



WT

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Q1 2024 Results

April 26, 2024

Forward Looking Statements



This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this presentation completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this presentation may include statements about: anticipated trends, conditions and investor sentiment in the global markets and ETPs; anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; competition in our business; whether we will experience future growth; our ability to develop new products and services and their potential for success; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully implement our strategy relating to digital assets and blockchain-enabled financial services, including WisdomTree Prime™, and achieve its objectives; our ability to successfully operate and expand our business in non-U.S. markets; the effect of laws and regulations that apply to our business; and actions of activist stockholders.

Our business is subject to many risks and uncertainties, including without limitation:

- declining prices of securities, gold and other precious metals and other commodities and changes in interest rates and general market conditions can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger redemptions;
- fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise, including but not limited to events such as a pandemic or war, geopolitical conflicts, political events, acts of terrorism and other matters beyond our control, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity or increase the cost of borrowing upon a refinancing;
- competitive pressures could reduce revenues and profit margins;
- we derive a substantial portion of our revenues from a limited number of products, and as a result, our operating results are particularly exposed to investor sentiment toward investing in the products' strategies and our ability to maintain the AUM of these products, as well as the performance of these products and market-specific and political and economic risk;
- a significant portion of our AUM is held in products with exposure to U.S. and international developed markets and we therefore have exposure to domestic and foreign market conditions and are subject to currency exchange rate risks;
- withdrawals or broad changes in investments in our ETPs by investors with significant positions may negatively impact revenues and operating margins;
- fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise, including but not limited to events such as a pandemic or war, geopolitical conflicts, political events, acts of terrorism and other matters beyond our control, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity or increase the cost of borrowing upon a refinancing;
- we face increased operational, regulatory, financial and other risks as a result of conducting our business internationally, and as we expand our digital assets product offerings and services beyond our existing ETP business;
- many of our ETPs have a limited track record, and poor investment performance could cause our revenues to decline;
- we depend on third parties to provide many critical services to operate our business and our ETPs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm WisdomTree ETP investors; and
- actions of activist stockholders against us have been costly and may be disruptive and cause uncertainty about the strategic direction of our business.

Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

The forward-looking statements in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this presentation.

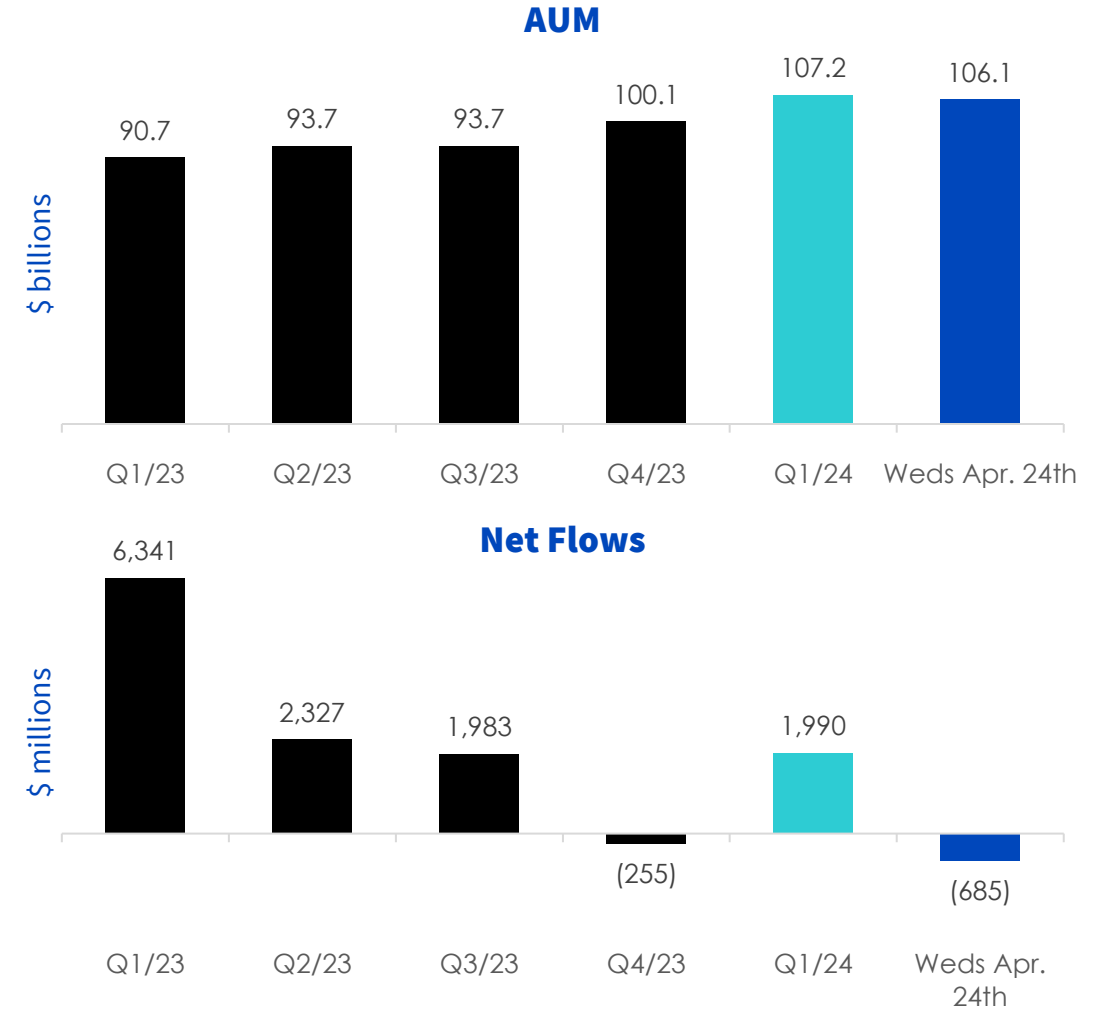
Q1 Highlights



- + Business momentum continues:
 - + Record AUM of +\$107b at March 31st, 2024
 - + Net inflows of \$2.0b in Q1 2024
 - + Revenue growth of 18% vs. Q1 2023
 - + 820bps of adjusted operating margin expansion vs. Q1 2023
 - + Higher fee funds driving net inflows, generating positive fee impact
 - + Blended fee rate of 37bps, since April 1, 2024

