

WisdomTree, Inc.
Fourth Quarter 2025 Earnings Call
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Presenters

Jessica Zaloom, Head of Corporate Communications
Bryan Edmiston, Chief Financial Officer
Jarrett Lilien, President & COO
Jonathan Steinberg, Chief Executive Officer
Jeremy Schwartz, Global Chief Investment Officer
Will Peck, Head of Digital Assets

Q&A Participants

Mike Grondahl - Northland Securities
George Sutton - Craig-Hallum
Wilma Burdis – Raymond James
Keith Housum - Northcoast Research

Operator

Greetings, and welcome to the WisdomTree Q4 2025 Earnings Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance, please press “*”, “0” on your telephone keypad.

As a reminder, this conference is being recorded.

It is now my pleasure to introduce Jessica Zaloom, Head of Corporate Communications. Please go ahead.

Jessica Zaloom

Good morning. Before we begin, I would like to reference our legal disclaimer available in today's presentation.

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements about our ability to achieve our financial and business plans, goals and objectives and drive stockholder value.

A number of factors could cause actual results to differ, materially, from the results discussed in forward-looking statements, including, but not limited to, the risks set forth in this presentation and the Risk Factors section of the WisdomTree annual report on Form 10-K for the year ended

December 31, 2024, and in subsequent reports filed with our -- furnished to the Securities and Exchange Commission. WisdomTree assumes no duty and does not undertake to update any forward-looking statements.

Now, it is my pleasure to turn the call over to WisdomTree CFO, Bryan Edmiston.

Bryan Edmiston

Thank you, Jessica, and good morning, everyone. I'll begin by covering our fourth quarter results, along with updates to our forward-looking guidance for 2026, before turning the call over to Jarrett and Jono for additional updates on our business.

Our assets under management ended the year at \$144.5 billion, a record, up 5% from the third quarter and over 30%, year-over-year. While we experienced modest outflows in the fourth quarter, we generated \$8.5 billion of inflows for the year, representing an 8% organic growth rate.

Our AUM also benefited from positive market movement and the Ceres acquisition, which closed on October 1. This acquisition marked an important step in our expansion into private assets and further diversified our AUM mix through exposure to U.S. farmland, one of the largest and least penetrated real asset classes. We are now managing almost \$2 billion in farmland based strategies, and the transaction has expanded both our annual revenue capture and operating margins by more than 200 basis points.

Looking more broadly at our AUM performance, growth was broad-based and well diversified across regions and asset classes. Our European listed products delivered a very strong year with AUM increasing from \$30.7 billion to a record \$53.3 billion, supported by more than \$6 billion of net inflows and a favorable market environment.

European inflows were led by \$4.3 billion into our UCITS franchise, spearheaded by the successful launch of our European defense ETF earlier this year, while our commodity products generated approximately \$1 billion of inflows.

In the U.S., AUM increased to a record \$88.5 billion, with \$1.4 billion of net inflows for the year, driven primarily by our U.S. equity offerings, alongside favorable market conditions.

Our digital assets platform continued to gain traction, with AUM reaching approximately \$770 million at year-end. Growth was led by strong inflows into our digital money market fund, largely through WisdomTree Connect, reflecting continued progress across our digital platform.

Overall, record AUM, strong organic growth, disciplined execution and thoughtful capital deployment drove approximately 300 basis points of operating margin expansion, during the year. Taken together, we believe these results position us well to build on our momentum and continue delivering sustainable growth and long-term shareholder value.

Global AUM, today, stands at \$160.8 billion, up \$16 billion, or 11% from year-end, driven by favorable market conditions and almost \$2 billion of net inflows, a very strong start to the year.

Next slide. Adjusted revenues were \$147.4 million during the quarter, an increase of 17% from the third quarter and up approximately 33% versus the prior year quarter, driven by higher average AUM.

Ceres contributed \$12 million of revenues this quarter, of which \$7.1 million was derived from performance fees. These performance fees were driven by price appreciation on farmland under management, along with favorable developments related to the solar portfolio.

Our other revenue continues to grow, recognizing \$12.7 million this quarter, as compared to \$11 million in the prior quarter. This increase was largely driven by higher European listed AUM as approximately 70% of these revenues are asset based.

