares in a Creation Unit Aggregation. In the event of a termination of the Trust or a Fund, the Board, in its sole discretion, could determine to permit the shares to be redeemable in aggregations smaller than Creation Unit Aggregations or to be individually redeemable. In such circumstance, the Trust may make redemptions in-kind, for cash, or for a combination of cash or securities.

**Role of DTC.** DTC acts as Securities Depository for the Shares of the Trust. Shares of each Fund are represented by securities registered in the name of DTC or its nominee and deposited with, or on behalf of, DTC.

DTC, a limited-purpose trust company, was created to hold securities of its participants (DTC Participants) and to facilitate the clearance and settlement of securities transactions among the DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. More specifically, DTC is owned by a number of its DTC Participants and by the NYSE, the AMEX and the NASD. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (Indirect Participants).

Beneficial ownership of shares is limited to DTC Participants, Indirect Participants and persons holding interests through DTC Participants and Indirect Participants. Ownership of beneficial interests in shares (owners of such beneficial interests are referred to herein as Beneficial Owners) is shown on, and the transfer of ownership is effected only through, records maintained by DTC (with respect to DTC Participants) and on the records of DTC Participants (with respect to Indirect Participants and Beneficial Owners that are not DTC Participants). Beneficial Owners will receive from or through the DTC Participant a written confirmation relating to their purchase of shares. No Beneficial Owner shall have the right to receive a certificate representing such shares.



---

**Table of Contents**

Conveyance of all notices, statements and other communications to Beneficial Owners is effected as follows. Pursuant to the Depositary Agreement between the Trust and DTC, DTC is required to make available to the Trust upon request and for a fee to be charged to the Trust a listing of the shares of each Fund held by each DTC Participant. The Trust shall inquire of each such DTC Participant as to the number of Beneficial Owners holding shares, directly or indirectly, through such DTC Participant. The Trust shall provide each such DTC Participant with copies of such notice, statement or other communication, in such form, number and at such place as such DTC Participant may reasonably request, in order that such notice, statement or communication may be transmitted by such DTC Participant, directly or indirectly, to such Beneficial Owners. In addition, the Trust shall pay to each such DTC Participant a fair and reasonable amount as reimbursement for the expenses attendant to such transmittal, all subject to applicable statutory and regulatory requirements.

Share distributions shall be made to DTC or its nominee, Cede & Co., as the registered holder of all shares of the Trust. DTC or its nominee, upon receipt of any such distributions, shall credit immediately DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in shares of each Fund as shown on the records of DTC or its nominee. Payments by DTC Participants to Indirect Participants and Beneficial Owners of shares held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in a street name, and will be the responsibility of such DTC Participants.

The Trust has no responsibility or liability for any aspect of the records relating to or notices to Beneficial Owners, or payments made on account of beneficial ownership interests in such shares, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests, or for any other aspect of the relationship between DTC and the DTC Participants or the relationship between such DTC Participants and the Indirect Participants and Beneficial Owners owning through such DTC Participants. DTC may decide to discontinue providing its service with respect to shares of the Trust at any time by giving reasonable notice to the Trust and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trust shall take action to find a replacement for DTC to perform its functions at a comparable cost.

**CREATION & REDEMPTION OF CREATION UNIT AGGREGATIONS**

*Creation.* The Trust issues and sells shares of each Fund only in Creation Unit Aggregations on a continuous basis through the Distributor, without a sales load, at the NAV next determined after receipt, on any Business Day (as defined below), of an order in proper form.

A Business Day with respect to each Fund is any day on which the national securities exchange on which the Fund is listed for trading (each a Listing Exchange) is open for business. As of the date of this SAI, each Listing Exchange observes the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

*Fund Deposit.* The consideration for purchase of Creation Unit Aggregations of the Real Return Fund and the Long-Short Equity Fund generally consists of the in-kind deposit of a designated portfolio of equity or fixed income securities (the Deposit Securities) and an amount of cash (the Cash Component). Together, the Deposit Securities and the Cash Component constitute the Fund Deposit, which represents the minimum initial and subsequent investment amount for a Creation Unit Aggregation of any Fund. The Managed Futures Fund typically issues Creation Unit Aggregations solely for cash. The aggregate amount of cash in this case may also be referred to as the Deposit Securities.

The Cash Component is sometimes also referred to as the Balancing Amount. The Cash Component serves the function of compensating for any differences between the NAV per Creation Unit Aggregation and the Deposit Amount (as defined below). The Cash Component is an amount equal to the difference between the NAV of the shares (per Creation Unit Aggregation) and the Deposit Amount, which is an amount equal to the market value of the Deposit Securities. If the Cash Component is a positive number (i.e., the NAV per Creation Unit Aggregation exceeds the Deposit Amount), the creator will deliver the Cash Component. If the Cash Component is a negative number (i.e., the NAV per Creation Unit Aggregation is less than the Deposit Amount), the creator will receive the Cash Component. Computation of the Cash Component excludes any stamp duty tax or other similar fees and expenses payable upon transfer of beneficial ownership of the Deposit Securities, which shall be the sole responsibility of the Authorized Participant.

Each Fund, through the National Securities Clearing Corporation makes available on each Business Day, prior to the opening of business on the applicable Listing Exchange (currently 9:30 a.m., Eastern time), the list of the names and the required number of shares of each Deposit Security to be included in the current Fund Deposit (based on information at the end of the previous Business Day) for each Fund.

Such Deposit Securities are applicable, subject to any adjustments as described below, in order to effect creations of Creation Unit Aggregations of a given Fund until such time as the next-announced composition of the Deposit Securities is made available.





## Table of Contents

The identity and number of shares of the Deposit Securities required for a Fund Deposit for each Fund changes as rebalancing adjustments and corporate action events are reflected from time to time by the Trust with a view to the investment objective of the relevant Fund. In addition, the Trust reserves the right to permit or require the substitution of an amount of cash (i.e., a cash in lieu amount) to be added to the Cash Component to replace any Deposit Security that may not be available in sufficient quantity for delivery or that may not be eligible for transfer. The Trust also reserves the right to permit or require a cash in lieu amount where the delivery of the Deposit Security by the Authorized Participant would be restricted under the securities laws or where the delivery of the Deposit Security to the Authorized Participant would result in the disposition of the Deposit Security by the Authorized Participant becoming restricted under the securities laws, or in certain other situations.

*Procedures for Creation of Creation Unit Aggregations.* To be eligible to place orders with the Distributor and to create a Creation Unit Aggregation of a Fund, an entity must be: (i) a Participating Party, i.e., a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the NSCC (the Clearing Process), a clearing agency that is registered with the SEC; or (ii) a DTC Participant, and, in each case, must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Unit Aggregations (Participant Agreement). A Participating Party and DTC Participant that has executed a Participant Agreement is referred to as an Authorized Participant. Investors should contact the Distributor for the names of Authorized Participants that have signed a Participant Agreement. All shares of a Fund, however created, will be entered on the records of DTC in the name of Cede & Co. for the account of a DTC Participant.

All orders to create shares must be placed for one or more Creation Unit Aggregations. Except as described herein, all orders to create Creation Unit Aggregations must be received by the Distributor no later than the closing time of the regular trading session on the applicable Listing Exchange (Closing Time) (ordinarily 4:00 p.m., Eastern time) in each case on the date such order is placed in order for creation of Creation Unit Aggregations to be effected based on the NAV of shares of the applicable Fund as next determined on such date after receipt of the order in proper form. Orders must be transmitted by an Authorized Participant by telephone or other transmission method acceptable to the Distributor pursuant to procedures set forth in the Participant Agreement, as described below. Economic or market disruptions or changes, or telephone or other communication failure, may impede the ability to reach the Distributor or an Authorized Participant.

All orders to create Creation Unit Aggregations shall be placed with an Authorized Participant, as applicable, in the form required by such Authorized Participant. In addition, the Authorized Participant may request the investor to make certain representations or enter into agreements with respect to the order, e.g., to provide for payments of cash, when required. Investors should be aware that their particular broker may not have executed a Participant Agreement and, therefore, orders to create Creation Unit Aggregations of a Fund have to be placed by the investor's broker through an Authorized Participant that has executed a Participant Agreement. In such cases, there may be additional charges to such investor. At any given time, there may be only a limited number of broker-dealers that have executed a Participant Agreement and only a small number of such Authorized Participants may have international capabilities.

Those placing orders for Creation Unit Aggregations should afford sufficient time to permit proper submission of the order to the Distributor prior to the Closing Time on the Transmittal Date. Orders for Creation Unit Aggregations of Funds that are effected outside the Clearing Process are likely to require transmittal by the DTC Participant earlier on the Transmittal Date than orders effected using the Clearing Process. Those persons placing orders outside the Clearing Process should ascertain the deadlines applicable to DTC and the Federal Reserve Bank wire system by contacting the operations department of the broker or depository institution effectuating such transfer of Deposit Securities and Cash Component.

*Placement of Creation Orders Using the Clearing Process.* The Clearing Process is the process of creating or redeeming Creation Unit Aggregations through the NSCC. Fund Deposits made through the Clearing Process must be delivered through a Participating Party that has executed a Participant Agreement. The Participant Agreement authorizes the Distributor to transmit through BNYM to NSCC, on behalf of the Authorized Participant, such trade instructions as are necessary to effect the Authorized Participant's creation order. Pursuant to such trade instructions to NSCC, the Authorized Participant agrees to deliver the requisite Deposit Securities and the Cash Component to the Trust, together with such additional information as may be required by the Distributor. An order to create Creation Unit Aggregations through the Clearing Process is deemed received by the Distributor on the Transmittal Date if: (i) such order is received by the Distributor not later than the Closing Time on such Transmittal Date; and (ii) all other procedures set forth in the Participant Agreement are properly followed.