- + Net inflows of \$2.0b for the quarter primarily driven by international developed equity and U.S. equity products
 - + Broad and diverse activity generating net inflows in 5 of our 8 major product categories

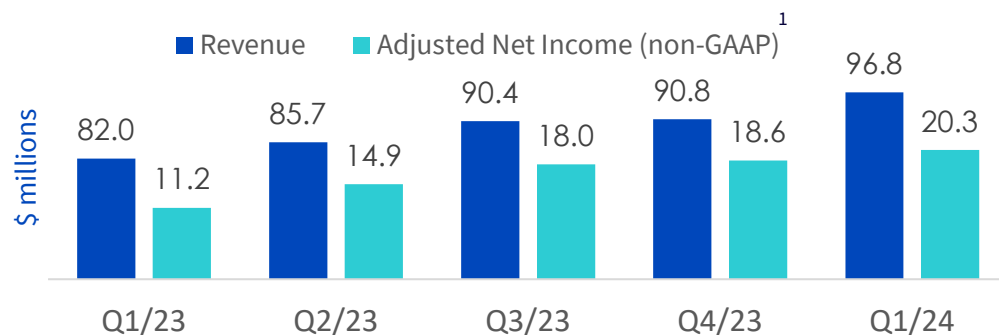
- + Updated statistics (as of April 24th):
 - + AUM: \$106.1b, down slightly from March 31st, 2024 due to outflows and negative market move
 - + Flows: April weakness in Oil and Metals products in Europe more than offset strong inflows into equity products



Revenues and Earnings Results



Revenues, income, operating margin, EPS



Adjusted operating margin (non-GAAP) ¹	21.4%	26.9%	29.5%	28.7%	29.6%
Adjusted EPS (non-GAAP) ¹	\$0.07	\$0.09	\$0.10	\$0.11	\$0.12
Net income	\$16.2	\$54.3	\$13.0	\$19.1	\$22.1
EPS	\$0.10	\$0.32	\$0.07	\$0.16	\$0.13

Operating margin expansion

Adjusted operating margins	3 months ended		Change
	Mar. 31, 2024	Mar. 31, 2023	
Operating revenues	\$96,838	\$82,044	18%
Adjusted operating income	\$28,645	\$17,538	63%
Add back:			
Contractual gold payments	\$0	\$4,486	
Adj. operating income ex. gold	\$28,645	\$22,024	
Adjusted operating margin	29.6%	21.4%	820 bps
Adj. operating margin ex. Gold	29.6%	26.8%	280 bps

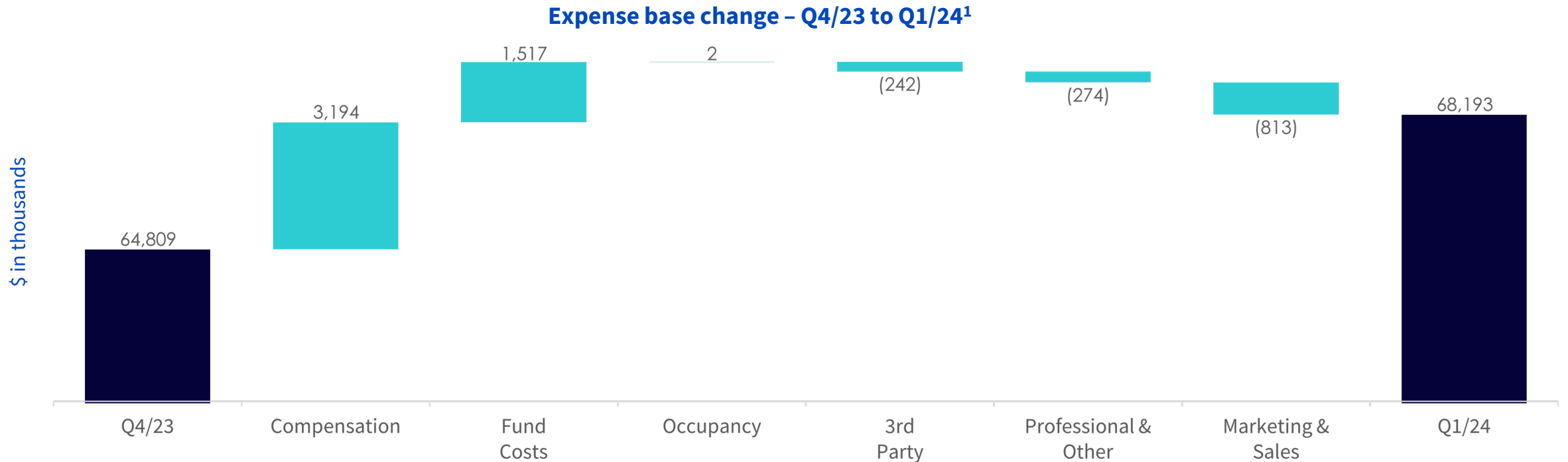
Highlights/unusual items

- + Revenue growth (+18%) and operating income growth (+63%) vs. Q1 2023
- + Operating margin expansion:
 - + Adjusted operating margin: +820 bps
 - + Ex. Contractual gold payments: +280 bps
- + \$1.9m of other non-operating gains excluded from Non-GAAP results

¹ See "Non-GAAP Financial Measurements"

Expense Base – Rollforward

- + Higher compensation primarily from seasonal payroll taxes, benefits and other items in connection with the payment of year-end bonuses
- + Higher fund management costs due to higher average AUM
- + Discretionary spending of \$14.9m (maintaining annual guidance of \$64m to \$68m)



Discretionary spending includes marketing, sales, professional fees, occupancy and equipment, depreciation and amortization, other

¹ Excludes non-recurring expenses of \$695k in response to an activist campaign

2024 Expense Guidance



Category	Q1 Actual	Updated Guidance	Prior Guidance
Compensation	\$31.1m	\$108m-\$118m	Unchanged
Discretionary Spending ⁽¹⁾	\$14.9m	\$64m-\$68m	Unchanged
Gross Margin (full year)	79.4%	79%-80%	Unchanged
Third-Party Distribution	\$2.3m	\$10m-\$11m	Unchanged
Interest Expense ⁽²⁾	\$3.5m	\$14m	Unchanged
Interest Income	\$1.4m	\$5.0m	\$4.0m
Adjusted Tax Rate	24.9%	24%-25%	Unchanged
Diluted Shares - weighted	165.2m	166m-168m	Unchanged

Discretionary spending includes marketing, sales, professional fees, occupancy and equipment, depreciation and amortization, other

- + Compensation guidance contemplates variability in incentive compensation:
 - Anticipate trending toward the **upper half** of the range given the strong start to the year
- + Discretionary spending guidance unchanged as we anticipate an uptick in marketing spend
- + Gross margin guidance of 79% to 80% at current AUM levels. If AUM increases from continued organic flow growth and/or favorable market conditions, further margin expansion would be anticipated
- + Third-party distribution costs dependent upon AUM growth on platforms
- + Interest income guidance increased to \$5m (+\$1m) based upon the magnitude of our forecasted interest earning assets
- + Diluted share forecast exclusive of incremental shares associated with our convertible notes, which will be applicable when our average stock price exceeds \$9.54 per share (an illustration is included in the Appendix).