While difficult to forecast, we would suggest the magnitude of other revenue generated in this most recent quarter serves as a fair approximation of what we could expect going forward, assuming current European AUM levels. Further increases in our European listed AUM should drive this revenue higher.

On a year-over-year basis, our adjusted revenues have grown 15.4%, while our adjusted operating margin has expanded almost 300 basis points, finishing the year at 36.5%.

Adjusted net income for the quarter was \$41.2 million, or \$0.29 per share. Adjusted net income excludes amortization of intangible assets related to the Ceres acquisition, the remeasurement of the Ceres earn-out and other items.

Next slide. Now a few comments on our 2026 guidance. We are forecasting our compensation to revenue ratio to range from 26% to 28%, representing a 2 percentage point downward shift from our prior year guidance. This update takes into consideration planned hires, as well as compensation adjustments and the annualization of hires made during 2025 and further demonstrates the operating leverage in our business model, as we continue to scale.

The range reflects variability in incentive compensation, driven by factors including the magnitude of our flows, revenue, operating income and margin targets and our share price performance in relation to our peers.

As a reminder, compensation expense is seasonally higher in the first quarter, as we recognized payroll taxes, benefits and other items related to year-end bonuses. As a result, we estimate our first quarter comp to revenue ratio to be approximately 30% before stepping down over the course of the year and landing within the 26% to 28% overall guidance range.

Our discretionary spending guidance is forecasted to range from \$80 million to \$86 million, compared to \$71 million this past year. Primary drivers of the increase include incremental marketing spend, higher sales and distribution-related expenses, as well as the impact of the Ceres acquisition and additional factors.

Our gross margin guidance is estimated to range from 82% to 83%, compared to 81.9% this past year. This range reflects revenue based on current AUM levels and the positive impact of Ceres on our gross margin, partially offset by incremental costs associated with the anticipated product launches. As AUM continues to grow, we would expect gross margins to trend higher.

Third-party distribution expense is anticipated to range from \$17 million to \$19 million, compared to \$16 million this past year, driven by higher AUM on these platforms. Interest expense is forecasted to be approximately \$40 million this year, taking into consideration the retirement of a substantial portion and potentially all of our convertible notes maturing in June of 2026.

Interest expense should be approximately \$10.5 million for each of the first and second quarter, declining to roughly \$9.5 million per quarter in the second half of the year.

Interest income is estimated to be approximately \$8 million in 2026, driven by the magnitude of our interest-earning assets and forecasted interest rates. We expect those assets to decline in the second half of the year following the retirement of our 2026 notes.

Our estimated adjusted tax rate is anticipated to be approximately 24%, aligned with our tax rate this past year. And we anticipate our weighted average diluted shares to range from 152 million to 157 million, as compared to 145 million, this past year. This guidance contemplates approximately 7 million to 12 million of incremental shares associated with our convertible notes, assuming a stock price approximating recent levels.

As a reminder, an illustration is included within our earnings presentation to assist in quantifying the incremental shares associated with our convertible notes, going forward.

That's all I have. I will now turn the call over to Jarrett.

Jarrett Lilien

All right. Thanks, Bryan, and good morning, everyone. 2025 was another strong year for WisdomTree and more importantly, a year that reinforced the core premise we've been building for several years that consistent organic growth paired with disciplined execution drives margin expansion and meaningful earnings growth.

As Bryan mentioned, we delivered \$8.5 billion in net flows, translating to an organic growth rate of approximately 8% for the year. And that puts us ahead of many of our public peers but just as importantly, it came through volatile markets and shifting macro conditions. Our growth held

across risk on rallies, interest rate uncertainty and equity rotations and Q4 reinforced that momentum.

From a profitability standpoint, we expanded operating margins by nearly 300 basis points. We've maintained tight expense discipline while continuing to invest in growth, demonstrating that margin expansion and investment are not mutually exclusive and that balance remains a defining strength of our model.

We saw especially strong momentum in our metal strategies, including both physical and overlay products with AUM up 83% and more than \$1 billion in net inflows, across the suite.

Importantly, this traction showed up in both Europe and the U.S., reflecting a global reallocation towards real assets, and we believe there is a multiyear growth story unfolding in metals, which currently represents 28.5% of our global AUM, as investors continue to seek inflation-sensitive and alternative exposures. And our lineup is well-positioned to capture that demand.