*Placement of Creation Orders Outside the Clearing Process.* Certain securities, such as some types of fixed income securities, may not clear and settle through the NSCC. Therefore, Creation Unit Aggregations of such securities may not use the Clearing Process. Fund Deposits made outside the Clearing Process must be delivered through a DTC Participant that has executed a Participant Agreement. The Fund Deposit transfer must be ordered by the Authorized Participant on the Transmittal Date in a timely fashion so as to ensure the delivery of the requisite number of Deposit Securities through DTC to the account of the Fund by no later than 2:00 p.m., Eastern time, on the Settlement Date. The Settlement Date is typically the third Business Day following the Transmittal Date. Each Fund reserves the right to settle transactions on a basis other than T+3 (T plus three Business Days (i.e., days on which the NYSE is open) (T+3)). In certain cases Authorized Participants will create and redeem Creation Unit Aggregations of the same Fund on the same trade date. In these instances, the Trust reserves the right to settle these transactions on a net

## Edgar Filing: WisdomTree Trust - Form 485APOS

basis.

All questions as to the number of Deposit Securities to be delivered, and the validity, form and eligibility (including time of receipt) for the deposit of any tendered securities, will be determined by the Trust, whose determination shall be final and binding. The

**Table of Contents**

amount of cash equal to the Cash Component must be transferred directly to the Transfer Agent through the Federal Reserve Bank wire transfer system in a timely manner so as to be received by the Transfer Agent no later than 2:00 p.m., Eastern time, on the Settlement Date. An order to create Creation Unit Aggregations outside the Clearing Process is deemed received by the Distributor on the Transmittal Date if: (i) such order is received by the Distributor not later than the Closing Time on such Transmittal Date; and (ii) all other procedures set forth in the Participant Agreement are properly followed. However, if the Transfer Agent does not receive both the required Deposit Securities and the Cash Component by 2:00 p.m. on the Settlement Date, such order may be canceled. Upon written notice to the Distributor, such canceled order may be resubmitted the following Business Day using a Fund Deposit as newly constituted to reflect the then current NAV of the Fund. The delivery of Creation Unit Aggregations so created generally will occur no later than the Settlement Date.

An additional charge of up to three (3) times the normal transaction fee (for a total charge of up to four (4) times the normal transaction fee) may be imposed with respect to transactions effected outside the Clearing Process (through a DTC participant) and in the limited circumstances in which any cash can be used in lieu of Deposit Securities to create Creation Units.

Creation Unit Aggregations may be created in advance of receipt by the Trust of all or a portion of the applicable Deposit Securities as described below. In these circumstances, the initial deposit will have a value greater than the NAV of the shares on the date the order is placed in proper form since, in addition to available Deposit Securities, cash must be deposited in an amount equal to the sum of (i) the Cash Component, plus (ii) at least 105%, which the Trust may change from time to time, of the market value of the undelivered Deposit Securities (the Additional Cash Deposit ) with the Fund pending delivery of any missing Deposit Securities.

If an Authorized Participant determines to post an additional cash deposit as collateral for any undelivered Deposit Securities, such Authorized Participant must deposit with the Transfer Agent the appropriate amount of federal funds by 2:00 p.m., Eastern time, on the date of requested settlement. If the Authorized Participant does not place its purchase order by the closing time or the Transfer Agent does not receive federal funds in the appropriate amount by such time, then the order may be deemed to be rejected and the Authorized Participant shall be liable to the Fund for losses, if any, resulting therefrom. An additional amount of cash shall be required to be deposited with the Transfer Agent-, pending delivery of the missing Deposit Securities to the extent necessary to maintain the Additional Cash Deposit with the Trust in an amount at least equal to 105%, which the Trust may change from time to time, of the daily marked to market value of the missing Deposit Securities. To the extent that missing Deposit Securities are not received by 2:00 p.m., Eastern time, on the Settlement Date or in the event a marked-to-market payment is not made within one Business Day following notification by the Distributor that such a payment is required, the Trust may use the cash on deposit to purchase the missing Deposit Securities. Authorized Participants will be liable to the Trust for the costs incurred by the Trust in connection with any such purchases. These costs will be deemed to include the amount by which the actual purchase price of the Deposit Securities exceeds the market value of such Deposit Securities on the transmittal date plus the brokerage and related transaction costs associated with such purchases. The Trust will return any unused portion of the Additional Cash Deposit once all of the missing Deposit Securities have been properly received by the Transfer Agent or purchased by the Trust and deposited into the Trust. In addition, a transaction fee, as listed below, will be charged in all cases. The delivery of Creation Unit Aggregations so created generally will occur no later than the Settlement Date.

*Acceptance of Orders for Creation Unit Aggregations.* The Trust reserves the absolute right to reject or revoke acceptance of a creation order transmitted to it by the Distributor in respect of any Fund if: (i) the order is not in proper form; (ii) the investor(s), upon obtaining the shares ordered, would own 80% or more of the currently outstanding shares of any Fund; (iii) the Deposit Securities delivered are not as disseminated through the facilities of the NSCC for that date by the Fund as described above; (iv) acceptance of the Deposit Securities would have certain adverse tax consequences to the Fund; (v) acceptance of the Fund Deposit would, in the opinion of counsel, be unlawful; (vi) acceptance of the Fund Deposit would otherwise, in the discretion of the Trust or WisdomTree Asset Management, have an adverse effect on the Trust or the rights of beneficial owners; or (vii) in the event that circumstances outside the control of the Trust, the Transfer Agent, the Distributor or WisdomTree Asset Management make it for all practical purposes impossible to process creation orders. Examples of such circumstances include acts of God; public service or utility problems such as fires, floods, extreme weather conditions and power outages resulting in telephone, telecopy and computer failures; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting the Trust, WisdomTree Asset Management, the Distributor, DTC, NSCC, the Transfer Agent or a sub-custodian or any other participant

**Table of Contents**

in the creation process, and similar extraordinary events. The Distributor shall notify a prospective creator of a Creation Unit and/or the Authorized Participant acting on behalf of the creator of a Creation Unit Aggregation of its rejection of the order of such person. The Trust, the Transfer Agent, a sub-custodian and the Distributor are under no duty, however, to give notification of any defects or irregularities in the delivery of Fund Deposits nor shall any of them incur any liability for the failure to give any such notification.

All questions as to the number of shares of each security in the Deposit Securities and the validity, form, eligibility and acceptance for deposit of any securities to be delivered shall be determined by the Trust, and the Trust's determination shall be final and binding.

*Creation/Redemption Transaction Fee.* Each Fund imposes a Transaction Fee on investors purchasing or redeeming Creation Units. For this reason, investors purchasing or redeeming through the DTC Process generally will pay a higher Transaction Fee than will investors doing so through the NSCC Process. The Transaction Fee will be limited to amounts that have been determined by WisdomTree Asset Management to be appropriate. The purpose of the Transaction Fee is to protect the existing shareholders of the Funds from the dilutive costs associated with the purchase and redemption of Creation Units. Where a Fund permits an in-kind purchaser to deposit cash in lieu of depositing one or more Deposit Securities, the purchaser may be assessed a higher Transaction Fee to offset the transaction cost to the Fund of buying those particular Deposit Securities. Transaction Fees will differ for each Fund, depending on the transaction expenses related to each Fund's portfolio securities. Every purchaser of a Creation Unit will receive a Prospectus that contains complete disclosure about the Transaction Fee, including the maximum amount of the Transaction Fee charged by each Fund. Investors who use the services of a broker or other such intermediary may be charged a fee for such services.

The following table sets forth the standard and maximum creation transaction fee for each of the Funds.

Name of Fund	Standard Creation/Redemption Transaction Fee	Maximum Creation/Redemption Transaction Fee
WisdomTree Real Return Fund		
WisdomTree Managed Futures Fund		
WisdomTree Long-Short Equity Fund		

*Placement of Redemption Orders Using the Clearing Process.* Orders to redeem Creation Unit Aggregations through the Clearing Process must be delivered through an Authorized Participant Agreement. Except as described herein, an order to redeem Creation Unit Aggregations using the Clearing Process is deemed received by the Trust on the Transmittal Date if (i) such order is received by [ ] (in its capacity as Transfer Agent) not later than the Closing Time on such Transmittal Date, and (ii) all other procedures set forth in the Participant Agreement are properly followed. Such order will be effected based on the NAV of the Fund as next determined. The requisite Fund Securities and the Cash Redemption Amount generally will be transferred by the third NSCC Business Day following the date on which such request for redemption is deemed received.

*Placement of Redemption Orders for Outside the Clearing Process.* Orders to redeem Creation Unit Aggregations of Domestic Funds outside the Clearing Process must be delivered through an Authorized Participant. An order to redeem Creation Unit Aggregations outside the Clearing Process is deemed received by the Trust on the Transmittal Date if: (i) such order is received by [ ] (in its capacity as Transfer Agent) not later than the Closing Time on such Transmittal Date; (ii) such order is accompanied or followed by the requisite number of shares of the Fund specified in such order, which delivery must be made through DTC to [ ]- no later than 11:00 a.m., Eastern time, on the contracted settlement date; and (iii) all other procedures set forth in the Participant Agreement are properly followed. After the Trust has deemed an order for redemption outside the Clearing Process received, the Trust will initiate procedures to transfer the requisite Fund Securities which are expected to be delivered within three Business Days and the Cash Redemption Amount to the Authorized Participant on behalf of the redeeming Beneficial Owner by the Settlement Date. In certain cases Authorized Participants will redeem and create Creation Unit Aggregations of the same Fund on the same trade date. In these instances, the Trust reserves the right to settle these transactions on a net basis.

**Table of Contents**

To the extent contemplated by an Authorized Participant's agreement, in the event the Authorized Participant has submitted a redemption request in proper form but is unable to transfer all or part of the Creation Unit Aggregation to be redeemed to the Funds' Transfer Agent, the Transfer Agent will nonetheless accept the redemption request in reliance on the undertaking by the Authorized Participant to deliver the missing shares as soon as possible. Such undertaking shall be secured by the Authorized Participant's delivery and maintenance of collateral consisting of cash having a value (marked to market daily) at least equal to 105%, which WisdomTree Asset Management may change from time to time, of the value of the missing shares.