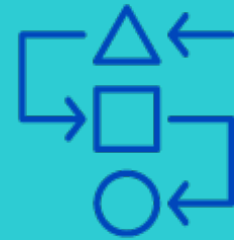
¹ Excludes any non-recurring expenses in response to an activist campaign

² Excludes imputed interest related to our interest-free financing of preferred stock convertible into 13.1m shares of common stock, repurchased from a subsidiary of the World Gold Council in November 2023

WisdomTree's Growth Algorithm



Ongoing inflow momentum as AUM is levered to attractive investment themes



Add 'stickier' inflows from expanding and deepening managed model relationships



Early mover into tokenization charts a course for accelerated long-term growth



Tap into scale benefits and improving margins as the market normalizes

Strong Organic Growth Profile

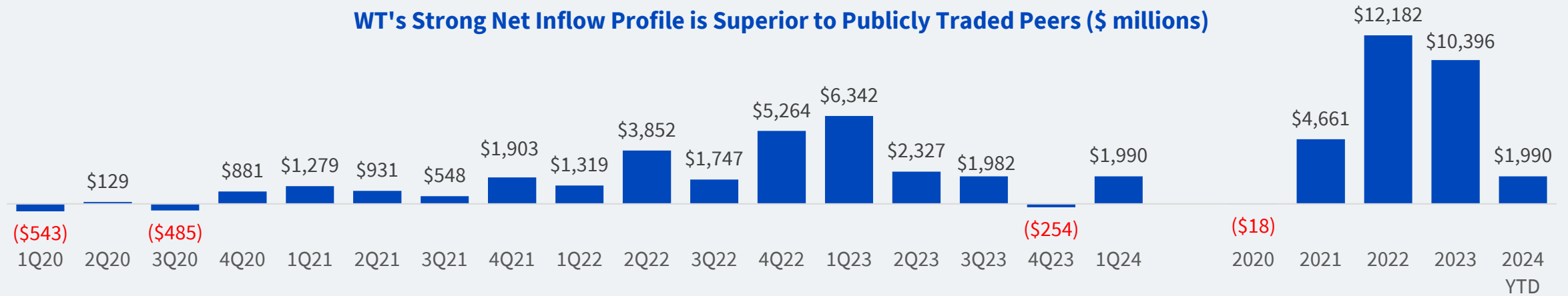


- + WisdomTree has now generated net inflows in 14 of the past 16 quarters
- + Nearly \$2b of inflows in Q1 2024, driven by high fee funds
- + Fee rate on gross inflows was 49 basis points and a key contributor to a remixing of blended fee rate higher headed into Q2
- + Equity franchise (U.S. + International Developed Markets + Emerging Markets) generated \$2.4 billion of Q1 net inflows and a 17% pace of YTD organic growth

WT's AUM grew at a 15%+ CAGR over the past three years



WT's Strong Net Inflow Profile is Superior to Publicly Traded Peers (\$ millions)



Source: ir.wisdomtree.com, data as of 3/31/2024

WisdomTree Portfolio Solutions Distribution Strategy



- + WisdomTree's ability to deliver strong model performance and asset growth allows the firm to navigate rigorous selection processes at some of the leading wealth management firms in the U.S.
- + Portfolio Solutions models distribution strategy is twofold...
 - + Grow the number of advisors using WisdomTree model portfolios and continue at our large distribution partners
 - + Leverage our customized model approach to pursue the registered investment advisor (RIA) and independent broker-dealer (IBD) partners where WT can manage a majority of each firm's assets
- + ...with a simple and attractive organic growth strategy as we are focused on:
 - + Growing the number of advisors using our model products
 - + Growing the number of accounts per advisor
 - + Growing the assets per account

WisdomTree has a barbell approach to portfolio solutions distribution

Large distribution networks

- + Gain shelf space at the largest distributors
- + Build a large group of recurring model users
- + Dedicated resources to drive results