In Europe, we're now seeing the results of years of investment coming fully into view. What began as a diversification effort has become a true growth engine. Our European Defense Fund was one of the most successful launches in firm history and among the top-performing launches, industry-wide, in 2025, but the story is broader than any single product.

Product development remains a core strength of the firm. We launched more than 30 new strategies, last year, across commodities, thematics and tactical exposures with successful launches in areas such as rare earths, quantum computing and nuclear energy. These are not one-off outcomes, they reflect our ability to identify themes early, execute across the platform and sustain momentum across market cycles. As we look to 2026, our focus remains on delivering differentiated products that perform and persist.

Our portfolio solutions business, models and SMAs, continues to be another major growth engine. Model AUA grew to over \$6 billion, up from \$3.8 billion at the end of '24, driven by both new users and deeper adoption. We're also seeing strong growth in custom model mandates, which enhance stickiness and deepen client relationships.

The expansion of our SMA capabilities through Quorus is unlocking a larger and more complex adviser opportunity set. These solutions are helping to stabilize flows in volatile markets and embed us more deeply into adviser workflows. It's no longer about selling a single ticker, it's about portfolio construction, and we're winning in that space.

In digital assets, we moved from infrastructure build-out to early monetization. Tokenized AUM reached \$770 million by year-end, up from essentially zero just 12 months ago, and that reflects real adoption and growing client trust. Our institutional platform, WisdomTree Connect, scaled from 4 onboarded institutions to 29 and the number of wallets holding WisdomTree assets now

totals more than 3,500, with engagement steadily improving. The infrastructure is built. The products are live and the focus is now on scaling.

Finally, in private markets, our acquisition of Ceres Partners added a long duration diversifying revenue stream to the firm. And since closing in early October, AUM has grown to about \$1.9 billion, including 8% annualized organic growth in the fourth quarter. It's a strong early outcome and one that's already expanding the types of conversations and clients that we're engaging with.

So stepping back, across public markets, digital assets and private markets, we're building a broader and more powerful business. As we enter 2026, several growth engines are already in motion. Our ETF platform continues to deliver consistent organic growth. Europe has scaled into a meaningful contributor, models and SMAs are embedded deeper into adviser workflows, tokenization is generating real flows and private markets are expanding our reach and revenue mix.

We're seeing broad-based traction across asset classes, delivery channels and client segments, and that balance creates durability and durability is what compounds, over time. we are clearly executing against the strategy that is working.

And with that, I'll turn it over to Jono.

Jonathan Steinberg

Thank you, Jarrett. Hello, everyone. I'll be brief, today. You've heard the story today from both Bryan and Jarrett, strong results, improving guidance, clear vision and disciplined execution. What you're seeing is our strategy playing out, as intended. Organic growth and operating discipline working in tandem having delivered margin expansion, higher earnings per share and sustained momentum, across market regimes.

WisdomTree is the strongest it's ever been. We've reached new levels of scale, not just in AUM, but in capabilities, in client reach and in delivery. We're diversified across asset classes, geographies and channels, and that diversification is powering resilience and growth, at the same time.

Europe, models, tokenized assets and private markets, these aren't experiment anymore. They are real businesses contributing real flows and creating real value for shareholders.

With strong and improving guidance from Bryan, it's clear that we're entering 2026, not just with confidence, but with conviction and momentum. We are building something durable and something compoundable. Today's results speak for themselves, but still, I'd characterize it anyway as the beginning of the next chapter at WisdomTree.

With that, I want to thank you for your attention, today. Operator, let's open up the call for questions.

Operator

Thank you. Ladies and gentlemen, if you would like to ask a question, please press “*”, “1” on your telephone keypad, and a confirmation tone will indicate our line is in the question queue. You may press “*”, “2” if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys. One moment please while we poll for questions. And our first question comes from the line of Mike Grondahl with Northland Securities. Please proceed.

Mike Grondahl

Hey, guys. Congratulations on the December quarter and January so far, too. One question. When you look at Slide 5, what do you see as the biggest maybe one or two opportunities for WisdomTree in '26 and '27? Like what's the low-hanging fruit or some market share you should be taking on that slide?

Jonathan Steinberg

Thanks, Mike. Market share, I guess I'll turn it over to Jarrett or to Jeremy to make initial comments.