The current procedures for collateralization of missing shares require, among other things, that any cash collateral shall be in the form of U.S. dollars in immediately available funds and shall be held by ----- and marked to market daily, and that the fees of ----- and any sub-custodians in respect of the delivery, maintenance and redelivery of the cash collateral shall be payable by the Authorized Participant. The Authorized Participant's agreement will permit the Trust, on behalf of the affected Fund, to purchase the missing shares or acquire the Deposit Securities and the Cash Component underlying such shares at any time and will subject the Authorized Participant to liability for any shortfall between the cost to the Trust of purchasing such shares, Deposit Securities or Cash Component and the value of the collateral.

If it is not possible to effect deliveries of the Fund Securities, the Trust may in its discretion exercise its option to redeem such shares in cash, and the redeeming Beneficial Owner will be required to receive its redemption proceeds in cash. In addition, an investor may request a redemption in cash that the Fund may, in its sole discretion, permit. In either case, the investor will receive a cash payment equal to the NAV of its shares based on the NAV of shares of the relevant Fund next determined after the redemption request is received in proper form (minus a redemption transaction fee and additional charge for requested cash redemptions specified above, to offset the Trust's brokerage and other transaction costs associated with the disposition of Fund Securities). A Fund may also, in its sole discretion, upon request of a shareholder, provide such redeemer a portfolio of securities that differs from the exact composition of the Fund Securities but does not differ in NAV.

Redemptions of shares for Fund Securities will be subject to compliance with applicable federal and state securities laws and each Fund (whether or not it otherwise permits cash redemptions) reserves the right to redeem Creation Unit Aggregations for cash to the extent that the Trust could not lawfully deliver specific Fund Securities upon redemptions or could not do so without first registering the Fund Securities under such laws. An Authorized Participant or an investor for which it is acting subject to a legal restriction with respect to a particular stock included in the Fund Securities applicable to the redemption of a Creation Unit Aggregation may be paid an equivalent amount of cash. The Authorized Participant may request the redeeming Beneficial Owner of the shares to complete an order form or to enter into agreements with respect to such matters as compensating cash payment.

**Table of Contents****REGULAR HOLIDAYS**

Each Fund generally intends to effect deliveries of Creation Unit Aggregations and Portfolio Securities on a basis of T+3. Each Fund may effect deliveries of Creation Unit Aggregations and Portfolio Securities on a basis other than T plus three in order to accommodate local holiday schedules, to account for different treatment among foreign and U.S. markets of dividend record dates and ex-dividend dates, or under certain other circumstances. The ability of the Trust to effect in-kind creations and redemptions within three Business Days of receipt of an order in good form is subject, among other things, to the condition that, within the time period from the date of the order to the date of delivery of the securities, there are no days that are holidays in the applicable foreign market. For every occurrence of one or more intervening holidays in the applicable foreign market that are not holidays observed in the U.S. equity market, the redemption settlement cycle will be extended by the number of such intervening holidays. In addition to holidays, other unforeseeable closings in a foreign market due to emergencies may also prevent the Trust from delivering securities within the normal settlement period.

The securities delivery cycles currently practicable for transferring Portfolio Securities to redeeming investors, coupled with foreign market holiday schedules, will require a delivery process longer than seven calendar days for some Funds, in certain circumstances. The holidays applicable to each Fund during such periods are listed below, as are instances where more than seven days will be needed to deliver redemption proceeds. Although certain holidays may occur on different dates in subsequent years, the number of days required to deliver redemption proceeds in any given year is not expected to exceed the maximum number of days listed below for each Fund. The proclamation of new holidays, the treatment by market participants of certain days as informal holidays (e.g., days on which no or limited securities transactions occur, as a result of substantially shortened trading hours), the elimination of existing holidays, or changes in local securities delivery practices could affect the information set forth herein at some time in the future.

Listed below are the dates in calendar year 2009 in which the regular holidays in non-U.S. markets may impact Fund Settlement. This list may not be complete and is subject to change:

**Argentina**

Jan 1	Jun 15	Dec 8, 24, 25, 31
March 24	July 9	
April 2, 9, 10	Aug 17	
May 1, 25	Nov 6	

**Australia**

Jan 1, 26	Aug 3	
Mar 9	Sep 28	
Apr 9, 10, 13, 27	Nov 3	
Jun 8	Dec 24, 25, 28, 31	

**Austria**

Jan 1, 6	Oct 26	
April 10, 13	Dec 8, 24, 25, 31	
May 1, 21		
June 1, 11		

**Bahrain**

Jan 1, 5, 6	Nov 29	
March 8	Dec 16, 17	
Sept 20, 21, 22		

**Belgium**

Jan 1	June 1	
April 10, 13	July 21	
May 1, 21, 22	Nov 11	
Dec 25		

**Brazil**

Jan 1	May 1	
Feb 23, 24, 25	Jun 11	
Apr 10, 21	July 9	

Edgar Filing: WisdomTree Trust - Form 485APOS

Sep 7  
Oct 12  
Nov 20  
Dec 24, 25, 31



**Table of Contents****Canada**

Jan 1	Jul 1	Dec 25, 26, 28
Feb 16	Aug 3	
April 10	Sep 7	
May 18	Oct 12	
	Nov 11	

**Chile**

Jan 1	July 16	Dec 8
Apr 10	Sep 18, 19	Dec 25, 31
May 1, 21	Oct 12	
June 29		

**China (Shanghai)**

Jan 1, 2, 19, 26, 27, 28, 29, 30	July 3	Nov 11, 26
Feb 16	Sept 7	Dec 25
Apr 6, 10	Oct 1, 2, 5, 6, 7, 8, 12	
May 1, 25, 28, 29		

**China (Shenzhen)**

Jan 1, 2, 26, 27, 28, 29, 30	July 1	Dec 25
Apr 6, 10, 13	Oct 1, 2, 5, 6, 7, 8, 26	
May 1, 28, 29		

**Denmark**

Jan 1	May 8, 21, 22	
Apr 9, 10, 13	Jun 15	
	Dec 25, 24, 31	

**Egypt**

Jan 7	Sept 20, 21, 22	
March 9	Oct 6	
April 19, 20	Nov 26	
July 23	Dec 18, 25	

**Finland**

Jan 1, 6	Dec 24, 25, 31	
April 9, 10, 13		
May 1, 21		
Jun 19		

**France**

Jan 1	June 1	
April 10, 13	July 14	
May 1, 8, 21	Nov 11	
Dec 25		

**Greece**

Jan 1, 6	May 1	Oct 28
Mar 2, 25	Jun 8	Dec 25
Apr 10, 13, 17, 20		

**Germany**

Jan 1	June 1, 11	
April 10, 13	Dec 24, 25, 31	
May 1, 21		

**Hong Kong**

Jan 1, 26, 27, 28	May 1, 28	Oct 1, 26
Apr 10, 13	July 1	Dec 25

**Table of Contents****India**

Jan 8, 26	
Feb 23	
March 10, 11, 27	Sept 21, 28, 30
Apr 1, 3, 7, 10,14	Oct 2, 19
May 1	Nov 2
Aug 19	Dec 25

**Ireland**

Jan 1, 19	July 3
Feb 16	Aug 3, 31
March 17	Sept 7
May 1, 4, 25	Oct 12
Jun 1	Nov 11
	Dec 25, 26, 28

**Israel**

Mar 10		Oct 9, 13, 14, 19, 20, 21
Apr 8, 9, 12, 13, 14, 15, 28, 29	Sept 20, 27, 28	
May 29	Oct 4, 5, 6, 7, 8	
July 30		

**Italy**

Jan 1, 6	
Apr 10, 13	Dec 8, 24, 25, 31
May 1	
June 2	

**Japan**

Jan 1, 2, 12	April 29	Nov 3
Feb 11	May 4, 5, 6	Nov 23
Mar 20	Jul 20	Dec 23, 31
	Sep 21, 22, 23	
	Oct 12	

