

**WisdomTree**  
**Q4 2024 Earnings**  
**January 31, 2025**

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**Presenters**

**Jessica Zaloom - IR**

**Bryan Edmiston - CFO**

**Jarrett Lilien - President and COO**

**Jono Steinberg - Founder and CEO**

**Jeremy Campbell - Director of IR**

**Will Peck - Head of Digital Assets**

**Jeremy Schwartz - Chief Investment Officer**

**Q&A Participants**

**Brennan Hawken - UBS**

**Mike Grondahl - Northland Securities**

**Logan - Craig Hallum**

**Chris Kotowski - Oppenheimer**

**Operator**

Greetings, and welcome to the WisdomTree Q4 2024 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 star, zero 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. Thank you. You may begin.

**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. 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, in the Risk Factors section of WisdomTree's annual report on Form 10-K for the year ended December 31, 2023 and in subsequent reports filed with or 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's CFO, Bryan Edmiston.

**Bryan Edmiston**

Thank you, Jessica, and good morning, everyone. I'll begin my remarks with a recap of 2024 and our fourth quarter results, followed by our 2025 expense guidance before turning the call over to Jarrett and Jono for additional updates on our business.

The year 2024 was marked by numerous accomplishments. We closed the year with AUM of 109.8 billion, up almost 10% from the prior year. This growth further showcased the operating leverage in our business model, highlighted by year-over-year adjusted operating margin expansion of 680 basis points. These results, combined with the execution of strategic capital management initiatives, including the highly accretive repurchase of ETFS Capital's preferred stock earlier this year as well as last year's retirement of our gold royalty obligation have driven an increase of over 70% in our adjusted EPS and a 50% increase in our stock price year-over-year.

Next slide. Adjusted revenues were \$110.5 million during the quarter, up 1% sequentially and approximately 22% higher than the same period last year, driven by higher average AUM. The year-over-year improvement also reflects higher other revenues attributable to our European listed products, representing sustainable revenue capture and providing further revenue diversification away from the expense ratio.

On a year-to-date basis, our adjusted revenues have grown over 21%, and our adjusted operating margin was 33.6%, representing expansion of over 680 basis points versus the prior year. Our adjusted net income for the quarter was \$25.3 million or \$0.17 a share. These results reflect higher fund management expenses arising from non-recurring costs related to our custody migration and higher professional fees as we recognize the remaining contractual costs from the WisdomTree Prime service provider as we continue expanding our capabilities to further enhance the platform with internal resources. The net impact of these non-recurring items was about \$0.01 a share.

Next slide. Now a few comments on our 2025 expense guidance - we are forecasting our compensation to revenue ratio to range from 28% to 30%, which includes planned hires as well as compensation adjustments and the annualization of hires made during 2024. The range considers variability in incentive compensation with drivers including the magnitude of our flows, revenue, operating income and margin targets, and our share price performance in relation to our peers.

In addition, the high end of the range contemplates unfavorable market conditions, recognizing that a meaningful portion of our compensation expense is fixed in nature. And as a reminder, we experienced elevated seasonality in the amount of compensation we report in the first quarter as we recognized payroll taxes, benefits and other items in connection with year-end bonuses. We estimate first quarter compensation expense to be approximately \$34 million to \$35 million.

Discretionary spending is anticipated to range from \$68 million to \$72 million as compared to \$64.8 million in 2024. The modest uptick in spend contemplates additional marketing spend related to both digital assets and ETFs, investments in sales related initiatives, including further

promotions of our portfolio solutions offerings, higher amortization of capitalized software and other costs. Our gross margin is anticipated to be about 81% to 82% compared to 80.2% this past year. Our updated guidance takes into consideration current AUM levels, changes in service providers and anticipated fund launches. And as a reminder, our Q4 gross margin was adversely impacted by non-recurring costs incurred in connection with our custody migration this past quarter.