Jeremy Schwartz

From one of the places we are seeing incredible success. I'm sitting in Milan right now and Team Europe has taken leadership in a number of different areas from commodities as the franchise, but thematics generally. When you look at where we've done the sort of blockbuster European Defense Fund raised where one of the most successful funds is bleeding into other thematics. You see the interest in industrial metals and rare earths as a key geopolitical spot.

We have a rare earth fund, RARE, that was \$100 million in November. Today, it's at \$700 million and three of our rare earth and strategic metals funds, about \$1.4 billion, they've had market-leading performance and like the most important themes for the market of the geopolitical tension and to rare earth supply chains.

And so, we're incredibly bullish on the leadership position in thematics. The thematic lineup within Europe is growing. And we have -- in just January alone, we've taken 25% of all the flows to thematics, and we see that continue to be a very ripe place for market share gains out of Europe.

And back in the U.S., on the commodity run that we've seen, our capital fishing family is a very efficient family for unique exposures. You've seen this big move in gold and silver over the last 12 months and people have been under allocated to gold. We see finding ways to help people add more of these precious metals portfolio as very useful. And Jarrett referred to the \$1 billion that's been in our capital fishing gold portfolios in the U.S. Those are big market share, very innovative new strategies when the typical U.S. investor has 2% in commodities when being neutral to commodities is, in gold in particular, will be a 12% allocation. So the U.S. investors have

been very under-allocated there. We think there's more to come, and we've got a lot of creative solutions there.

Jarrett Lilien

And I'd just jump in, this is Jarrett, just adding additional thoughts. I mean, really, look back, we continue to successfully execute against what's been a multiyear strategy that's working. We've got a differentiated asset mix. But in that, we've got an ETF product suite that is really broad. It's very deep, and we think has the ability to win share and win business in any market environment. We've got the models business, SMAs, direct indexing, we're gaining share there.

We look to gain share in tokenization in private markets. And as we said in the prepared remarks, we've got a growth engine that's firing on many different cylinders, and really gaining share across the board, but this isn't a one-quarter event. This has been a multiyear event, and we just keep doing it quarter after quarter.

Mike Grondahl

Yes, you're definitely on a roll. I mean, just look at the AUM. Second question is just, hey, that discretionary spending, \$80 million to \$86 million, what are the major categories that's going to? Can you kind of help us think about those investments?

Bryan Edmiston

Yeah, so, it's Bryan. I would say it's largely driven by marketing and sales-related expenses. It's really tied into our growth initiatives. We're looking to accelerate momentum on the back of our record AUM, our 8% organic growth and a strong start to 2026. The number is up versus last year, but we continue to manage our expenses with an eye towards maintaining incremental margins north of 50%. So notwithstanding the increase in guidance, we should see further margin expansion versus 2025.

Mike Grondahl

Got it. Hey, thank you, guys.

Operator

The next question comes from the line of George Sutton with Craig-Hallum. Please proceed.

George Sutton

Thank you. Great job on the margins. So I wanted to ask you, Bryan, when we look at the \$0.29 for the quarter, and we obviously look out to Q1 where the comp ratio may be a little higher. But truth be told, we did not have \$0.29 quarter on our bingo card for the next two years. So, can you just give us a sense, are we talking about a higher start base pretty consistently, going forward?

Bryan Edmiston

Yeah, I would say so, absolutely. What drove, I think, our beat versus where the analysts were, the comp ratio was one main component there. Our comp ratio came in at 28% this past quarter. And again, our range is 26% to 28% going into next year. So that's a 1 to 2 percentage point downward shift versus where maybe the Street was and versus where our comp guide was -- where our comp was in the fourth quarter.

Other revenue is another one. I think last quarter, we were at about \$11 million per quarter. We're doing \$13 million now, and that's on the back of higher AUM in Europe, but also there's higher turnover that we're seeing as well, generates more transaction fees. And so, that's helpful to the revenue base.

I think some of the beat this quarter may have been Ceres' performance fee. That's a wildcard. I think as it relates to our internal expectations, the number was maybe \$2 million higher than kind of what our baseline was. But all in, I would say that our guidance and where we sit today with our AUM at about \$160 billion positions us for more quarters to come like the ones that we just experienced.

