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# WisdomTree Reveals European ETF Growth Drivers Over the Next Decade as it Celebrates 10 Years in Europe

*European ETF industry AUM achieved 409<sup>1</sup>% growth over that period*

NEW YORK--(BUSINESS WIRE)-- WisdomTree, Inc. (NYSE: WT), a global financial innovator, today announced its 10-year anniversary in Europe. Since establishing its European presence in 2014, the company has experienced remarkable growth and has become a trusted resource for investors across the continent. Over the last decade, WisdomTree has grown in Europe to more than \$30 billion in assets under management (AUM) and over 100 employees, offering a multi-award-winning product range, including core and thematic equities, crypto, commodity, short and leverage and currency exchange-traded products (ETPs). The company also has been named a UK Best Workplace by Great Place To Work® for five straight years.

“For US asset managers, Europe is the gateway to the rest of the world, and we knew that having a strong European business was the key to helping us compete on the global stage. We are proud to be a trusted partner to our European clients and strive every day to help them meet their investment goals,” said Jonathan Steinberg, Founder and CEO, WisdomTree. “The decision to launch in Europe 10 years ago was a great one, but a decade is just the beginning, and we have no intention of slowing down. As the European and global ETF market grows, so do our expectations and standards. We look forward to another 10 years of success for WisdomTree and the ETF industry.”

In addition to the 10-year milestone, the company released the results of its survey of 817 professional investors across Europe, responsible for approximately €4.4 trillion in AUM. The findings show that ETF adoption will continue to grow in Europe over the next ten years, with retail adoption and product innovation among the key drivers<sup>2</sup> of this growth.

European ETF industry AUM has grown to \$2.1 trillion, a 409%<sup>3</sup> increase since WisdomTree launched in Europe 10 years ago. The survey reveals that nearly all (99%) professional investors surveyed believe there will be ETF growth in Europe over the next 10 years. Survey respondents expect several factors to continue driving ETF growth in Europe, with 25% of European professional investors surveyed highlighting increased retail adoption and innovative product development as key factors contributing to this growth.

The survey also shows positive European ETF growth prospects in the short term, with 46% of professional investors expecting to increase their allocation to ETFs in the next twelve months. However, there are still barriers to ETF adoption, as 26% say they do not allocate (more) to ETFs due to a lack of knowledge about the investment wrapper.

“The European ETF industry has gone from strength to strength over the past decade, with AUM set to reach \$4.5 trillion by 2030<sup>4</sup>. There are still educational hurdles to overcome, but the next 10 years could be even brighter than the last, with our research pointing to many growth drivers,” said Alexis Marinof, Head of WisdomTree Europe. “We believe that the retail opportunity is the most exciting for the ETF industry, while professional investors believe that innovative product development will be crucial too. This has been our value proposition for clients since we launched in Europe in 2014 and today, we have developed a truly differentiated product offering that stands out in an increasingly crowded and competitive market.”

Professional investors have a variety of use cases for ETFs showcasing the flexibility and versatility of the wrapper, with three in 10 (30%) using ETFs as core portfolio holdings. Due to their essential role in portfolio construction, ETFs track popular benchmarks like the S&P 500, where the bulk of assets are allocated. However, investors also recognize the benefit of using ETFs to access alternative asset classes such as commodities or cryptocurrencies (35%) and thematic equities (27%). This use case may explain why innovative product development is considered a key driver of European ETF growth, with ETFs democratizing otherwise difficult-to-access asset classes.

### **Active ETFs**

Unexpectedly, given the steady growth of active ETFs in Europe, survey respondents ranked active ETFs last when asked about the key drivers for European ETF growth over the next decade (23%). Despite this, preferring actively managed strategies (32%) is the most frequently cited reason preventing professional investors from allocating more to ETFs, suggesting investors still associate ETFs with being passive vehicles.

The survey also revealed differences of opinion between professional investors over how to define active ETFs. The majority (61%) believe they involve portfolio managers picking stocks for ETFs, either with full transparency (24%), semi-transparency (21%) or no transparency (17%). Elsewhere, 18% of investors surveyed believe an ETF tracking an index built with expert partners fits their view of an active ETF.