Our third party distribution expense is anticipated to range from \$11 million to \$12 million as we expand our partnerships and grow AUM on the platforms. Our annual adjusted interest expense guidance is anticipated to be approximately \$20 million, higher than the prior year due to incremental debt raised last August to facilitate the repurchase of preferred stock from ETFS Capital. As a reminder, this guidance excludes interest costs we are required to impute under GAAP related to our interest free financing of shares we repurchased from the World Gold Council in 2023.

Our interest income is anticipated to be approximately \$7 million, largely aligned with the interest income recognized in the prior year based upon the magnitude of our forecasted interest earning assets and projected interest rates. And our weighted average diluted shares were \$158.8 million during 2024. We anticipate our weighted average diluted shares to be \$149 million to \$150 million in 2025, taking into consideration the full year impact of the 20 million shares we repurchased last August. As a reminder, this guidance does not take into consideration any variability in shares associated with our convertible notes.

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

### **Jarrett Lilien**

Thank you, Bryan, and good morning, everyone. As we close out 2024, I'm proud to reflect on a year that has positioned us for sustained earnings growth and margin expansion. Today, I'll share highlights of the past year and then some thoughts on the rest of this year, focusing on flows, models, operational efficiencies and progress in digital assets and tokenization.

Beginning with flows, 2024 started strong but wasn't without its challenges. Institutional clients utilized USFR for cash re-risking strategies leading to outflows. The Japan carry trade faced disruptions, impacting DXJ, our currency hedge Japan fund, and commodity markets experienced significant volatility. Despite these challenges, we delivered meaningful outcomes.

The number of clients using WisdomTree products grew by 5% with the average number of products held per client rising by 4%, signaling deeper client engagement. Meanwhile, our Models business continued to stand out as a core growth engine, leveraging differentiated products such as our Siegel-WisdomTree Models. We ended the year with over 2,500 Model users and \$3.83 billion in Model assets, reflecting 29% user growth and 28% Model assets growth year-over-year.

With an accessible market of over 85,000 advisors and \$18 trillion in assets, we've made significant inroads, and our focus has now fully shifted to growing Model users and Model assets. For 2025, we're projecting 25% to 30% annual growth in Model users and 35% to 40% annual growth in Model assets. Overall, we continue to see Models as an important driver of sustainable organic growth in years ahead.

Switching to operational efficiency, disciplined expense management and operational focus have delivered strong results. In 2024, revenue grew 21% year-over-year while adjusted operating income grew by more than 52%. Strategic balance sheet improvements, including preferred stock repurchases, further boosted earnings growth. Looking forward, our operating and capital deployment strategies remain focused on enhancing earnings while maintaining flexibility for future opportunities.

Finally, let's turn to digital assets and blockchain enabled finance where we've made meaningful progress despite facing significant regulatory headwinds. With so many market participants now scrambling to get involved, our early investments in the space and our commitment to innovation have positioned us at the forefront of this transformative movement.

That said, the journey has not been without its challenges. As I mentioned, regulatory headwinds have delayed our implementation timeline by about two years, and we are still working to secure additional state level approvals, including Texas, which are essential to unlocking new opportunities for growth. Furthermore, we do not yet have seamless access to the on-chain community, which is our primary target market. These obstacles have made our path to full scale engagement slower than we initially anticipated.

However, we are at a critical inflection point. On and off ramps for blockchain assets and traditional payments are close to being activated, which will provide the seamless access to the target market that we've been building towards. Coupled with the additional state approvals that are now within reach and the blockchain friendly approach of the new administration, we believe we are well positioned to drive significant traction in 2025.

To provide greater transparency and track our progress, we will begin sharing quarterly updates on key metrics, including open and funded accounts on WisdomTree Prime, daily user transactions and total platform AUM. As we enter 2025, we've established a baseline to grow from, and we start with 26,000 opened accounts and 2,300 funded accounts on WisdomTree Prime. We also averaged 143 daily user transactions in Q4, reflecting regular engagement from those accounts. And we now have \$31 million in total digital AUM, including \$3 million in WisdomTree Prime AUM.

Overall, while we face delays and challenges along the way, the pieces are falling into place and we are well positioned to capitalize on the momentum ahead and establish even stronger traction in this exciting and transformative space. And with that, I'll now hand it over to Jono.