**Jordan**

Jan 1	Nov 30
March 8	Dec 1, 17
May 25	
Sept 20, 21, 22, 23, 29	

**Kuwait**

Jan 1, 4	July 20
Feb 25, 26	Sept 21, 22, 23
March 9	Nov 29, 30
	Dec 1

**Malaysia**

Jan 1, 26, 27	May 1	Dec 18, 25
Feb 2, 9	Aug 31	
March 9	Sept 21, 22	
	Nov 27	

**Mexico**

Jan 1	May 1	
Feb 2	Sept 16	Dec 25
March 16	Nov 16	
Apr 9,10		

**Morocco**

Jan 1	Aug 14, 20, 21
March 10, 11	Sept 21, 22

Edgar Filing: WisdomTree Trust - Form 485APOS

May 1  
July 30

Nov 6, 18, 28, 29

**New Zealand**  
Jan 1, 2, 19, 26  
Feb 6

Apr 10, 13  
Jun 1  
Oct 26  
Dec 24, 25, 31

**Table of Contents****Netherlands**

Jan 1	June 1
April 10, 13, 30	
May 1, 21	
Dec 25	

**Norway**

Jan 1	June 1
April 8, 9, 10, 13	
May 1, 21	
Dec 24, 25, 31	

**Oman**

Jan 1	Nov 18, 19, 29, 30
March 9	Dec 1, 10
July 20, 23	
Sept 20, 21, 22	

**Portugal**

Jan 1	June 10, 11
Feb 24	Oct 5
April 9, 10, 13	
May 1	
Dec 1, 8, 24, 25, 31	

**Qatar**

Jan 1	
Sept 20, 21, 22	
Dec 1, 2, 3	

**Singapore**

Jan 1, 26, 27	Aug 10
April 10	Sept 21
May 1	Nov 16, 27
	Dec 25

**South Africa**

Jan 1, 2	Jun 15, 16
Apr 10, 13, 27	Aug 10
May 1	Sep 24
	Dec 16, 25

**South Korea**

Jan 1, 2, 26, 27	Oct 2
May 1	Dec 25, 31
May 5	

**Spain**

Jan 1, 6	Oct 12
March 19	Nov 9
Apr 9, 10, 13	Dec 8, 24, 25, 31
May 1, 15	
Jun 11	

**Sweden**

Jan 1, 5, 6	Jun 19
April 9, 10, 13, 30	Oct 30
May 1, 21	Dec 24, 25
	Dec 31

**Switzerland**

Jan 1, 2	June 1, 11
April 10, 13, 20	Sept 14

Edgar Filing: WisdomTree Trust - Form 485APOS

May 1, 21

Dec 8, 24, 25, 31

**Taiwan**

Jan 1, 2, 10, 17, 22, 23, 26, 27, 28, 29, 30

May 1, 28, 29

June 6

30

**Table of Contents**

**Thailand**

Jan 1, 2	Jul 1, 7	Oct 23
Feb 9	Aug 12	Dec 7, 10, 31
Apr 6, 13, 14, 15		

**U.A.E.**

Jan 1	Nov 26	
March 8	Dec 2, 17	
July 19		
Sept 20, 21		

**United Kingdom**

Jan 1, 19	July 3	Nov 11, 26
Feb 16	Aug 31	Dec 25
Apr 10, 13	Sept 7	Dec 28
May 1, 4, 25	Oct 12	

\*Dubai Financial Market only. Regular working day in Abu Dubai.

**TAXES**

The following discussion of certain U.S. federal income tax consequences of investing in the Funds is based on the Code, U.S. Treasury regulations, and other applicable authority, all as in effect as of the date of the filing of this SAI. These authorities are subject to change by legislative or administrative action, possibly with retroactive effect. The following discussion is only a summary of some of the important U.S. federal income tax considerations generally applicable to investments in the Funds. There may be other tax considerations applicable to particular shareholders. Shareholders should consult their own tax advisors regarding their particular situation and the possible application of foreign, state, and local tax laws.

*Qualification as a Regulated Investment Company.* Each Fund intends to elect to be treated and qualify each year as a RIC under Subchapter M of the Code. In order to qualify for the special tax treatment accorded RICs and their shareholders, each Fund must, among other things:

- (a) derive at least 90% of its gross income each year from (i) dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock or securities or foreign currencies, or other income (including but not limited to gains from options, futures or forward contracts) derived with respect to its business of investing in such stock, securities or currencies, and (ii) net income derived from interests in qualified publicly traded partnerships (as defined below) (the 90% Test );
- (b) diversify its holdings so that, at the end of each quarter of its taxable year, (i) at least 50% of the market value of a Fund's total assets consists of cash and cash items, U.S. government securities, securities of other RICs and other securities, with investments in such other securities limited with respect to any one issuer to an amount not greater than 5% of the value of a Fund's total assets and not greater than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of a Fund's total assets is invested in (x) the securities (other than those of the U.S. government or other RICs) of any one issuer or two or more issuers that are controlled by a Fund and that are engaged in the same, similar or related trades or businesses or (y) the securities of one or more qualified publicly traded partnerships; and
- (c) distribute with respect to each taxable year at least 90% of its investment company taxable income (as that term is defined in the Code without regard to the deduction for dividends paid generally taxable ordinary income and the excess, if any, of net short-term capital gains over net long-term capital losses) and net tax-exempt interest income.

In general, for purposes of the 90% of gross income requirement described in (a) above, income derived from a partnership will be treated as qualifying income only to the extent such income is attributable to items of income of the partnership that would be qualifying income if realized directly by a Fund. However, 100% of the net income derived from an interest in a qualified publicly traded partnership (generally, a partnership (x) interests in which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof, (y) that derives at least 90% of its income from the passive income sources specified in Code section 7704(d), and (z) that derives less than 90% of its income from the qualifying income described in (a)(i) of the prior paragraph) will be treated as qualifying income. In addition,

## Edgar Filing: WisdomTree Trust - Form 485APOS

although in general the passive loss rules of the Code do not apply to RICs, such rules do apply to a RIC with respect to items attributable to an interest in a qualified publicly traded partnership.

The WisdomTree Managed Futures Fund and the WisdomTree Real Return Fund expect to obtain exposure to the commodities markets by entering into commodity-linked derivative instruments, including options, futures contracts, options on futures contracts and commodity-linked structured notes. In order for these Funds to qualify as RICs under Subchapter M of the Code, the Fund must satisfy the 90% Test described above. The status of certain commodity-linked derivative instruments as qualifying income has been addressed in Revenue Ruling 2006-1 and Revenue Ruling 2006-31 which provide that income from certain commodity-linked derivative instruments in which the Fund invests will not be considered qualifying income after September 30, 2006. The Funds will therefore restrict their income from commodity-linked derivative instruments that do not generate qualifying income, such as commodity-linked swaps, to a maximum of 10 percent of each Fund's gross income.

*Taxation of the Funds.* If a Fund qualifies as a RIC, that Fund will not be subject to federal income tax on income and gains that are distributed in a timely manner to its shareholders in the form of dividends.

**Table of Contents**

If a Fund fails to qualify for any taxable year as a RIC, all of its taxable income (including its net capital gains) will be subject to tax at corporate income tax rates without any deduction for distributions to shareholders, and all distributions from earnings and profits, including any distributions of net long-term capital gains and net tax-exempt income, would be taxable to shareholders as dividend income. In addition, a Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before requalifying as a RIC that is accorded special tax treatment.

Each Fund intends to distribute at least annually to its shareholders substantially all of its investment company taxable income and its net capital gains. Investment company taxable income that is retained by a Fund will be subject to tax at regular corporate rates. If a Fund retains any net capital gain, that gain will be subject to tax at corporate rates, but the Fund may designate the retained amount as undistributed capital gains in a notice to its shareholders who (i) will be required to include in income for federal income tax purposes, as long-term capital gain, their shares of such undistributed amount, and (ii) will be entitled to credit their proportionate shares of the tax paid by the Fund on such undistributed amount against their federal income tax liabilities, if any, and to claim refunds on a properly-filed U.S. tax return to the extent the credit exceeds such liabilities. For federal income tax purposes, the tax basis of shares owned by a shareholder of that Fund will be increased by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder's gross income and the tax deemed paid by the shareholder under clause (ii) of the preceding sentence.

If a Fund fails to distribute in a calendar year an amount at least equal to the sum of 98% of its ordinary income for such year and 98% of its capital gain net income for the one-year period ending October 31 of such year, plus any retained amount from the prior year, the Fund will be subject to a nondeductible 4% excise tax on the undistributed amount. For these purposes, a Fund will be treated as having distributed any amount on which it has been subject to corporate income tax for the taxable year ending within the calendar year. A dividend paid to shareholders in January of a year generally is deemed to have been paid by a Fund on December 31 of the preceding year if the dividend was declared and payable to shareholders of record on a date in October, November, or December of that preceding year. Each Fund intends to declare and pay dividends and distributions in the amounts and at the times necessary to avoid the application of the 4% excise tax, although there can be no assurance that it will be able to do so.

*Fund Distributions.* Distributions are taxable whether shareholders receive them in cash or reinvest them in additional shares. Moreover, distributions on the Funds' shares are generally subject to federal income tax as described herein to the extent they do not exceed the Funds' realized income and gains, even though such dividends and distributions may economically represent a return of a particular shareholder's investment. Such distributions are likely to occur in respect of shares purchased at a time when a Fund's NAV reflects gains that are either unrealized, or realized but not distributed. Such realized gains may be required to be distributed even when a Fund's NAV also reflects unrealized losses.

Distributions by the Funds of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains are determined by how long a Fund owned the investments that generated those gains, rather than how long a shareholder has owned his or her Fund shares. Distributions of net capital gains from the sale of investments that the Funds owned for more than one year and that are properly designated by the Funds as capital gain dividends ( Capital Gain Dividends ) will be taxable as long-term capital gains. Distributions from capital gains are generally made after applying any available capital loss carryovers. Long-term capital gain rates applicable to individuals have been temporarily reduced in general, to 15%, with lower rates applying to taxpayers in the 10% and 15% rate brackets for taxable years beginning before January 1, 2011. Distributions of gains from the sale of investments that the Fund owned for one year or less will be taxable as ordinary income.

In determining its net capital gain for Capital Gain Dividend purposes, a RIC generally must treat any net capital loss or any net long-term capital loss incurred after October 31 as if it had been incurred in the succeeding year.

Treasury Regulations permit a RIC, in determining its taxable income, to elect to treat all or a part of any net capital loss, any net long-term capital loss or any foreign currency loss incurred after October 31 as if it had been incurred in the succeeding year.

For taxable years beginning before January 1, 2011, distributions of investment income designated by a Fund as derived from qualified dividend income will be taxed in the hands of individuals at the rates applicable to long-term capital gain, provided holding period and other requirements are met at both the shareholder and Fund level. In order for some portion of the dividends received by a Fund shareholder to be qualified dividend income, the Fund making the distribution must meet holding period and other requirements with respect to some portion of the dividend-paying stocks in its portfolio and the shareholder must meet holding period and other requirements with respect to the Fund's shares. A dividend will not be treated as qualified dividend income (at either the Fund or shareholder level) (1) if the dividend is received with respect to any share of stock held for fewer than 61 days during the 121-day period beginning on the date that is 60 days before the date on which such share becomes ex-dividend with respect to such dividend (or, in the case of certain preferred stock, 91 days during the 181-day period beginning 90 days before the ex-dividend date), (2) to the extent that the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (3) if the recipient elects to have the dividend income treated as investment income for purposes of the limitation on deductibility of investment interest, or (4) if the dividend is received from



## Edgar Filing: WisdomTree Trust - Form 485APOS

a foreign corporation that is (a) not eligible for the benefits of a comprehensive income tax treaty with the United States (with the

## **Table of Contents**

exception of dividends paid on stock of such a foreign corporation that is readily tradable on an established securities market in the United States) or (b) treated as a passive foreign investment company. In general, distributions of investment income designated by a Fund as derived from qualified dividend income will be treated as qualified dividend income by a shareholder taxed as an individual, provided the shareholder meets the holding period and other requirements described above with respect to a Fund's shares. If the aggregate qualified dividends received by a Fund during any taxable year are 95% or more of its gross income (excluding net long-term capital gain over net short-term capital loss), then 100% of a Fund's dividends (other than dividends properly designated as Capital Gain Dividends) will be eligible to be treated as qualified dividend income.