Jarrett Lilien

It's Jarrett, just jumping in one more time. When I look at consensus estimates over the last number of years, we leave it up to the Street, to the analysts to come up with their own growth forecast, but we always seem to be underestimated on our flow growth. And once again, looking back at last consensus, I think there was sort of \$5 billion of net inflow growth where we've already gotten \$2 billion, this year. So, just another area where we're consistently underestimated.

George Sutton

Jarrett, one question for you, specifically. So, the tokenization trend is becoming massive and you've been way in front of that. You mentioned it is now time for us to scale. Just curious how you do plan to scale, particularly in the light of many other folks sort of joining the party. Are some of them going to join you from a partner/customer perspective, or how do we think forward there?

Jarrett Lilien

Well, let's let Will have a shot at that one first. Will, do you want to take it?

Will Peck

Yeah, sure. It's Will here. So yes, we absolutely do expect to scale, going forward. I'd say to your questions, we see distribution through really three channels. One is direct to retail, which for us would be WisdomTree Prime; the second would be WisdomTree Connect direct to business; and the third, which is really evolving is more of a platform sale, also a sale to self-hosted wallets.

So, as a lot of people are entering the space, we're in a lot of active conversations with whether it's other fintech apps, whether it's kind of software service providers, broker-dealers, around making our products and services available through their platforms, as well. And that's some of the beauty of how we've built this, right? We actually have the capacity to serve retail, which a lot of the other firms in the tokenization space just do not have that capacity. They've been focused on offshore exempt products that have like really high minimums, some north of \$1 million. The minimum R&R in money market funds the dollar. So we're really well served to serve retail especially, including through these platform relationships.

And that's part of why we've kind of shifted how we're disclosing funded account metrics. So, we're talking about funded wallets now. I mean, the vast majority of that is WisdomTree Prime-funded wallets. But especially in 2026 and going forward, we expect that mix to evolve where a lot of the wallets are going to be holding our products are going to come through other channels and other platforms. So all told, we think that gives us an opportunity to scale really quickly, going forward. It is just kind of a nice reflection of the way we've built our infrastructure.

Jonathan Steinberg

Let me just -- one thing. In the old days, sometimes going back 10 or 15 years, the analysts would ask me like what's the next top fund? And if I were to go out on a limb and make a prediction, I wouldn't be surprised if over the next three years, our tokenized money market fund isn't the largest fund within WisdomTree's Empire. But I'm sorry to interrupt you, George, keep going.

George Sutton

Well, actually, I do have a specific last question for you. I was a little stunned at the price paid for Innovator Capital. They had \$30 billion in assets and got paid \$2 billion for them, not terribly distant from where you trade on a substantially larger asset base. And I'm just wondering if part of the growth strategy for you may look into this outcome-based ETF/Modern Alpha. I know you've got a couple of funds there, but what is the plan in that market, specifically?

Jonathan Steinberg

So the -- as Jarrett said, we have a very ambitious fund launch strategy in the year ahead. We do have a number of option-based strategies that are performing very well. We should be able to drive significant more adoption through those, already. But we definitely have an eye towards building out more within that space for sure. We see it as a big opportunity, as well as do others. Jeremy, is there anything you'd want to add to that?

Jeremy Schwartz

Yeah, I mean, the WTPI is our equity premium income fund in the U.S. a \$400 million fund. We've taken steps to improve performance and distribution and characteristics. We think that fund does have a lot of potential. But I would say, like Jono said, very aggressive plan for that space, and we're going to do a lot more.

George Sutton

All right, thanks, guys. Appreciate it.

Operator

The next question comes from the line of Wilma Burdis with Raymond James. Please proceed.

Wilma Burdis

Hey, good morning. Thanks for taking my question. Does the macroeconomic volatility generally benefit WisdomTree's business, as most products are diversified across asset classes? Or is it more dependent on specific themes that are present, such as gold and commodity prices, which we've seen this year? Thanks.

Jonathan Steinberg

Jeremy, do you want to start there?

Jeremy Schwartz

Yeah, I think a large theme you've heard is just the breadth of funded exposures and how well diversified we've become. If you go back 10 years ago, currency hedged Europe and Japan, where 80% of the business. I know it was a very concentrated world where only a strong dollar in Europe and Japan in favor were your key drivers. Now, you have a very, very broad cross-section. You had growth in value. I talked about the theographics that are a growing range for us that are really some of the biggest growth companies out there.