**Jono Steinberg**

Good morning, everyone, and thank you, Jarrett. As we reflect on 2024, I want to build on Jarrett's points by highlighting three themes: one, growth and revenue diversification; two, disciplined execution; and three, strategic innovation. Growth and revenue diversification remains a priority in 2025 and builds on 2024, which is a breakout year in this regard. We are committed to continuing to diversify revenue streams and grow revenue beyond the expense ratio. Our firm-wide total revenue yield, which includes the \$28 million of other revenue booked in 2024, is both more resilient and expanded faster than our expense ratio revenue.

Also as Jarrett outlined, we will continue to increase both the number of clients and deepen our engagement with those clients, which drives organic AUM growth. Specifically, we will further increase both Model users and Model AUM per user. Models have become an essential tool for advisors, and our solutions are extremely well positioned to meet the demand arising from this growing macro wealth management trend.

Switching to disciplined execution, the results are clear in the 2024 numbers. Earnings per share was up 73% year-over-year, driven by 21% revenue growth, expanded operating margins that drove a 52% growth in adjusted operating income. And in 2024, we bought back over 19 million shares or roughly 12% of the shares outstanding. These are the results of a disciplined approach, and that will continue in 2025.

Looking ahead, we are employing this disciplined approach to how we deploy AI. We are more fully embedding AI into our daily workflows, which is enhancing our scalability and will drive additional value creation through better and quicker decisions. I expect you'll hear more from us regarding AI in the coming quarters.

Additionally, WisdomTree has been opportunistic around accretive capital deployment in years past, though we've been incredibly proactive in the past two years. I fully expect that, we will continue with this more aggressive approach in 2025 and beyond. That could include further stock buybacks, but we will also explore inorganic growth opportunities like M&A and partnerships if they are accretive and strategic.

Our last theme, strategic innovation, has always been WisdomTree's foundation. From ETFs to self indexing, we've constantly anticipated market shifts. For quite some time, we've been asking ourselves what could disrupt ETFs the way ETFs disrupted mutual funds. We believe the answer lies in tokenization.

Here are a few key developments. Tokenized real world assets, which today are mostly in stable coins, has grown from near zero in 2017 to over \$200 billion in AUM today. This highlights the utility of public blockchains and actually shows a higher early growth curve and ETF adoption in the early 90s.

WisdomTree has a stablecoin today and our tokenized money market fund and floating rate treasury funds are well suited for stablecoin like solutions and demonstrates the broader potential of real world assets on public blockchains.

I'm excited to say, WisdomTree Connect has onboarded its first customers supporting tokenized money market funds on to Ethereum. From there, we will look to expand the adoption of our total tokenized product lineups furthering -- including gold equities and the rest of our tokenized funds.

From the start, we knew that obtaining state and federal approvals was critical, and we have always been vocal about our commitment to responsible DeFi. That's how we describe our vision of how the market will unfold in the coming years. Simply, it's the intersection of innovation and responsible regulation that will lead to a transformative user experience. The new pro-innovation Trump administration offers a clear opportunity to expand our capabilities like on and off ramps for blockchain assets and payments. This new regulatory approach paves the way for faster approvals that will drive faster digital asset growth. The momentum in tokenized assets is accelerating and our early investments in this space position us well to capitalize on this trend.

In closing, in 2024, we've laid the groundwork for continued success, and I'm excited about the opportunities ahead in 2025 and beyond. Thank you, and I look forward to your questions.

### **Jeremy Campbell**

All right. Thanks, Jono. This is Jeremy Campbell, Head of Investor Relations. Similar to prior quarters, we're going to take a quick question from our shareholder base and then open it up to the analyst community. I'm going to direct this question to Will Peck, Head of Digital Assets. And, Will, the question is, it seems like the new administration is a bit more friendly to crypto and blockchain. What does WisdomTree's competitive landscape look like in a more open environment?