Dividends of net investment income received by corporate shareholders of a Fund will qualify for the 70% dividends received deduction generally available to corporations to the extent of qualifying dividends received by the Funds from domestic corporations for the taxable year. A dividend received by a Fund will not be treated as a qualifying dividend (1) if the stock on which the dividend is paid is considered to be debt-financed (generally, acquired with borrowed funds), (2) if it has been received with respect to any share of stock that the Fund has held for less than 46 days during the 91-day period beginning on the date that is 45 days before the date on which the share becomes ex-dividend with respect to such dividend (91 days during the 181-day period beginning 90 days before the ex-dividend date in the case of certain preferred stock) or (3) to the extent that the Fund is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Moreover, the dividends received deduction may be disallowed or reduced (1) if the corporate shareholder fails to satisfy the foregoing requirements with respect to its shares of a Fund or (2) by application of the Code.

To the extent that a Fund makes a distribution of income received by the Fund in lieu of dividends (a substitute payment) with respect to securities on loan pursuant to a securities lending transaction, such income will not constitute qualified dividend income to individual shareholders and will not be eligible for the dividends received deduction for corporate shareholders.

If a Fund makes distributions to a shareholder in excess of the Fund's current and accumulated earnings and profits in any taxable year, the excess distribution will be treated as a return of capital to the extent of the shareholder's tax basis in its shares, and thereafter as capital gain. A return of capital is not taxable, but reduces a shareholder's tax basis in its shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its shares.

*Sale or Exchange of Shares.* A sale or exchange of shares in the Funds may give rise to a gain or loss. In general, any gain or loss realized upon a taxable disposition of shares will be treated as long-term capital gain or loss if the shares have been held for more than 12 months. Otherwise, the gain or loss on the taxable disposition of shares will be treated as short-term capital gain or loss. However, any loss realized upon a taxable disposition of shares held for six months or less will be treated as long-term, rather than short-term, to the extent of any long-term capital gain distributions received (or deemed received) by the shareholder with respect to the shares. All or a portion of any loss realized upon a taxable disposition of shares will be disallowed if other substantially identical shares of a Fund are purchased within 30 days before or after the disposition. In such a case, the basis of the newly purchased shares will be adjusted to reflect the disallowed loss.

*Backup Withholding.* Each Fund (or financial intermediaries, such as brokers, through which a shareholder owns Fund shares) generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and sale or redemption proceeds paid to any shareholder who fails (1) fails to provide a correct taxpayer identification number (usually the shareholder's social security number); (2) is subject to back-up withholding by the Internal Revenue Service (IRS); (3) has failed to provide the Fund with the certifications required by the IRS to document that the shareholder is not subject to back-up withholding; or (4) has failed to certify that he or she is a U.S. person (including a U.S. resident alien). The backup withholding tax rate is 28% for amounts paid through 2010. This rate will expire and the backup withholding rate will be 31% for amounts paid after December 31, 2010, unless Congress enacts legislation providing otherwise.

*Federal Tax Treatment of Certain Fund Investments.* Transactions of the Funds in options, futures contracts, hedging transactions, forward contracts, swap agreements, participation certificates, straddles and foreign currencies may be subject to various special and complex tax rules, including mark-to-market, constructive sale, straddle, wash sale and short sale rules. These rules could affect whether gains and losses recognized by a Fund are treated as ordinary income or capital gain, accelerate the recognition of income to a Fund, or defer a Fund's ability to recognize losses. These rules may in turn affect the amount, timing or character of the income distributed to shareholders by a Fund.

*Foreign Investments.* Income received by a Fund from sources within foreign countries (including, for example, dividends or interest on stock or securities of non-U.S. issuers) may be subject to withholding and other taxes imposed by such countries. Tax treaties between such countries and the U.S. may reduce or eliminate such taxes. If as of the end of a Fund's taxable year more than 50% of a Fund's assets consist of the securities of foreign corporations, that Fund may elect to permit shareholders to claim a credit or deduction on their income tax returns for their pro rata portions of qualified taxes paid by that Fund during that taxable year to foreign countries in respect of foreign securities the Fund has held for at least the minimum period specified in the Code. In such a case, shareholders will include in gross income from foreign sources their pro rata shares of such taxes. A shareholder's ability to claim a foreign tax credit or deduction in respect of foreign taxes paid by a Fund may be subject to certain limitations imposed by the Code, which may result in the shareholder not getting a full credit or deduction for the amount of such taxes.

## Edgar Filing: WisdomTree Trust - Form 485APOS

Shareholders who do not itemize on their federal income tax returns may claim a credit, but not a deduction, for such foreign taxes. It is not anticipated that any of the Funds will meet the required level of foreign securities to enable any of the Funds to make this election.

**Table of Contents**

*Investment in PFICs.* Equity investments by a Fund in certain passive foreign investment companies ( PFICs ) could potentially subject the Fund to a U.S. federal income tax (including interest charges) on distributions received from the PFICs or on proceeds received from dispositions of shares in the PFICs. This tax cannot be eliminated by making distributions to Fund shareholders. However, a Fund may elect to avoid the imposition of that tax. For example, a Fund may make an election to mark the gains (and to a limited extent losses) of a PFIC to the market as though it had sold and repurchased its holdings in the PFIC on the last day of the Fund's taxable year. A Fund may also, in certain circumstances, elect to treat a PFIC as a qualified electing fund (i.e., make a QEF election ), in which case the Fund will be required to include as income its share of the company's income and net capital gains annually, regardless of whether it receives any distribution from the company. Such gains and losses are treated as ordinary income and loss. The mark-to-market and QEF elections may accelerate the recognition of income (without the receipt of cash) and increase the amount required to be distributed by a Fund to avoid taxation. Making either of these elections therefore may require a Fund to liquidate other investments (including when it is not advantageous to do so) to meet its distribution requirement, which also may accelerate the recognition of gain and affect a Fund's total return. Dividends paid by PFICs will not be eligible to be treated as qualified dividend income.

*Non-U.S. Shareholders.* In general, dividends other than Capital Gain Dividends paid by a Fund to a shareholder that is not a U.S. person within the meaning of the Code (a foreign person ) are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate) even if they are funded by income or gains (such as portfolio interest, short-term capital gains, or foreign-source dividend and interest income) that, if paid to a foreign person directly, would not be subject to withholding.

---

**Table of Contents**

Effective for taxable years beginning before January 1, 2010, and assuming certain certification requirements were complied with, a RIC generally was not required to withhold any amounts (i) with respect to distributions attributable to U.S.-source interest income that would be treated as portfolio interest and accordingly would not be subject to U.S. federal income tax if earned directly by an individual foreign person, and (ii) with respect to distributions of net short-term capital gains in excess of net long-term capital losses, in each case to the extent such distributions were properly designated by the RIC. Depending on the circumstances, the Funds may make such designations with respect to all, some or none of their potentially eligible dividends or treat such dividends, in whole or in part, as ineligible for this exemption from withholding. Moreover, in the case of shares held through an intermediary, the intermediary may withhold even if a Fund makes a designation with respect to a payment.

A beneficial holder of shares who is a foreign person is not, in general, subject to U.S. federal income tax on gains (and is not allowed a U.S. income tax deduction for losses) realized on a sale of shares of a Fund or on Capital Gain Dividends unless (i) such gain or dividend is effectively connected with the conduct of a trade or business carried on by such holder within the United States or (ii) in the case of an individual holder, the holder is present in the United States for a period or periods aggregating 183 days or more during the year of the sale or the receipt of the Capital Gain Dividend and certain other conditions are met.

In order for a foreign investor to qualify for an exemption from backup withholding, the foreign investor must comply with special certification and filing requirements. Foreign investors in the Funds should consult their tax advisors in this regard. Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability, provided the appropriate information is furnished to the Internal Revenue Service.

A beneficial holder of shares who is a foreign person may be subject to state and local tax and to the U.S. federal estate tax in addition to the federal income tax consequences referred to above. If a shareholder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax on a net basis only if it is also attributable to a permanent establishment maintained by the shareholder in the United States.

*Creation and Redemption of Creation Units.* An Authorized Participant who exchanges securities for Creation Units generally will recognize a gain or a loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time and the sum of the exchanger's aggregate basis in the securities surrendered plus the amount of cash paid for such Creation Units. A person who redeems Creation Units will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the sum of the aggregate market value of any securities received plus the amount of any cash received for such Creation Units. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing wash sales, or on the basis that there has been no significant change in economic position. Any capital gain or loss realized upon the creation of Creation Units will generally be treated as long-term capital gain or loss if the securities exchanged for such Creation Units have been held for more than one year.

Any capital gain or loss realized upon the redemption of Creation Units will generally be treated as long-term capital gain or loss if the shares comprising the Creation Units have been held for more than one year. Otherwise, such capital gains or losses will be treated as short-term capital gains or losses.