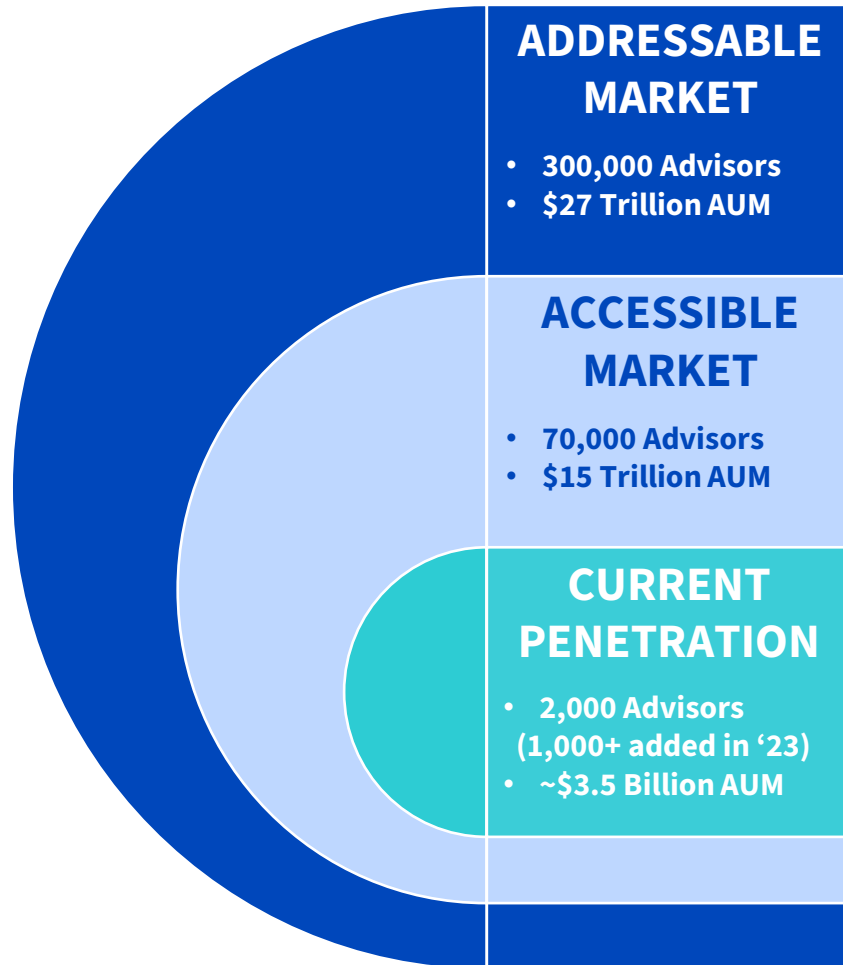


Custom Models – RIAs/IBDs

- + Build custom models w/ advisor
- + Offer ancillary services like trading and rebalancing
- + Manage a majority of an advisor's business

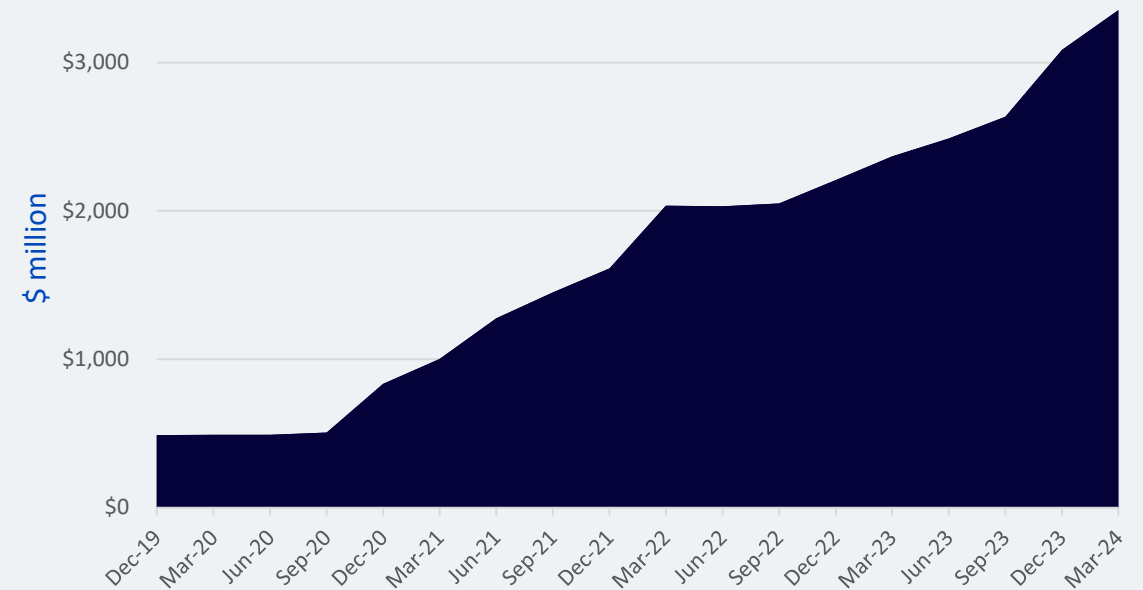


WisdomTree Portfolio Solutions: Showcasing the Models Opportunity



- + Assets under management continue to expand to nearly \$3.5 billion through March 2024
- + Expect further expansion of accessible market to ~80,000 advisors by year-end 2024
- + Added 1,000 new advisors using at least one WisdomTree Managed Model in 2023 and remain on similar cadence in 2024 so far

Growth in WisdomTree Portfolio Solutions AUM



Through the Cycle, Organic Growth Accelerates Scale and Expands Operating Margins



Illustrative annual AUM and revenue growth algorithm over the long run



Illustrative margin outlook from scaling AUM and revenues



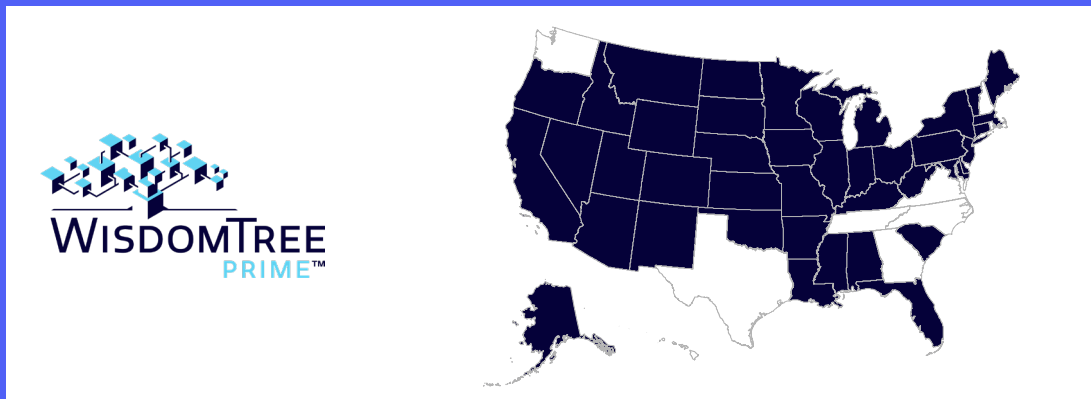
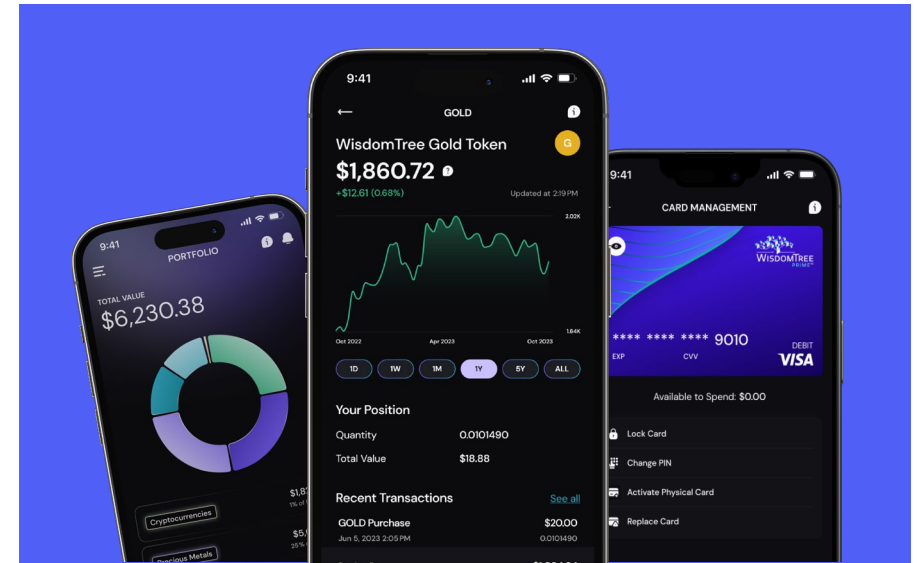
WisdomTree Prime™ Footprint Continues to Expand