We launched a Quantum computing fund, and it's raised \$150 million in a short amount of time, but also things like AI. We have big expansion plans for more thematic, but also our traditional value fund from small cap to quality and a lot of -- really all marketing environment type funds.

So, I think we're as well positioned for a strong dollar and weak dollar environment as you can get. And the commodity -- the macro uncertainty, which has led to the big moving commodities, there's really no firm better position for that environment. So I think we are proud of the diversification that we've achieved.

Jarrett Lilien

And I think that's another point that gets missed a lot is just how well diversified we are and how well suited we are for almost any market environment. And again, we haven't just proven that in one quarter, that's been something you've been able to look at and witnessed over the last five to 10 years.

Wilma Burdis

Thank you. Is WisdomTree's approach to growing digital asset base, is it more about educating people about digital assets into accreditation? Is that a big part of the strategy? Or are you more focused on capturing clients that are already familiar with these types of assets and services? Thanks.

Jonathan Steinberg

Will.

Will Peck

Yeah, it's really the latter, right now. I mean, I'd say we are serving people who have decided that they want to be operating on chain, do that would be retailer institutional people. And the universe of people who have made that decision is growing very rapidly. So you look, GENIUS Act, I'd say, a real milestone in the U.S. for more and more people just having the regulatory clarity around stablecoins and the ability to use stablecoins and wallets, going forward.

So I'd say, to use our products well, you need a wallet. And as more and more people are starting to adopt wallet-based infrastructure for financial services, to use stablecoins to access these tokenized funds, other real-world assets, that just grows the applicable universe of who we can serve. So WisdomTree Prime has got a great experience for allowing retail to kind of -- they can also fund with Fiat, but fund with stablecoins, as well.

We just pushed some new updates there where New York users, for the first time, can fund with stablecoins. And that just allows more and more people to kind of access the products that we're bringing forward.

Wilma Burdis

Okay, thanks. And if I could squeeze one more in. When building out new products, do you generally utilize existing expertise and staff members, or do you tend to seek out more outside talent when looking to build on your strategies? Thanks.

Jonathan Steinberg

I'll take this. For the most part, there's tremendous leverage to the business. For the most part, it's all off of existing talent. And we have a very strong research and product development team that spans, truly, every asset class. So I think it's the -- that we're really building off of the core strengths of the firm, today.

Wilma Burdis

Thank you.

Jonathan Steinberg

Actually, as you say that, I am reminded, though, we are always investing in our capabilities. So Quorus was one of the investments that we made towards the end of last year, but one that seems to not get that much attention. We made an investment in the firm AlphaBeta, an Israeli AI firm that's helping us with product development, and we have recently launched a fund based off of that. So it is a mix. There's no question. It is a mix, but it's very, very scalable. Our head count has remained very, very disciplined type.

Operator

Again, if you would like to ask a question, please press “*”, “1” on your telephone keypad. The next question comes from the line of Keith Housum with Northcoast Research. Please proceed.

Keith Housum

Thanks, guys. Good morning. It's been a quarter now with Ceres under your belt a little bit more on that. I guess perhaps could you talk a little bit about lessons learned so far through the acquisition and opportunities going forward to expand their distribution to help grow their AUM even further?

Jonathan Steinberg

I'll start, but Jarrett, please jump in. I mean, we're -- this was one we've proven over the last -- in our history that M&A has been very successful for us. This was a very specific acquisition, very determined in our desire for this particular asset class. The integration could not have gotten more smoothly. The employee base and the way we structured the transaction really seems to have made a lot of sense to both the seller and to WisdomTree. And so we're really -- it's been very, very easy integration. So I wouldn't say that's lessons learned, I would say that's added confidence in our ability to do strategic M&A.

But Jarrett, is there something you would want to add, or Jeremy?

Jarrett Lilien

Yeah, I guess I'd add, it's not so much lessons learned. So far, it's confirmation of what we thought. What a great business, what a great fit with us, what a great team. They've averaged 6% to 7% net inflows over the past 10 years. They've had zero years of net outflows in almost 20 years where they've been operating. We see definite synergies, both with distribution and product. We don't give out growth forecast, but we believe that we should be able to do better than the historical averages because of that confirmation of just what a great business and what a great fit this is for us.