In some circumstances, a redemption of Creation Units may be treated as resulting in a distribution to which section 301 of the Code applies, potentially causing amounts received by the shareholder in the redemption to be treated as dividend income rather than as a payment in exchange for Creation Units. The rules for determining when a redemption will be treated as giving rise to a distribution under section 301 of the Code and the tax consequences of Code section 301 distributions are complex and depend on the facts and circumstances applicable to an Authorized Participant. Accordingly, persons purchasing or redeeming Creation Units should consult their own tax advisors with respect to the tax treatment of any creation or redemption transaction.

*Section 351.* The Trust on behalf of each Fund has the right to reject an order for a purchase of shares of the Trust if the purchaser (or group of purchasers) would, upon obtaining the shares so ordered, own 80% or more of the outstanding shares of a given Fund and if, pursuant to Section 351 of the Code, that Fund would have a basis in the securities different from the market value of such securities on the date of deposit. The Trust also has the right to require information necessary to determine beneficial share ownership for purposes of the 80% determination.

## Table of Contents

*Tax Shelter Reporting Regulations.* Under U.S. Treasury regulations, if a shareholder recognizes a loss of \$2 million or more for an individual shareholder or \$10 million or more for a corporate shareholder, the shareholder must file with the Internal Revenue Service a disclosure statement on Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

### *Taxation of the Investment by the Managed Futures Fund in the Subsidiary*

The WisdomTree Managed Futures Fund intends to invest up to 25% of its assets in the Subsidiary. The Subsidiary is expected to provide the Fund with exposure to the commodities markets within the limitations of the federal tax requirement under Subchapter M of the Code. The Subsidiary will be classified as a corporation for U.S. federal income tax purposes. A foreign corporation, such as the Subsidiary, will generally not be subject to U.S. federal income taxation unless it is deemed to be engaged in a U.S. trade or business. It is expected that the Subsidiary will conduct its activities in a manner so as to meet the requirements of a safe harbor under Section 864(b)(2) of the Internal Revenue Code (the "Safe Harbor") pursuant to which the Subsidiary, provided it is not a dealer in stocks, securities or commodities, may engage in the following activities without being deemed to be engaged in a U.S. trade or business: (1) trading in stocks or securities (including contracts or options to buy or sell securities) for its own account; and (2) trading, for its own account, in commodities that are of a kind customarily dealt in on an organized commodity exchange if the transaction is of a kind customarily consummated at such place. Thus, the Subsidiary's securities and commodities trading activities should not constitute a U.S. trade or business. However, if certain of the Subsidiary's activities were determined not to be of the type described in the Safe Harbor or if the Subsidiary's gains are attributable to investments in securities that constitute U.S. real property interests (which is not expected), then the activities of the Subsidiary may constitute a U.S. trade or business, or be taxed as such.

In general, a foreign corporation that does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30 percent (or lower tax treaty rate), generally payable through withholding, on the gross amount of certain U.S.-source income that is not effectively connected with a U.S. trade or business. There is presently no tax treaty in force between the U.S. and the Cayman Islands that would reduce this rate of withholding tax. Income subject to such a flat tax includes dividends and certain interest income. The 30 percent tax does not apply to U.S.-source capital gains (whether long-term or short-term) or to interest paid to a foreign corporation on its deposits with U.S. banks. The 30 percent tax also does not apply to interest which qualifies as portfolio interest. The term portfolio interest generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person, who would otherwise be required to deduct and withhold the 30 percent tax, received the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the Internal Revenue Code. Under certain circumstances, interest on bearer obligations may also be considered portfolio interest.

The Subsidiary will be wholly-owned by the Managed Futures Fund. A U.S. person, such as a RIC, which owns (directly, indirectly or constructively) 10 percent or more of the total combined voting power of all classes of stock of a foreign corporation is a U.S. Shareholder for purposes of the controlled foreign corporation ("CFC") provisions of the Internal Revenue Code. A foreign corporation is a CFC if, on any day of its taxable year, more than 50 percent of the voting power or value of its stock is owned (directly, indirectly or constructively) by U.S. Shareholders. Because the Fund is a U.S. person that will own all of the stock of its subsidiary, the Fund will be a U.S. Shareholder and the Subsidiary will be a CFC. As a U.S. Shareholder, the Fund will be required to include in its gross income for United States federal income tax purposes all of the Subsidiary's subpart F income (defined, in part, below), whether or not such income is distributed by the Subsidiary. It is expected that all of the Subsidiary's income will be subpart F income. Subpart F income generally includes interest, original issue discount, dividends, net gains from the disposition of stocks or securities, receipts with respect to securities loans and net payments received with respect to equity swaps and similar derivatives. Subpart F income also includes the excess of gains over losses from transactions (including futures, forward and similar transactions) in any commodities. The Fund's recognition of the Subsidiary's subpart F income will increase the Fund's tax basis in the Subsidiary. Distributions by the Subsidiary to the Fund will be tax-free, to the extent of its previously undistributed subpart F income, and will correspondingly reduce the Fund's tax basis in the Subsidiary. Subpart F income is generally treated as ordinary income, regardless of the character of the Subsidiary's underlying income. If a net loss is realized by a Subsidiary, such loss is not generally available to offset the income earned by the respective Fund.

In general, each U.S. Shareholder is required to file IRS Form 5471 with its U.S. federal income tax (or information) returns providing information about its ownership of the CFC and the CFC. In addition, a U.S. Shareholder may in certain circumstances be required to report a disposition of shares in the Subsidiary by attaching IRS Form 5471 to its U.S. federal income tax (or information) return that it would normally file for the taxable year in which the disposition occurs. In general, these filing requirements will apply to investors of the Fund if the investor is a U.S. person who owns directly, indirectly or constructively (within the meaning of Sections 958(a) and (b) of the Internal Revenue Code) 10 percent or more of the total combined voting power of all classes of voting stock of a foreign corporation that is a CFC for an uninterrupted period of 30 days or more during any tax year of the foreign corporation, and who owned that stock on the last day of that year.

## Edgar Filing: WisdomTree Trust - Form 485APOS

*General Considerations.* The federal income tax discussion set forth above is for general information only. Prospective investors should consult their tax advisors regarding the specific federal income tax consequences of purchasing, holding and disposing of shares of the Funds, as well as the effect of state, local and foreign tax law and any proposed tax law changes.

---

## **Table of Contents**

*General Considerations.* The federal income tax discussion set forth above is for general information only. Prospective investors should consult their tax advisors regarding the specific federal income tax consequences of purchasing, holding and disposing of shares of the Funds, as well as the effect of state, local and foreign tax law and any proposed tax law changes.

### **DETERMINATION OF 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 NYSE, generally 4:00 p.m. New York time (the NAV Calculation Time). NAV per share is calculated by dividing a Fund's net assets by the number of Fund shares outstanding.

Stocks held by a Fund are valued at their market value when reliable market quotations are readily available. Certain short-term debt instruments which may be used to manage a Fund's cash are valued on the basis of amortized cost. The values of any foreign securities held by a Fund are converted into U.S. dollars using an exchange rate deemed appropriate by the Fund.

When reliable market quotations are not readily available, securities are priced at their fair value, which is the price a security's owner might reasonably expect to receive upon its sale. A Fund also will use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the NAV Calculation Time but after the close of the primary markets or exchanges on which the security is traded. This most commonly occurs with foreign securities, which may trade on foreign exchanges that close many hours before the Fund's pricing time. Intervening events might be company-specific (e.g., earnings report, merger announcement); country-specific (e.g., natural disaster, economic or political news, act of terrorism, interest rate change); or global. Intervening events include price movements in U.S. markets that are deemed to affect the value of foreign securities. Fair-value pricing also may be used for domestic securities if, for example, (i) trading in a security is halted and does not resume before the Fund's pricing time or if a security does not trade in the course of a day, or (ii) the Fund holds enough of the security that its price could affect the Fund's NAV. Since the International Funds invest in securities listed on foreign exchanges that trade on weekends or other days when the Funds do not price their shares, the NAV of these Funds may change on days when shareholders will not be able to purchase or redeem the Fund's shares.

Fair-value prices are determined by the Funds according to procedures adopted by the Board of Trustees. When fair-value pricing is employed, the prices of securities used by a Fund to calculate its NAV may differ from quoted or published prices for the same securities.

Fund shares are purchased or sold on a national securities exchange at market prices, which may be higher or lower than NAV. No secondary sales will be made to brokers or dealers at a concession by the Distributor or by a Fund. Purchases and sales of shares in the secondary market, which will not involve a Fund, will be subject to customary brokerage commissions and charges. Transactions in Fund shares will be priced at NAV only if you purchase or redeem shares directly from a Fund in Creation Units.

### **DIVIDENDS AND DISTRIBUTIONS**

Each Fund intends to pay out dividends, if any, to investors quarterly, but in any event no less frequently than annually. Each Fund distributes its net realized capital gains, if any, to investors annually. The Funds may occasionally be required to make supplemental distributions at some other time during the year. Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

The Trust reserves the right to declare special distributions if, in its reasonable discretion, such action is necessary or advisable to preserve the status of each Fund as a RIC or to avoid imposition of income or excise taxes on undistributed income.

### **FINANCIAL STATEMENTS**

The audited financial statements, including the financial highlights appearing in the Trust's annual report to shareholders for the fiscal year ended March 31, 2008 and filed electronically with the SEC, are incorporated by reference and made part of this SAI. You may request a copy of the Trust's Annual Report at no charge by calling 866-909-9473 or through the Trust's website at [www.wisdomtree.com](http://www.wisdomtree.com).

### **MISCELLANEOUS INFORMATION**

*Counsel.* Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, NW, Washington DC 20004 is counsel to the Trust.



## Edgar Filing: WisdomTree Trust - Form 485APOS

*Independent Registered Public Accounting Firm.* Ernst & Young LLP, with offices located at 5 Times Square, New York, New York 10036, serves as the independent registered public accounting firm to the Trust.