### **Will Peck**

Good morning. Thanks, Jeremy, for the question. So first of all, I think it's more than just a bit more friendly. I think we're seeing a real step function change in this pro-innovation stance versus where things were just a couple months ago coming out of DC. So over the next coming years, I think there's going to be some legislation from Congress. I think there's also going to be importantly more regulatory clarity, both from securities regulators and federal banking regulators. And I think that's just going to be an overall catalyst for WisdomTree's efforts.

So speaking specifically about these efforts, I mean, one space is obviously crypto exchange rate of funds, exchange rate of products. It's been extremely competitive in that market; it's been competitive in Europe for a long time. But we were actually the leading flow gatherer in 2024 in Europe. That suite of products is incredibly well positioned going forward, and I expect we're going to continue to have a good year, particularly as more and more money comes into this space.

The second part I'd answer is around tokenization. So I think tokenization, particularly tokenized money market funds and treasuries, has gotten very competitive very quickly, and I expect more competition going forward. We feel like we're in a great spot though, and the investments we've been making over the past three years has really built a real competitive moat for us.

I'd highlight three things in that competitive moat. The first is our technical platform. So we've invested in building our tokenization platform. This is much more than just creating a token. It's data structures, it's smart contracts, it's public private key management in order to bring like all these filings and ideas actually into reality.

The second point I'd make is the 40 Act. So that's WisdomTree US' bread and butter; we're incredibly familiar with that structure. That's the highest regulatory standards in the US for products. And a lot of our efforts have been out of the 40 Act here in the United States. A lot of the other early efforts from other competitors have been offshore in under regulated or unregulated structures that's allowed them to win some early money offshore, but I think it's going to be limiting, certainly in terms of getting to US retail over time. And we expect particularly with the election, there's going to be a lot more US retail interest in this space, use of stablecoins over time.

And the third point I'd make is just broader regulatory innovation. Anyone can copy a fund filing; that's not hard to do. But it's much harder to put together both the technical platform and the suite of regulated entities around that, including the New York trust company, for example. So this is important both for unlocking the user experience benefits of tokenization but also, for WisdomTree, unlocking the true economics of this. So to summarize, definitely expect more competition going forward, particularly post election. But we feel like we're incredibly well positioned to date with these competitive moats that I highlighted. Jeremy, back to you.

### **Jeremy Campbell**

Great. Thanks, Will. Operator, you can go ahead and open up the lines for questions from the analysts.

### **Operator**

Thank you. We'll now be conducting a question and answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two to remove yourself from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. One moment please while we poll for your questions.

Our first questions come from the line of Brennan Hawken with UBS. Please proceed with your questions.

### **Brennan Hawken**



Good morning. Thanks for taking my questions. Jono, I'd like to start -- you said something that caught my attention in your prepared remarks on M&A and partnerships. I know that you don't want to tip your hand, so please understand the spirit of the question. But are there any areas or capabilities that are of particular interest as you explore this?

**Jono Steinberg**

Well, first, we've acquired -- so it could be ETF sponsors. We've acquired two already. It could also include product lines of other asset managers. We've done this before -- or other asset classes. It could also be in the area of technology. Now that's very broad, but we see in technology the potential for transformative strategic partnerships. But I guess the bottom line for us is we're on our front foot. We're leaning into this. We're seeing a lot of conversations and opportunities. Okay, Brennan?

**Brennan Hawken**

Yeah, yeah, no, I get it, I get it. And I'd love to follow up on that question on the new administration and crypto, because we've seen -- we've actually seen some action already with the SEC rescinding the rule around banking entities. We have seen more recently the SEC approving some spot Bitcoin ETFs. So when you look at the early actions of the regulators and the administrations, what's been most interesting, and what are you watching for to really fire up the excitement around potential change here?

**Jono Steinberg**

So sort of the low hanging fruit had been the SEC and just the launching of crypto ETPs. That was sort of the easy momentum. Where the regulators on the past four years, the prior administration, were most aggressive, it was by discouraging the banking industry from touching the asset class in any way. And when you think about what we're trying to do with WisdomTree Prime and WisdomTree Connect, in many ways, we're trying to mainstream the asset class where it can sit next to other assets but also other banking services.

