

Edgar Filing: WisdomTree Trust - Form 497

WisdomTree Trust
Form 497
July 10, 2007

Supplement dated July 10, 2007
to the
Prospectus dated June 12, 2006
as revised on February 15, 2007
for the WisdomTree Domestic and International Dividend Funds

The Prospectus dated June 12, 2006 as revised on February 15, 2007 for the WisdomTree Domestic and International Dividend Funds is hereby revised to reflect the addition of WisdomTree Emerging Markets High-Yielding Equity Fund.

WISDOMTREE EMERGING MARKETS HIGH-YIELDING EQUITY FUND

Fund Facts

CUSIP NUMBER:

o 97717W315

EXCHANGE TRADING SYMBOL:

o DEM

Investment Objective

The Fund seeks to track the price and yield performance, before fees and expenses, of the WisdomTree Emerging Markets High-Yielding Equity Index. Since the Fund's investment objective has been adopted as a non-fundamental investment policy, the Fund's investment objective may be changed without a vote of shareholders.

Primary Investment Strategies

The Fund employs a "passive management"--or indexing--investment approach designed to track the performance of the WisdomTree Emerging Markets High-Yielding Equity Index. The Fund attempts to invest all, or substantially all, of its assets in the stocks that make up the Index. The Fund generally uses a Representative Sampling strategy to achieve its investment objective.

Index Description

The WisdomTree Emerging Markets High-Yielding Equity Index measures the performance of emerging market stocks with relatively high dividend yields. Companies in the Index must meet specified liquidity and other requirements as of the Index measurement date. The Index is created by selecting the top 30% of Index constituents ranked by dividend yield from the WisdomTree Emerging Markets Dividend Index. Companies eligible for inclusion in the Index must be incorporated in and have their shares listed on a major stock exchange in Argentina, Brazil, Chile, China, Czech Republic, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand or Turkey. Companies must have paid at least \$5 million in cash dividends on their common stock in the 12 months prior to the most recent Index measurement date. Companies are weighted in the Index based on regular cash dividends paid. The Index includes large-capitalization, mid-capitalization and small-capitalization securities. As of June 30, 2007, approximately 47% of the Index consisted of companies with market capitalizations over \$10 billion and 41% of the Index consisted of companies with market capitalizations between \$2 and \$10 billion.

Primary Investment Risks

Edgar Filing: WisdomTree Trust - Form 497

The following risks, in addition to the principal risk factors common to all Funds, are some of the risks that can significantly affect the Fund's performance.

- o Stock Market Risk. Like stock prices generally, the price, and therefore the total return of shares of the WisdomTree Emerging Markets High-Yielding Equity Fund, will fluctuate within a wide range, so an investor could lose money over short or even long periods. If the value of the Fund's investments goes down, you may lose money.
- o Foreign Securities Risk. Foreign securities can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and, in some cases, less stringent investor protection and disclosure standards. Since foreign exchanges may be open on days when the Fund does not price its shares, the value of the securities in the Fund's portfolio may change on days when shareholders will not be able to purchase or sell the Fund's shares. All of these factors can make foreign investments more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market due to increased risks of adverse issuer, political, regulatory, market, and economic developments.
- o Emerging Markets Risk. 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.
- o Geographic Concentration Risk. To the extent the Fund invests a significant portion of its assets in the securities of a single country or region it is more likely to be impacted by events or conditions affecting that country or region. For example, political and economic conditions and changes in regulatory, tax, or economic policy in a country could significantly affect the market in that country and in surrounding or related countries and have a negative impact on a Fund's performance. The Fund generally invests a relatively large percentage of its assets in companies organized in Taiwan, Brazil and South Korea.
- o Basic Materials Investing. The Fund may invest a relatively large amount of its assets in companies in the international Basic Materials sector. As such, the Fund is more likely to be impacted by risks or events affecting this sector of the world economy. These risks include but are not limited to: commodity price volatility, sluggish demand for basic materials, world economic growth, product liability for environmental damage, depletion of natural resources, technological progress, and government regulations.
- o Currency Risk. Because the Fund's NAV is determined on the basis of U.S. dollars, the U.S. dollar value of your investment in the Fund 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.

Edgar Filing: WisdomTree Trust - Form 497

Performance Information

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.

Shareholder Fees

(fees paid directly from your investment, but see the Creation Transaction Fees and Redemption Transaction Fees section below) None

| | |
|---|--------------|
| ----- | |
| Annual Fund Operating Expenses (expenses deducted from Fund assets) | |
| Management Fees | 0.63% |
| Distribution and/or Service (12b-1) Fees | None |
| Other Expenses* | 0.00% |
| Total Annual Fund Operating Expenses | 0.63% |

* "Other Expenses" are based on estimated amounts for the current fiscal year. WisdomTree Asset Management has contractually agreed to pay all expenses of the Trust except for extraordinary expenses, interest, taxes and certain other expenses (which are expected to be minimal).

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 will pay to buy and sell shares of the Fund. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| | | |
|---|--------|---------|
| | 1 Year | 3 Years |
| | ----- | ----- |
| | \$64 | \$202 |
| You would pay the following expenses if you did not redeem your shares: | | |
| | 1 Year | 3 Years |
| | ----- | ----- |
| | \$64 | \$202 |

Creation and Redemption Transaction Fees for Creation Units

Edgar Filing: WisdomTree Trust - Form 497

The Fund issues and redeems shares at NAV only in blocks of 100,000 shares or multiples thereof. As a practical matter, only institutions or large investors purchase or redeem these Creation Units. A standard creation transaction fee of \$9,000 is charged to each purchaser of Creation Units.* The fee is a single charge and will be the same regardless of the number of Creation Units purchased by an investor on the same day. The approximate value of a Creation Unit as of July 1, 2007 was \$5,000,000. An investor who holds Creation Units and wishes to redeem at NAV would also pay a standard redemption transaction fee of \$9,000 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above. Assuming an investment in a Creation Unit of \$5,000,000 and a 5% return each year, and assuming the Fund's operating expenses remain the same, the total costs would be \$50,188 if the Creation Unit is redeemed after one year and \$118,846 if the Creation Unit is redeemed after three years.

* See the Creation and Redemption Transaction Fees for Creation Units discussion in the Shareholder Information section of this Prospectus. If a Creation Unit is purchased or redeemed outside the usual process through the National Securities Clearing Corporation or for cash, a variable fee will be charged of up to four times the standard creation or redemption transaction fee.

The following table shows, as of July 1, 2007, 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 a Fund. Retail investors who purchase shares through their brokerage account will not pay these fees.

| Name of Fund | Approximate Value of One Creation Unit | Standard Creation/Redemption Transaction Fee | Maxim Creation/Re Transacti |
|--|---|--|-----------------------------------|
| WisdomTree Emerging Markets High-Yielding Equity Fund | \$5,000,000 | \$9,000 | \$27,000 |