The financial app, built on blockchain tech, that lets you **spend, save, transfer,** and **invest** digital assets like Bitcoin, Ether, Gold tokens, Equity Funds, Fixed Income Funds and more.

Debit card functionality now available both physically and digitally to Prime customers.

Including the forthcoming launch in New York, WisdomTree Prime™ will be available to ~75% of the U.S. population with additional expansion coming soon




Please see <https://www.wisdomtreeprime.com/disclosures> for additional information

The industry is already shifting, though WT is a few years ahead



BLACKROCK **March 24**


Launches First Tokenized Private Fund, BUIDL, on the Ethereum Network through Securitize

 **HSBC** **Nov 23**

Plans launch of custody services for tokenized gold and interdealer tokenized gold trading

Goldman Sachs **Jan 2023**

Launches digital assets platform, GS DAP, for bond issuances on DAML

 **abrdn** **Jun 23**

Tokenizes UK money market fund on Hedera Hashgraph, utilizing Archax Tokenisation Engine (in whom Abrdn bought a minority stake in 2022)

 **SOCIETE GENERALE** **Apr 2023**

Issues digital green bond on Ethereum

 **WELLINGTON MANAGEMENT**  **DTCC** **Feb 24**

Proof of concept showcasing end to end fund transfer workflows to automate operations and utilize money market fund as collateral

J.P.Morgan **Oct 23**

Launched Tokenized BlackRock Money Market Fund Shares as Collateral with Barclays through JPM's Tokenized Collateral Network (TCN)

VanEck **Oct 23**

Invests in L1 Advisors that is building the operating system of onchain wealth and asset management

Schroders **Jun 23**


Testing fund tokenization with Calastone under Singapore Monetary Authority's Project Guardian + strategic investment in Forteus to accelerate digital asset plans

 **Hamilton Lane** **Jan 2023**


Tokenizes fund on blockchain network Polygon through Securitize

J.P.Morgan **APOLLO**  **Nov 23**

Proof of concept rebalancing discretionary multi-asset class model portfolios with smart contracts, interoperability

 **Sept 2023**

Announced Citi Token Services for cash management and trade finance

 **Bank of England** **Aug 23**

Hired Digital Currency team to plan and design a tokenized version of the Great Britain Pound (GBP)

 **FRANKLIN TEMPLETON** **Apr 23**

Launched the OnChain U.S. Gov't Money Fund where recordkeeping is stored on proprietary blockchain-integrated system utilizing the Stellar network

KKR **Sep 2022**

Tokenizes Health Care Strategic Growth Fund on the Avalanche blockchain provided by Securitize

WisdomTree is a Multifaceted Growth Story





Q&A

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Appendix

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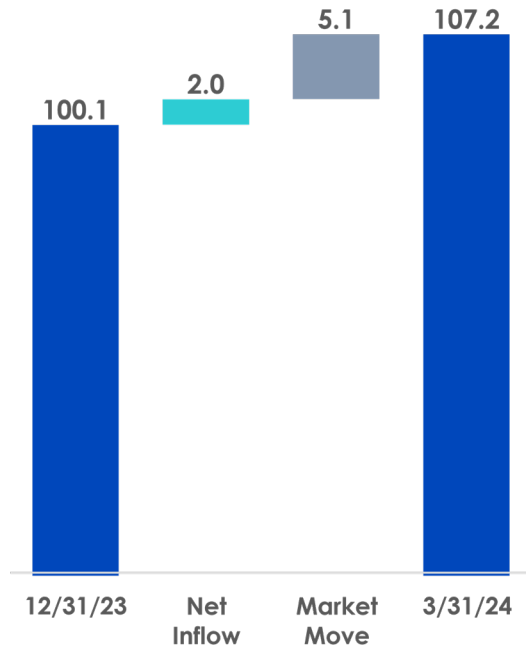
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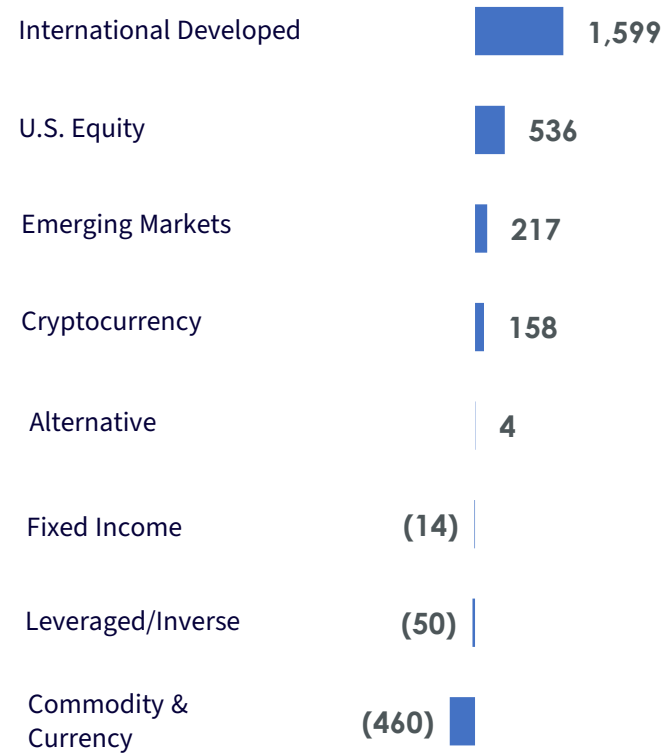
AUM and Net Flows