Keith Housum

Great. Thank you. And a second question for you. In terms of the digital asset strategy, nice growth in the third-party WisdomTree Connect users from the beginning of year to the end of the year. Can you just give us an example of perhaps who some of those users would be just in terms of the type of businesses, so that we can better kind of visualize who the end customer is here?

Jonathan Steinberg

Will.

Will Peck

Yeah, absolutely. So, really seeing kind of four main types of use cases, right now. Specific to the money market fund, that's a eligible reserve asset under the GENIUS Act for stablecoin reserves.

So, we do have stablecoin issuer clients, and we think that's going to be one that continues to grow. We're using WTGXX as part of the reserves.

The second and kind of related is really around businesses that are using stablecoins as part of their treasury management workflows. And then they can invest in WTGXX as kind of a yield-bearing asset within treasury management.

The third is really as a collateral instrument. So people talk a lot about collateral mobility in tokenization, the ability to move collateral around much more quickly. So we are seeing use cases of investors holding WTGXX as a collateral instrument.

And I'd say the fourth is really just around, broadly, on chain investing, right? So there are lots of investors in the crypto DeFi space who are looking for access to real-world assets, looking to use those as part of their investing strategy, use them in DeFi. And that's where we're actually very well served to service them. We've got a wide range of exposures beyond just the money market funds. So if they want equity exposure, they can -- their private credit exposure, they can do that through our platform.

So it's really those four use cases that we're seeing, to date.

Keith Housum

Great. Thank you.

Operator

Thank you. This will conclude the question-and-answer session, and I would like to turn the call back over to Mr. Steinberg for closing remarks.

Jonathan Steinberg

Thank you. as I said earlier, it does feel that WisdomTree is entering a new chapter in our history, new scale and new capabilities that are investments that we've been making over the last five to seven years are really starting to drive shareholder momentum.

I'd also like to turn that more into a conversation about valuation. It does feel that WisdomTree is underappreciated in the market. We have certain elements that I'd really like to bring your attention to.

The first is the diverse AUM mix, which the mix of our assets makes WisdomTree more resilient than other asset managers. We're showing the upside in a market in the recent -- in January or year-to-date, but we're also -- it really gives us downside protection, the breadth of the commodities, the short duration fixed income with the upside of digital assets, as well as just sheer equities and the theographics that Jarrett spoke about earlier.

And our record of strong organic growth and margin expansion, it really should start showing up, I think, in multiple expansion. WisdomTree trading at -- if you would update your numbers, if the analysts will update their numbers for AUM with today's guidance, it looks like we're trading at seven or eight terms below the S&P 500. And it just doesn't feel like with the outlook that we have, with the footprint that we have that we should be trading at a lower multiple to the market.

WisdomTree's footprint in global ETFs, a leader in tokenization, an emerging player in differentiated private assets, it really feels that we have barely tapped into what we're capable of doing. And I think going forward, we expect to be able to drive significant valuation.

Over the last five years, we've been a leader, if not the leader, in stockholder total return within our base of -- our category of traditional assets. So for the last five years, really driving substantial improvement over relative to the other asset managers.

And as we start to scale our market cap to \$2.5 million and beyond, I hope we'll be able to pick up more analysts to help us tell the story. It does feel that we are an underappreciated story, within the marketplace.

Within digital assets, there are a number of firms that are sort of pure plays that have come to market with extraordinary valuations. And I'm not saying their valuations are right but as someone who has a vertically integrated digital asset business, not just the funds, but our tokenization platform, our digital TA, we really have this fully integrated platform, which I believe is being fully underappreciated by the market, today.

And as I did say earlier, I wouldn't be surprised if our tokenized money market fund doesn't emerge as the largest fund within WisdomTree if that growth, which started in 2025, where we went from almost nothing to \$700 million of AUM, if it continues, I hope that we'll be able to really drive investor attention into how successful and well-positioned we are within the digital asset story.

So with all that, I just would say, I hope that our shareholders fully appreciate what we're doing. And to the analysts, I think you should focus even more closely on the WisdomTree story. It feels like the best is yet to come. So thank you, everybody.

Operator

Thank you. This concludes today's conference. You may disconnect your lines at this time, and we thank you for your participation.