Marinof added, “Most ETFs positioned as active are not aligned with the high conviction, stock-picking definition that most investors have for active ETFs and exhibit many similarities with fundamentally weighted ETFs that have been around for decades. WisdomTree was a pioneer in launching fundamentally weighted ETFs and has continued in that vein. Ten years after the launch of our first UCITS ETF in Europe, investors are still looking for innovative solutions to help them meet their investment objectives. There is a wide range of ETFs with varying approaches available to investors, with the majority tracking traditional benchmarks, but our focus is – and will continue to be – on bringing differentiated and value-added products to market.”

### **About WisdomTree**

WisdomTree is a global financial innovator, offering a well-diversified suite of exchange-traded products (ETPs), models, solutions and products leveraging blockchain technology. We empower investors and consumers to shape their future and support financial professionals to better serve their clients and grow their businesses. WisdomTree is leveraging the latest financial infrastructure to create products that provide access, transparency and an enhanced user experience. Building on our heritage of innovation, we

are also developing and have launched next-generation digital products, services and structures, including digital or blockchain-enabled mutual funds and tokenized assets, as well as our blockchain-native digital wallet, WisdomTree Prime® and institutional platform, WisdomTree Connect™.\*

\*The WisdomTree Prime digital wallet and digital asset services and WisdomTree Connect institutional platform are made available through WisdomTree Digital Movement, Inc., a federally registered money services business, state-licensed money transmitter and financial technology company (NMLS ID: 2372500) or WisdomTree Digital Trust Company, LLC, in select U.S. jurisdictions and may be limited where prohibited by law. WisdomTree Digital Trust Company, LLC is chartered as a limited purpose trust company by the New York State Department of Financial Services to engage in virtual currency business. Visit <https://www.wisdomtreeprime.com>, or the WisdomTree Prime mobile app or <https://www.wisdomtreeconnect.com> for more information.

WisdomTree currently has approximately \$112.9 billion in assets under management globally.

For more information about WisdomTree, WisdomTree Connect and WisdomTree Prime, visit: <https://www.wisdomtree.com>.

Please visit us on X at @WisdomTreeNews.

WisdomTree® is the marketing name for WisdomTree, Inc. and its subsidiaries worldwide.

## **PRODUCTS AND SERVICES AVAILABLE VIA WISDOMTREE PRIME:**

**NOT FDIC INSURED | NO BANK GUARANTEE | NOT A BANK DEPOSIT | MAY LOSE VALUE | NOT SIPC PROTECTED | NOT INSURED BY ANY GOVERNMENT AGENCY**

The products and services available through the WisdomTree Prime app and WisdomTree Connect are not endorsed, indemnified or guaranteed by any regulatory agency.

## **Cautionary Statement Regarding Forward-Looking Statements**

This press release may contain a number of “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our ability to achieve our financial and business plans, goals and objectives and drive stockholder value, including with respect to our ability to successfully implement our strategy relating to WisdomTree Prime® and WisdomTree Connect™, our ability to continue to make achievements in AUM, levels of net inflows, the growth of our European business and other risk factors discussed from time to time in WisdomTree’s filings with the Securities and Exchange Commission (“SEC”), including those factors discussed under the caption “Risk Factors” in our most recent annual report on Form 10-K, filed with the SEC on February 23, 2024, and in subsequent reports filed with or furnished to the SEC. These forward-looking statements are based on WisdomTree’s management’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are

outside WisdomTree's management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements included in this release speak only as of the date of this release. WisdomTree does not undertake any obligation to update its forward-looking statements to reflect events or circumstances after the date of this release except as may be required by the federal securities laws.

Category: Business Update

<sup>1</sup> Source : Bloomberg as of 30 September 2024

<sup>2</sup> Source: Censuswide, WisdomTree Pan-Europe Professional Investor Survey Research, Survey of 817 professional investors across Europe, conducted between June and July 2024

<sup>3</sup> Source : Bloomberg as of 30 September 2024

<sup>4</sup> EY European ETF market forecast, March 2024

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