**Table of Contents****Part C: Other Information****Item 23. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
(a)(1)	Trust Instrument of the Registrant dated December 15, 2005 is incorporated herein by reference to exhibit (a) of Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006.
(a)(2)	Certificate of Trust as filed with the State of Delaware on December 15, 2005 is incorporated herein by reference to exhibit (a)(2) of Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006.
(a)(3)	Schedule A to the Trust Instrument is incorporated herein by reference to exhibit (a)(3) of the Registrant's Post-Effective Amendment No. 15 filed on April 30, 2008.
(b)	By-Laws of the Registrant is incorporated herein by reference to exhibit (b) of Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006.
(c)	Portions of the Trust Instrument and By-Laws of the Registrant defining the rights of holders of shares of the Registrant (Reference is made to Article II Sections 2, 3 and 8, and Articles III, IV, V, VI, VII, VIII, IX and X of the Registrant's Trust Instrument, filed as Exhibit (a)(1) to Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006; and to Articles I, V, and VI of the Registrant's By-Laws, filed as Exhibit (b) to Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006.)
(d)(1)	Investment Advisory Agreement between the Registrant and WisdomTree Asset Management, Inc. dated March 21, 2006 is incorporated herein by reference to exhibit (d)(1) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
(d)(2)	Investment Advisory Agreement between the Registrant (on behalf WisdomTree India Earnings Fund) and WisdomTree Asset Management, Inc. dated December 3, 2007 is incorporated herein by reference to exhibit (d)(5) of Registrant's Post-Effective Amendment No. 10 filed on January 2, 2008.
(d)(3)	Investment Advisory Agreement between WisdomTree Asset Management, Inc. and WisdomTree India Investment Portfolio, Inc. dated February 14, 2008 is incorporated herein by reference to exhibit (d)(7) of Registrant's Post-Effective Amendment No. 14 filed on April 4, 2008.
(d)(4)	Investment Advisory Agreement Schedule dated June 25, 2008 is incorporated herein by reference to exhibit (d)(2) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
(d)(5)	Investment Advisory Agreement between the Registrant (on behalf of the WisdomTree Middle East Dividend Fund) and WisdomTree Asset Management, Inc. dated June 25, 2008 is incorporated herein by reference to exhibit (d)(3) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
(d)(6)	Investment Advisory Agreement between the Registrant (on behalf of the WisdomTree DEFA Hedged Fund and the Emerging Markets Currency Hedged Fund) and WisdomTree Asset Management, Inc. dated as of September 15, 2008 to be filed by amendment.
(d)(7)	Amended and Restated Sub-Advisory Agreement between WisdomTree Asset Management, Inc. and BNY Investment Advisors (on behalf of all series except the WisdomTree Currency Funds) is incorporated herein by reference to exhibit (d)(3) of Registrant's Post-Effective Amendment No. 10 filed on January 2, 2008.
(d)(8)	Sub-Advisory Agreement Appendix A dated June 10, 2008 is incorporated herein by reference to exhibit (d)(7) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
(d)(9)	Sub-Advisory Agreement among WisdomTree Asset Management, Inc. and Mellon Capital Management Corporation and The Dreyfus Corporation on behalf of the WisdomTree Currency Funds dated March 25, 2008 is incorporated herein by reference to exhibit (d)(6) of Registrant's Post-Effective Amendment No. 14 filed on April 4, 2008.
(d)(10)	Sub-Advisory Agreement between WisdomTree Asset Management, Inc. and BNY Investment Advisors on behalf WisdomTree India Investment Portfolio, Inc. dated February 19, 2008 is incorporated herein by reference to exhibit (d)(8) of Registrant's Post-Effective Amendment No. 14 filed on April 4, 2008.

---

**Table of Contents**

- (e)(1) Distribution Agreement between the Registrant and ALPS Distributors, Inc. is incorporated herein by reference to exhibit (e)(1) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (e)(2) Distribution Agreement Schedule dated January 5, 2009 is incorporated herein by reference to exhibit (e)(2) of Registrant's Post-Effective Amendment No. 21 filed on March 16, 2009.
- (e)(3) Form of Authorized Participant Agreement is incorporated herein by reference to exhibit (e)(2) of Registrant's Initial Registration Statement on Form N-1A filed on March 13, 2006.
- (f) Not applicable.
- (g)(1) Custody Agreement between the Registrant and The Bank of New York is incorporated herein by reference to exhibit (g)(1) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (g)(2) Custody Agreement Schedule is incorporated herein by reference to exhibit (g)(2) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
- (g)(3) Foreign Custody Manager Agreement between the Registrant and The Bank of New York is incorporated herein by reference to exhibit (g)(2) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (g)(4) Foreign Custody Manager Agreement Schedule is incorporated herein by reference to exhibit (g)(4) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
- (g)(5) Custody Agreement between WisdomTree India Investment Portfolio, Inc. and the Bank of New York is incorporated herein by reference to exhibit (g)(5) of Registrant's Post-Effective Amendment No. 14 filed on April 4, 2008.
- (h)(1) Administration and Accounting Agreement between the Registrant and The Bank of New York is incorporated herein by reference to exhibit (h)(1) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (h)(2) Administration and Accounting Agreement Schedule is incorporated herein by reference to exhibit (h)(2) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
- (h)(3) Transfer Agency and Service Agreement between the Registrant and The Bank of New York is incorporated herein by reference to exhibit (h)(2) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (h)(4) Transfer Agency and Service Agreement Schedule is incorporated herein by reference to exhibit (h)(4) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
- (h)(5) License Agreement between the Registrant and WisdomTree Investments, Inc is incorporated herein by reference to exhibit (h)(3) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (h)(6) License Agreement Schedule is incorporated herein by reference to exhibit (h)(6) of Registrant's Post-Effective Amendment No. 16 filed on June 27, 2008.
- (h)(7) Form of Securities Loan Agreement between the Registrant and The Bank of New York Mellon is incorporated herein by reference to exhibit (h)(8) of Registrant's Post-effective Amendment No. 20 filed on December 24, 2008.
- (h)(8) Chief Compliance Officer Services Agreement between the Registrant and ALPS Funds Services, Inc. is incorporated herein by reference to exhibit (h)(6) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (h)(9) Chief Compliance Officer Services Agreement Schedule dated January 5, 2009 is incorporated herein by reference to exhibit (h)(9) of Registrant's Post-Effective Amendment No. 21 filed on March 16, 2009.

---

**Table of Contents**

- (h)(10) Amended and Restated Services Agreement between the Registrant and WisdomTree Asset Management, Inc. dated September 17, 2007 is incorporated herein by reference to exhibit (h)(14) of Registrant's Post-Effective Amendment No. 18 filed on July 29, 2008.
- (h)(11) Index Methodology (Dividend Funds) is incorporated herein by reference to exhibit (h)(8) of Registrant's Post-Effective Amendment No. 2 filed on September 29, 2006.
- (h)(12) Index Methodology (Earnings Funds) is incorporated herein by reference to exhibit (h)(12) of Registrant's Post-Effective Amendment No. 4 filed on February 15, 2007.
- (h)(13) Index Methodology (Growth Funds) is incorporated herein by reference to exhibit (h)(14) of Registrant's Post-Effective Amendment No. 20 filed on December 24, 2008.
- (h)(14) Index Methodology (DEFA Hedged Funds) to be filed by amendment.
- (i) Legal Opinion and Consent of Morgan, Lewis & Bockius LLP, counsel to the Registrant, to be filed by amendment.
- (j) Not applicable.
- (k) Not applicable.
- (l) Form of Letter of Representations between the Registrant and The Depository Trust Company is incorporated herein by reference to exhibit (l) of Registrant's Pre-Effective Amendment No. 2 filed on June 9, 2006.
- (m) None.
- (n) Not applicable.
- (p)(1) Code of Ethics of the Registrant is incorporated herein by reference to exhibit (p)(1) of Registrant's Post-Effective Amendment No. 22 filed on May 27, 2009.
- (p)(2) Code of Ethics of BNY Mellon is incorporated herein by reference to exhibit (p)(2) of Registrant's Post Effective Amendment No. 14 filed on April 4, 2008.
- (q)(1) Power of Attorney for Gregory Barton, Toni Massaro, Jonathan Steinberg and Victor Ugolyn is incorporated herein by reference to exhibit (q) of Registrant's Post Effective Amendment No. 7 filed on October 19, 2007.
- (q)(2) Power of Attorney for Amit Muni is incorporated herein by reference to exhibit (q)(2) of Registrant's Post Effective Amendment No. 16 filed on June 27, 2008.

**Item 24. Persons Controlled by or under Common Control with Registrant**

Not applicable.

**Item 25. Indemnification**

Reference is made to Article IX of the Registrant's Trust Instrument included as Exhibit (a)(1) to this Registration Statement with respect to the indemnification of the Registrant's trustees and officers, which is set forth below:

**Section 1. LIMITATION OF LIABILITY.**

All Persons contracting with or having any claim against the Trust or a particular Series shall look only to the assets of the Trust or Assets belonging to such Series, respectively, for payment under such contract or claim; and neither the Trustees nor any of the Trust's officers, employees, or agents, whether past, present, or future, shall be personally liable therefor. Every written instrument or obligation on behalf of the Trust or any Series shall contain a statement to the foregoing effect, but the absence of such statement shall not operate to make any Trustee or officer of the Trust liable thereunder. Provided they have exercised reasonable care and have acted

---

**Table of Contents**

under the reasonable belief that their actions are in the best interest of the Trust, the Trustees and officers of the Trust shall not be responsible or liable for any act or omission or for neglect or wrongdoing of them or any officer, agent, employee, Investment Adviser, or independent contractor of the Trust, but nothing contained in this Trust Instrument or in the Delaware Act shall protect any Trustee or officer of the Trust against liability to the Trust or to Shareholders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office.