Quarterly ETP AUM Change



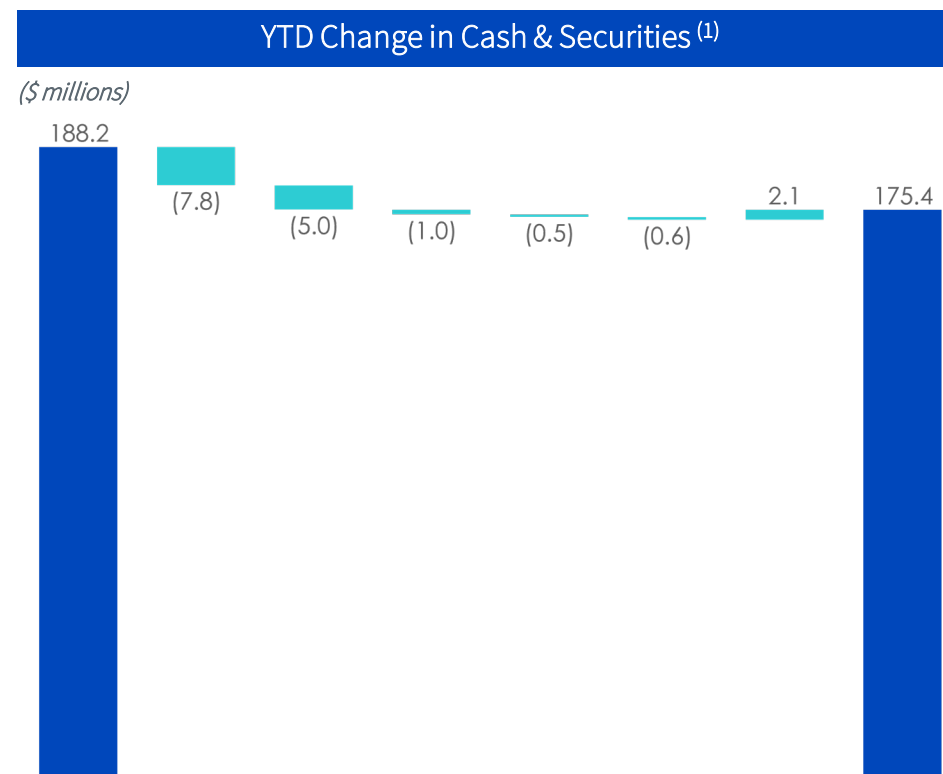
Q1/24 Net Flows by Category



Balance Sheet



Balance Sheet		
	Mar. 31, 2024	Dec. 31, 2023
Assets		
Cash and financial instruments ⁽¹⁾	\$175.4	\$188.2
Investments	9.6	9.7
Accounts receivable	40.0	35.5
Deferred tax asset, net	5.5	11.1
Fixed assets, net	0.4	0.4
Goodwill and intangibles	692.1	691.9
Other assets	8.6	7.3
Total assets	\$931.6	\$944.1
Liabilities		
Fund management and administration	\$32.7	\$30.1
Compensation and benefits	9.6	38.1
Accounts payable and other liabilities	17.1	15.8
Income taxes payable	1.1	3.8
Payable to GBH	39.8	39.1
Convertible notes	275.3	274.9
Lease Liabilities	0.2	0.6
Total liabilities	375.8	402.4
Preferred stock	132.6	132.6
Stockholders' equity	423.2	409.1
Total liabilities and stockholders' equity	\$931.6	\$944.1



(1) Includes financial instruments owned and securities held to maturity

Convertible Notes – *Illustrative* Impact on Quarterly Diluted Shares



Incremental shares issuable when conversion spread is positive are included in diluted EPS computation.

Illustrative computation shown below assuming a \$10 average stock price:

	<u>Issued 2021 \$150M Notes (2026 Maturity)</u>	<u>Issued 2023 \$130M Notes (2028 Maturity)</u>
<u>Conversion Spread</u>		
WT Avg Price in Qtr	\$10.00	\$10.00
– <u>Conversion Price</u>	<u>\$11.04</u>	<u>\$9.54</u>
Conversion spread:	\$0.00	\$0.46
<u>Potential Shares</u>		
Conversion spread:	\$0.00	\$0.46
× <u>Underlying shares (1):</u>	<u>13,586,957</u>	<u>13,626,834</u>
Subtotal - Dilutive \$:	-	6,268,344
÷ <u>WT Avg Price in Qtr</u>	<u>\$10.00</u>	<u>\$10.00</u>
Dilutive Share Impact - Current Qtr	<u>-</u>	<u>626,834</u>

(1) Represents principal divided by conversion price

Consolidated Financial Results



	2023				2024
	Q1	Q2	Q3	Q4	Q1
Revenues					
Advisory fees	\$ 77,637	\$ 82,004	\$ 86,598	\$ 86,988	\$ 92,501
Other income	4,407	3,720	3,825	3,856	4,337
Total revenues	82,044	85,724	90,423	90,844	96,838
Expenses					
Compensation and benefits	27,398	26,319	27,955	27,860	31,054
Fund management and administration	17,153	17,727	18,023	18,445	19,962
Marketing and advertising	4,007	4,465	3,833	4,951	4,408
Sales and business development	2,994	3,326	3,383	3,881	3,611
Contractual gold payments	4,486	1,583	–	–	–
Professional and consulting fees	3,715	8,334	3,719	3,201	3,630
Occ., communications and equipment	1,101	1,172	1,203	1,208	1,210
Depreciation and amortization	109	121	307	335	383
Third-party distribution fees	2,253	1,881	2,694	2,549	2,307
Other	2,257	2,615	2,601	2,379	2,323
Total expenses	65,473	67,543	63,718	64,809	68,888
Operating Income	16,571	18,181	26,705	26,035	27,950
Interest Expense	(4,002)	(4,021)	(3,461)	(3,758)	(4,128)
Gain on deferred consideration	20,592	41,361	–	–	–
Interest Income	1,083	1,000	791	1,225	1,398
Impairments	(4,900)	–	(2,703)	(339)	–
Loss on extinguishment of convertible notes	(9,721)	–	–	–	–
Other (losses)/gains	(2,007)	1,286	(2,512)	1,602	2,592
Income before taxes	17,616	57,807	18,820	24,765	27,812
Income tax expense	1,383	3,555	5,836	5,688	5,701
Net Income	\$ 16,233	\$ 54,252	\$ 12,984	\$ 19,077	\$ 22,111
As adjusted (non-GAAP)					
Total operating expenses	\$ 64,506	\$ 62,630	\$ 63,718	\$ 64,809	\$ 68,193
Operating income	\$ 17,538	\$ 23,094	\$ 26,705	\$ 26,035	\$ 27,950
Income before income taxes	\$ 14,485	\$ 19,752	\$ 23,902	\$ 23,908	\$ 26,987
Income tax expense	\$ 3,287	\$ 4,833	\$ 5,854	\$ 5,342	\$ 6,731
Net income	\$ 11,198	\$ 14,919	\$ 18,048	\$ 18,566	\$ 20,254
Earnings per share - diluted	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12
Weighted average common shares - diluted	159,887	170,672	177,140	171,703	165,268