And so we -- so I sense that that's changing from the banks very, very quickly. We shared these new metrics with you. And to put it all into perspective, we're not even at the starting line. As Jarrett said, we're probably two years behind because of the regulatory environment of the last four years. Not all states have given us -- approved our licenses for money transfer. We haven't been able to get the on and off ramps to payments and to the on chain community, because the banks have been so afraid to let anything from the on chain community to touch their rails. So it's been -- you sense that there really is a change coming. And in our conversations, it is coming. So we sense it.

To build on the -- to add a little bit more perspective on the metrics that we showed though, I do want to say that we've been just incredibly prudent in our spending to date. And I just want to mention that all of our spending has been in our guidance for the last four years, including this year, that digital assets, tokenization, crypto, the on chain community today is a multi-trillion opportunity, and we expect it to grow significantly from here.



And as Will said, as I said in my remarks, as well, we're excited by the new administration. It feels like it's an inflection point for us. And when I play to my background -- and obviously, my background is ETFs, and I want to be careful that I don't over index to that experience. But I do see significant overlap between tokenization and ETFs. Both are innovative, regulated financial services. Both started with a retail focus; they're transparent. Both reduce friction and add to the user experience.

When you think about ETFs, the timeline, the Amex spent seven years in front of the SEC before they got limited approval. Then between 1993 and May of 2000, there were only three ETFs in the market. And then in June of 2000, Barclays Bank made a bold bet and launched the iShares franchise, and the industry came alive.

So my point is that if you judge to the opportunity of ETFs by how long it took or how long it took for the market to develop, you might have abandoned it or missed the opportunity completely or at least under invested against the opportunity. So I guess, what I would say, my perspective is, in many ways, this new administration, it feels like it's the year 2000 for the crypto tokenization market and that we've laid the foundation for faster regulatory approvals and faster growth going forward.

**Brennan Hawken**

Yeah. Yeah, I hear your point about over indexing. I'm trying to stay mentally flexible, too. It's a little hard. But I hear you, and thanks for the color.

**Jono Steinberg**

Thank you.

**Operator**

Thank you. Our next question comes from the line of Mike Grondahl with Northland Securities. Please proceed with your questions.

**Mike Grondahl**

Hey, thanks, guys. With all the momentum in those crypto funds in Europe, could you remind us of the individual offerings you have over there and how that might look in six months to 12 months just as you expand and grow that in Europe and maybe in other geographies?

**Jono Steinberg**

Jeremy Schwartz, our CIO, do you want to start here, or is it Will?

**Jeremy Schwartz**

I could give it some context. So Will mentioned -- this is Jeremy Schwartz talking here. Will mentioned we were a leader in cryptocurrencies for Europe last year. What -- we have a broad suite. We started with Bitcoin, but we now have from -- Bitcoin and Ethereum obviously the top

two, but we have Solana, we have Cardano, Polkadot, we have a basket that's equal weighted between Bitcoin and Ethereum. We have a broader market portfolio. We have an Altcoin. So it shows you that Europe has been -- we talked a lot about the innovation in the US coming in the new administration. Europe was sort of ahead of the US, which is not often the case, but they have been in these product offerings. And I think you're seeing more filings in the US, but we're also in the market -- we've been in the market established in Europe. We expect good things. We also have Ripple. Ripple was one of our faster growing cryptos last year, up to around \$250 million to \$300 million based on the market price on the day. But it's been a good robust offering, and we plan to do more.

**Jeremy Schwartz**

And let me just add to that. Under this new administration in the US, you would expect to see the industry to roll out in the US in a similar fashion, I would expect, to what you saw in Europe. So if the administration hadn't changed, it wouldn't have been easy to get past just Bitcoin. But I do believe you'll see a lot of innovation and product to come to market this year and in the coming years in crypto in the US.

**Mike Grondahl**

Got it. You do think that's possible in '25?

**Jeremy Schwartz**

Yes, I do.