**Section 2. INDEMNIFICATION.**

(a) Subject to the exceptions and limitations contained in subsection (b) below:

- (i) every Person who is, or has been, a Trustee or an officer, employee, or agent of the Trust ( Covered Person ) shall be indemnified by the Trust or the appropriate Series (out of Assets belonging to that Series) to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit, or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been a Covered Person and against amounts paid or incurred by him in the settlement thereof; provided that the transfer agent of the Trust or any Series shall not be considered an agent for these purposes unless expressly deemed to be such by the Trustees in a resolution referring to this Article.
- (ii) as used herein, the words claim, action, suit, or proceeding shall apply to all claims, actions, suits, or proceedings (civil, criminal, or other, including appeals), actual or threatened, and the words liability and expenses shall include attorneys fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification shall be provided hereunder to a Covered Person:

- (i) who has been adjudicated by a court or body before which the proceeding was brought (A) to be liable to the Trust or its Shareholders by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office or (B) not to have acted in good faith in the reasonable belief that his action was in the best interest of the Trust; or
- (ii) in the event of a settlement, unless there has been a determination that such Covered Person did not engage in willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office (A) by the court or other body approving the settlement, (B) by at least a majority of those Trustees who are neither Interested Persons of the Trust nor are parties to the matter based on a review of readily available facts (as opposed to a full trial-type inquiry), or (C) by written opinion of independent legal counsel based on a review of readily available facts (as opposed to a full trial-type inquiry).

(c) The rights of indemnification herein provided may be insured against by policies maintained by the Trust, shall be severable, shall not be exclusive of or affect any other rights to which any Covered Person may now or hereafter be entitled, and shall inure to the benefit of the heirs, executors, and administrators of a Covered Person.

(d) To the maximum extent permitted by applicable law, expenses in connection with the preparation and presentation of a defense to any claim, action, suit, or proceeding of the character described in subsection (a) of this Section shall be paid by the Trust or applicable Series from time to time prior to final disposition thereof on receipt of an undertaking by or on behalf of such Covered Person that such amount will be paid over by him to the Trust or applicable Series if it is ultimately determined that he is not entitled to indemnification under this Section, provided that either (i) such Covered Person has provided appropriate security for such undertaking, (ii) the Trust is insured against losses arising out of any such advance payments, or (iii) either a majority of the Trustees who are neither Interested Persons of the Trust nor parties to the matter, or independent legal counsel in a written opinion, has determined, based on a review of readily available facts (as opposed to a full trial-type inquiry) that there is reason to believe that such Covered Person will not be disqualified from indemnification under this Section.

**Table of Contents**

(e) Any repeal or modification of this Article IX by the Shareholders, or adoption or modification of any other provision of this Trust Instrument or the By-laws inconsistent with this Article, shall be prospective only, to the extent that such repeal, modification, or adoption would, if applied retrospectively, adversely affect any limitation on the liability of any Covered Person or indemnification available to any Covered Person with respect to any act or omission that occurred prior to such repeal, modification, or adoption.

Reference is made to Article VI of the Registrant’s By-Laws included as Exhibit (b) to this Registration Statement with respect to the indemnification of the Registrant’s trustees and officers, which is set forth below:

**Section 6.2. Limitation of Liability.**

The Declaration refers to the Trustees as Trustees, but not as individuals or personally; and no Trustee, officer, employee or agent of the Trust shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of the Trust; provided, that nothing contained in the Declaration or the By-Laws shall protect any Trustee or officer of the Trust from any liability to the Trust or its Shareholders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be provided to trustees, officers and controlling persons of the Trust, pursuant to the foregoing provisions or otherwise, the Trust has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Trust of expenses incurred or paid by a trustee, officer or controlling person of the Trust in connection with the successful defense of any action, suit or proceeding or payment pursuant to any insurance policy) is asserted against the Trust by such trustee, officer or controlling person in connection with the securities being registered, the Trust will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

**Item 26. Business and Other Connections of the Investment Adviser**

WisdomTree Asset Management, Inc. ( WTAM ), 380 Madison Avenue, 21st Floor, New York, NY 10017, a wholly-owned subsidiary of WisdomTree Investments, Inc., is a registered investment adviser and serves as manager for all funds of the Registrant. The description of WTAM under the caption of Management-Investment Adviser in the Prospectus and under the caption Management of the Trust in the Statement of Additional Information constituting Parts A and B, respectively, of this Registration Statement are incorporated herein by reference.

Each of the directors and officers of WTAM will also have substantial responsibilities as directors and/or officers of WisdomTree Investments, Inc., 380 Madison Avenue, 21st Floor, New York, NY 10017. To the knowledge of the Registrant, except as set forth below, none of the directors or executive officers of WTAM is or has been at any time during the past two fiscal years engaged in any other business, profession, vocation or employment of a substantial nature.

Name	Position with WisdomTree Asset	Principal Business(es) During the
	Management, Inc.	Last Two Fiscal Years
Jonathan Steinberg	President, (Principal Executive Officer) and Trustee	Chief Executive Officer of WisdomTree Investments (formerly, Index Development Partners, Inc.); Director of WisdomTree Investments, Inc.; President of the WisdomTree Funds since 2005
Amit Muni	Treasurer (Principal Financial and Accounting Officer), Assistant Secretary	Chief Financial Officer and Assistant Secretary of WisdomTree Investments, Inc. (formerly, Index Development Partners, Inc.) since March 2008; International Securities Exchange Holdings, Inc. (ISE), Controller and Chief Accounting Officer, 2003 to 2008; Instinet Group, Inc., Vice President Finance, 2000 to 2003.
Richard Morris	Deputy General Counsel, Chief Legal	Secretary and Chief Legal Officer of the WisdomTree Funds since 2005; Deputy General Counsel of WisdomTree

## Edgar Filing: WisdomTree Trust - Form 485APOS

Officer

Investments, Inc. (formerly, Index Development Partners, Inc.) since 2005; Senior Counsel at Barclays Global Investors, N.A. from 2002 to 2005; Counsel at Barclays Global Investors, N.A. from 2000 to 2001.

**Table of Contents**

WTAM, with the approval of the Registrant's board of trustees, selects the sub-adviser for the funds of the Registrant. Mellon Capital Management Corporation serves as sub-adviser for the funds.

Name	Position with Sub Advisors	Principal Business(es) During the
		last Two Fiscal Years
Steve Wetter	Vice President, Senior Portfolio Manager	Portfolio Management, Index Fund Management
Denise Krisko	Managing Director, Equity Index Strategies, East Coast	Head of Index Management

**Item 27. Principal Underwriters**

(a) The Trust's distributor, ALPS Distributors, Inc. (the Distributor), acts as distributor for the Registrant and the following investment companies: Accessor Funds, AARP Funds, Agile Funds, Ameristock Mutual Funds, Inc., DIAMONDS Trust, Drake Funds, Financial Investors Trust, Financial Investors Variable Insurance Trust, First Funds, Firsthand Funds, Forward Emerald Funds, Henssler Funds, Inc., Holland Balanced Fund, Laudus Trust, Milestone, Nasdaq 100 Trust, PowerShares Exchange-Traded Funds Trust, SPDR Trust, MidCap SPDR Trust, Select Sector SPDR Trust, Stonebridge Funds, Inc., Utopia Funds, W. P. Stewart Funds, Wasatch Funds, and Westcore Trust.

(b) To the best of Registrant's knowledge, the directors and executive officers of the Distributor are as follows:

Name	Position(s) and Office(s) with the Distributor
Edmund J. Burke	President
Thomas Carter	Managing Director - Sales and Finance; Treasurer
Jeremy O. May	Managing Director - Operations and Client Service; Secretary
Diana Adams	Vice President, Controller
Tane Tyler	Chief Legal Officer, Assistant Secretary
Phil Perrone	Chief Compliance Officer

The business address of each of the Distributor's directors or officers is 1290 Broadway, Suite 1100, Denver, Colorado 80203.

(c) Not applicable.



**Table of Contents**

**Item 28. Location of Accounts and Records**

(a) The Registrant maintains accounts, books and other documents required by Section 31(a) of the Investment Company Act of 1940 and the rules thereunder (collectively, Records ) at its offices at 380 Madison Avenue, 21st Floor, New York, NY 10017.

(b) WisdomTree Asset Management Inc. maintains all Records relating to its services as investment adviser to the Registrant at 380 Madison Avenue, 21st Floor, New York, NY 10017.

(c) The Sub-Advisor maintains all Records relating to its services as sub-adviser to the Registrant at One Mellon Center, Pittsburgh, PA, 15258 and 480 Washington Boulevard, Jersey City, New Jersey 07310

(d) ALPS Distributors, Inc. maintains all Records relating to its services as Distributor of the Registrant at 1290 Broadway, Suite 1100, Denver, Colorado 80203.

(e) The Bank of New York Mellon maintains all Records relating to its services as administrator, transfer agent and custodian of the Registrant at One Wall Street, New York, New York 10286

**Item 29. Management Services**

Not applicable.

**Item 30. Undertakings**

The Registrant undertakes to file an amendment to this registration statement with certified financial statements showing the initial capital received before accepting subscriptions from more than 25 persons.

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 5<sup>th</sup> day of June 2009.

WISDOMTREE TRUST

(Registrant)

By: /s/ Jonathan Steinberg  
Jonathan Steinberg

President (Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<b>Signatures</b>	<b>Title(s)</b>	<b>Date</b>
/s/ Jonathan Steinberg	President (Principal Executive	June 5, 2009
Jonathan Steinberg	Officer) and Trustee	
/s/ Amit Muni*	Treasurer (Principal Financial	June 5, 2009
Amit Muni	and Accounting Officer) and	
	Assistant Secretary	
/s/ Gregory Barton*	Trustee	June 5, 2009
Gregory Barton		
/s/ Toni Massaro*	Trustee	June 5, 2009
Toni Massaro		
/s/ Victor Ugolyn*	Trustee	June 5, 2009
Victor Ugolyn		

\* By: /s/ Jonathan Steinberg  
Jonathan Steinberg  
(Attorney-in-Fact)