Non-GAAP Financial Measurements



In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this release include:

- *Adjusted operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share.* We disclose adjusted operating income, operating expenses, income before income taxes, income tax expense, net income and diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measurements provides investors with a consistent way to analyze our performance. These non-GAAP financial measurements exclude the following:
 - *Gains or losses on financial instruments owned:* We account for our financial instruments owned as trading securities which requires these instruments to be measured at fair value with gains and losses reported in net income. We exclude the gains and losses introduce volatility in earnings and are not core to our operating business.
 - *Tax windfalls and shortfalls upon vesting of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting/exercised as well as the difference between the price of our stock on the date the award was granted and the date the award vested or was exercised. We exclude these items when determining adjusted net income and diluted earnings per share as they introduce volatility in earnings and are not core to our operating business.
 - *Imputed interest on our payable to Gold Bullion Holdings (Jersey) Limited ("GBH"):* During the fourth quarter of 2023, we repurchased our Series C Non-Voting Convertible Preferred Stock which were convertible into 13.1 million shares of WisdomTree common stock, from GBH, a subsidiary of the World Gold Council, for aggregate cash consideration of approximately \$84.4 million. Under the terms of the transaction, we paid GBH \$40.0 million on the closing date, with the remainder of the purchase price payable in equal annual installments on the first, second and third anniversaries of the closing date, with no requirement to pay interest. Under US GAAP, the obligation is recorded at its present value utilizing a market rate of interest on the closing date of 7.0% and the corresponding discount is amortized as interest expense pursuant to the effective interest method of accounting over the life of the obligation. We exclude this item when calculating our non-GAAP financial measurements as recognition of interest expense is non-cash and contrary to the stated terms of our obligation.
 - *Other items:* unrealized gains and losses recognized on our investments, changes in deferred tax asset valuation allowance, expenses incurred in response to an activist campaign, unrealized gains or losses on the revaluation/termination of deferred consideration – gold payments which we terminated in the second quarter of 2023, loss on extinguishment of convertible notes, impairments, remeasurement of contingent consideration payable to us from the sale of our former Canadian ETF business and litigation expenses associated with certain provisions of our Stockholder Rights Agreement dated as of March 17, 2023, as amended, with Continental Stock Transfer & Trust Company, as Rights Agent, are excluded when calculating our non-GAAP financial measurements.
- *Adjusted effective income tax rate.* We disclose our adjusted effective income tax rate as a non-GAAP financial measurement in order to report our effective income tax rate exclusive of items that are non-recurring or not core to our operating business. We believe reporting our adjusted effective income tax rate provides investors with a consistent way to analyze our income taxes. Our adjusted effective income tax rate is calculated by dividing adjusted income tax expense by adjusted income before income taxes. See above for information regarding the items that are excluded.
- *Gross margin and gross margin percentage.* We disclose our gross margin and gross margin percentage as non-GAAP financial measurements because we believe they provide investors with a consistent way to analyze the amount we retain after paying third-party service providers to operate our ETPs. These measures also assist us in analyzing the profitability of our products. We define gross margin as total operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues.

Non-GAAP Reconciliation to GAAP Results



(\$ in thousands) Unaudited	Three Months Ended				
	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Adjusted net income and diluted earnings per share:					
Net income, as reported	\$ 22,111	\$ 19,077	\$ 12,984	\$ 54,252	\$ 16,233
(Deduct)/Add back: (Gains)/losses on financial instruments owned, net of income taxes	(1,562)	(370)	1,479	762	(1,479)
(Deduct)/add back: Tax (windfalls)/shortfalls upon vesting of stock-based compensation awards	(699)	(6)	(18)	33	(185)
(Deduct)/Add back: (Decrease)/increase in deferred tax asset valuation allowance on financial instruments owned	(531)	(280)	1,234	(508)	1,667
Add back: Expenses incurred in response to the activist campaign, net of income taxes	526	--	--	3,720	732
Add back: Imputed interest on payable to GBH, net of income taxes	504	224	--	--	--
(Deduct)/Add back: (Gains)/losses recognized on our investments, net of income taxes	(93)	(336)	323	(2,346)	2,966
Add back: Impairments, net of income taxes	--	257	2,046	--	3,710
(Deduct)/Add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	--	--	(41,361)	(20,592)
Add back: Litigation expenses associated with certain provisions of the Stockholder Rights Agreement, net of income taxes	--	--	--	367	--
Add back: Loss on extinguishment of convertible notes, net of income taxes	--	--	--	--	9,623
Deduct: Remeasurement of contingent consideration - sale of former Canadian ETF business	--	--	--	--	(1,477)
Adjusted net income	\$ 20,256	\$ 18,566	\$ 18,048	\$ 14,919	\$ 11,198
Weighted average common share - diluted	165,268	171,703	177,140	159,887	159,478
Adjusted earnings per share - diluted	\$0.12	\$0.11	\$0.10	\$0.09	\$0.07