**Mike Grondahl**

Got it, great. And can I ask, on those funds you mentioned in Europe, how are staking fees treated?

**Jeremy Schwartz**

Will, is that you? Would that be you--

**Will Peck**

--Yeah. Yeah, I can take this. So, I mean, your question is around proof of stake coins that might be held physically in these products, and when the coins are staked right, it generates a staking yield, staking reward. Some of that is shared with the investors; some of it's shared by WisdomTree, and it's all kind of a function of how much is staked in those products, as well. So I think it's a good investor experience, and it's something that us and other issuers have been offering.

**Mike Grondahl**

Gor it. Hey, thanks, guys.

**Jeremy Schwartz**

Thank you.

**Operator**

Thank you. Our next question comes from the line of George Sutton with Craig Hallum. Please proceed with your questions.

**Logan**

Thank you. Good morning. This is Logan on for George. I appreciate the color on some of the Prime and giving the metrics. Kind of on that topic, I was wondering if you could give us just a little bit more -- I mean, understanding that it's very early days and there's still some regulatory stuff to work through, anything you can give us on kind of what are the use cases that seem to be hitting home so far, I mean, whether it'd be funds that people are gravitating towards and that guys came out with the ability to spend other certain funds a few months back, just kind of the use cases that seem to be working in the early days?

**Jeremy Schwartz**

Will, that's you.

**Will Peck**

Yeah, absolutely. So I think the biggest thing is tokenized money market funds, both WisdomTree Prime and WisdomTree Connect and the functionality that that unlocks. For us, the ticker is WTGXX, the WisdomTree Government Money Market Digital Fund.

And I'll cover your WisdomTree Prime. One of the great use cases that we've highlighted is that you can fund -- with Fiat [sp] in the near future will support stablecoin funding, immediately invest into the money market fund that's earning a great yield right now, right at the risk free rate for our short term rates. And we also support spending on top of that through the WisdomTree Prime Visa debit card, which just anecdotally is something that people love and love to use.

The other point I'd highlight is around WisdomTree Connect where we only launched this platform in September. We're just really going to market now. We've already got clients onboarded. I think we've got an exciting pipeline that we'll be able to update you guys on over the coming weeks and months. But that use case is very clear in terms of on chain firms wanting yield and diversification, right? So think of a pool of capital that's held on chain by some sort of DAO or other institution that's wanting to invest in things other than just crypto tokens or stable coins that have no yield, right? And so for them being able to seamlessly access a tokenized money market fund, immediately earn that yield, it's just a better experience, not to mention the kind of additional regulatory and security comfort that a 40 Act money market fund provides.

So we're really off to the races with WisdomTree Connect, and I'm excited for what we're going to be doing with that over the course of 2025.

**Logan**

Appreciate it. That's helpful. And then maybe shifting to the advisor strategy, I mean, you guys have talked about expanding the portfolio consultation services recently. And then my understanding is that when you guys do a consultation, you have a better win rate, better ability to grab AUM. Just maybe any color you can give us on kind of what the expansion really looks like and how big -- how significant is that to the overall strategy going forward as we think about -- I mean, I think you guys talked about 25% to 30% growth this year. I mean, is that something you're going to look to expand over the next few years or how significant is that?

**Will Peck**

Jarrett, would you like me to take it, or do you want to take it?

**Jarrett Lilien**

I can kick it off. Look, I think that's really the right question. The last couple of years with our whole Models business, we've been looking to establish ourselves, and that meant getting through gatekeepers, and we kept talking about what's our addressable or accessible market, how many advisors have access, what kind of advisor assets have access to our Models.

I think we've checked that box. We've now got, as we've said, more than 85,000 advisors have access and over \$18 trillion of assets, which is I think about two-thirds of the advised assets. So now our focus is turned to penetrating that market, and that's where we talked about we want to grow our Model users by 25% to 30%. We're going to grow our Model assets by 35% to 40% because what we're doing while we're also growing the users, we're going deeper with the existing users, and that'll get a multiplier effect in growing the Model assets.