(\$ in thousands) Unaudited	Three Months Ended				
	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Gross Margin and Gross Margin Percentage					
Operating Revenues	\$ 96,838	\$ 90,844	\$ 90,423	\$ 85,724	\$ 82,044
Deduct: Fund management and administration	(19,962)	(18,445)	(18,023)	(17,727)	(17,153)
Gross margin	\$ 76,876	\$ 72,399	\$ 72,400	\$ 67,997	\$ 64,891
Gross margin percentage	79.4%	79.7%	80.1%	79.3%	79.1%

(\$ in thousands) Unaudited	Three Months Ended				
	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Adjusted Operating Income and Operating Income Margin					
Operating Revenues	\$ 96,838	\$ 90,844	\$ 90,423	\$ 85,724	\$ 82,044
Operating income	\$ 27,950	\$ 26,035	\$ 26,705	\$ 18,181	\$ 16,571
Add back: Expenses incurred in response to the activist campaign	695	-	-	4,913	967
Adjusted operating income	\$ 28,645	\$ 26,035	\$ 26,705	\$ 23,094	\$ 17,538
Adjusted operating income margin	29.6%	28.7%	29.5%	26.9%	21.4%

(\$ in thousands) Unaudited	Three Months Ended				
	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Adjusted Total Operating Expenses					
Total operating expenses	\$ 68,888	\$ 63,718	\$ 67,543	\$ 65,473	\$ 61,591
Deduct: Expenses incurred in response to the activist campaign	(695)	-	(4,913)	(967)	-
Adjusted operating expenses	\$ 68,193	\$ 63,718	\$ 62,630	\$ 64,506	\$ 61,591

(\$ in thousands) Unaudited	Three Months Ended				
	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Adjusted Effective Income Tax Rate					
Income before income taxes	\$ 27,812	\$ 24,765	\$ 18,820	\$ 57,807	\$ 17,616
(Deduct)/Add back: (Gains)/losses on financial instruments owned	(2,063)	(489)	1,953	1,007	(1,954)
Add back: Expenses incurred in response to the activist campaign	695	--	--	4,913	967
Add back: Imputed interest on payable to GBH	666	296	--	--	--
(Deduct)/Add back: (Gains)/losses recognized on investments	(123)	(1,003)	426	(3,099)	3,918
Add back: Impairments	--	339	2,703	--	4,900
(Deduct)/add back: (Gain)/loss on revaluation of deferred consideration-gold payments	--	--	--	(41,361)	(20,592)
Add back: Litigation expenses associated with certain provisions of the Stockholder Rights Agreement	--	--	--	485	--
Add back: Loss on extinguishment of convertible notes	--	--	--	--	9,721
Deduct: Remeasurement of contingent consideration - sale of former Canadian ETF business	--	--	--	--	(1,477)
Add back: Loss recognized upon reduction of tax-related indemnification asset	--	--	--	--	1,386
Adjusted income before income taxes	\$ 26,987	\$ 23,908	\$ 23,902	\$ 19,752	\$ 14,485
Income tax expense/(benefit)	\$ 5,701	\$ 5,688	\$ 5,836	\$ 3,555	\$ 1,383
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting of stock-based compensation awards	699	6	18	(33)	185
Add back/(Deduct): Decrease/(increase) in deferred tax asset valuation allowance on financial instruments owned	531	280	(1,234)	508	(1,667)
(Deduct)/Add back: Tax (expense)/benefit arising from losses/(gains) on financial instruments owned	(501)	(119)	474	245	(475)
Add back: Tax benefit arising from expenses incurred in response to the activist campaign	169	--	--	1,193	235
Add back: Tax benefit on imputed interest	162	72	--	--	--
(Deduct)/Add back: Tax benefit/(expense) on gains and losses on investments	(30)	(667)	103	(753)	952
Add back: Tax benefit arising from impairments	--	82	657	--	1,190
Add back: Tax benefit arising from litigation expenses associated with certain provisions of the Stockholder Rights Agreement	--	--	--	118	--
Add back: Tax benefit arising from extinguishment of convertible notes	--	--	--	--	98
Add back: Tax benefit arising from reduction of a tax-related indemnification asset	--	--	--	--	1,386
Adjusted income tax expense	\$ 6,731	\$ 5,342	\$ 5,854	\$ 4,833	\$ 3,287
Adjusted effective income tax rate	24.9%	22.3%	24.5%	24.5%	22.7%

Reconciliation of US GAAP to Non-GAAP results



	QTD Mar. 31 US GAAP	Gain on Sec. Owned	Gain on Inv.	DTA Val. Allow	Activist Campaign Exp.	Imputed Interest	Tax Windfalls	Non-GAAP
Revenues								
Advisory fees	\$ 92,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,501
Other income	4,337	-	-	-	-	-	-	4,337
Total revenues	<u>96,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,838</u>
Expenses								
Compensation and benefits	31,054	-	-	-	-	-	-	31,054
Fund management and admin	19,962	-	-	-	-	-	-	19,962
Marketing and advertising	4,408	-	-	-	-	-	-	4,408
Sales and business development	3,611	-	-	-	-	-	-	3,611
Contractual gold payments	-	-	-	-	-	-	-	-
Professional and consulting fees	3,630	-	-	-	(695)	-	-	2,935
Occ., commun. and equip.	1,210	-	-	-	-	-	-	1,210
Depreciation and amort.	383	-	-	-	-	-	-	383
Third-party distribution fees	2,307	-	-	-	-	-	-	2,307
Other	2,323	-	-	-	-	-	-	2,323
Total expenses	<u>68,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(695)</u>	<u>-</u>	<u>-</u>	<u>68,193</u>
Operating Income	27,950	-	-	-	695	-	-	28,645
Interest Expense	(4,128)	-	-	-	-	666	-	(3,462)
Interest Income	1,398	-	-	-	-	-	-	1,398
Other gains/(losses)	2,592	(2,063)	(123)	-	-	-	-	406
Income before taxes	<u>27,812</u>	<u>(2,063)</u>	<u>(123)</u>	<u>-</u>	<u>695</u>	<u>666</u>	<u>-</u>	<u>26,987</u>
Income tax expense	5,701	(501)	(30)	531	169	162	699	6,731
Net income	<u>\$ 22,111</u>	<u>\$ (1,562)</u>	<u>\$ (93)</u>	<u>\$ (531)</u>	<u>\$ 526</u>	<u>\$ 504</u>	<u>\$ (699)</u>	<u>\$ 20,256</u>

Diluted Shares: 165,268

EPS: \$ 0.12



Thank you.

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