So portfolio reviews or consultations is another major tool in penetrating that market. And we do find that, when we offer that service, it's a really good advisor friendly service, which is really our goal is to just help our advisors be better. So it's a tool that's very popular. But then on our side, it draws us closer to the advisor. We now have a better idea of what they're working with, of what their portfolios look like, and it allows us to help them in a deeper way. So that's part of -- it's a major part of the strategy that's going to help us drive engagement in the overall models business this year and beyond.

**Jeremy Schwartz**

Great answer, Jarrett. The only thing I'll say is that it's just turned on in a more dynamic way just now. So that one particular portfolio consultation just turned on. So great question. Thank you. Any other?

**Logan**

No, that is it. I appreciate you taking my questions.

**Operator**

Thank you. Our next question comes from the line of Chris Kotowski with Oppenheimer. Please proceed with your questions.

**Chris Kotowski**

Yeah, I was just going to say thank you for Slide 13; it gives us a baseline. I'm just curious about the statistic though of 26,000 accounts and only 2,300 of them funded. Who's opening all those accounts, and why would one open the account if one wasn't intending on using it, or do you expect those people to start funding it or -- just struck me as odd?

**Jeremy Schwartz**

Will, will you take the first shot at this?

**Will Peck**

Yeah, absolutely. So I think I'd make an overall comment that, I think for fintech apps generally, I think the baseline ratio of funded accounts to open accounts is probably lower than you might intuitively expect, right? You're like why would this person give me their social security number if they're not planning on funding. And in all the conversations we've had, all the data we've seen, that's just a consistent thing in retail fintech fab generally, right?

So I think just lower your baseline rate for what that should be, but we definitely want to drive this number higher. What we're seeing today is we want to continue to drive this number higher, and I'm in these numbers every day, and I can tell you over the past couple of weeks and months, that number is increasing. As you know, doing things like improving the onboarding process, right, or improving funding methods, targeting better in our digital marketing.

So I expect that number to go up. We will definitely be remarketing to people who've opened accounts, right? These are people that we can easily remarket to; they can easily fund from there. So I expect to convert some percentage of them, and then just of new accounts coming through, we expect them to convert to funded users more quickly.

**Chris Katowski**

Okay, thank you.

**Jeremy Schwartz**

Just touch on on-chain community and the on ramps for a second though. Just reiterate that.

**Will Peck**

Yeah, and this is a point that Jarrett made in the script and Jono touched on earlier is, we view our primary target market being the on chain community, which we just can't well support yet without stablecoin on and off ramps. So this goes back to kind of uncertainty from the federal banking regulators that this is just something that we've not been able to bring forward yet, but we've got a good plan in place over the course of the first half of this year to add that product feature, which will really allow this community to fund more easily and get the benefits of diversifying and yield in this way. So when that happens, I think you'll better be able to judge that ratio.

**Chris Katowski**

Okay, great. Thank you.

**Operator**

Thank you. There are no further questions at this time. I'd now like to hand the floor back over to Jonathan Steinberg for any closing remarks.

**Jono Steinberg**

Thank you. Yeah, I would like to make a final point. To the analysts, I would say, humbly, we deserve a significant expansion of multiple. Our growth rates, both historical and going forward, including year-to-date momentum with over \$1 billion in inflows year-to-date justifies it. Our business model, AUM of 115 billion, are an absolute record this morning and only 300 employees. It's the envy of the industry. Our areas of focus, WisdomTree is levered to three of the biggest trends in asset management, global ETFs, models and solutions and tokenization. The only thing that we don't have is private assets. My point is the value of the franchise is not reflected in our \$1.5 billion market cap; it's very frustrating. And I guarantee you, outsiders looking in see a lot of value that's not reflected in our stock today. So again, I feel strongly that it really justifies that our multiple expands. I'll just leave you with that thought.

So thank you all for your interest, and we'll talk to you next quarter. Have a great day.

**Operator**

Thank you. This does conclude today's teleconference. We appreciate your participation. You may disconnect your lines at this time. Have a great weekend.